"MANAGING FOR SUCCESS"
Report to the Mayor
July, 2000

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III. Health Department
IV. Department of Housing and Community Development
V. Department of Public Works
VI. Department of Recreation and Parks
VII. Citywide Issues
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IX. Appendices

GBC president Donald Hutchinson and Presidents' Roundtable president Arnold Williams present the report to Mayor Martin O'Malley on July 25.
I. Introduction

John Morton, Ill’s statement regarding the GBC-Presidents’ Roundtable Report, issued July 25, 2000

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Welcome.

Today marks the culmination of five months work by the Greater Baltimore Committee and the President’s Roundtable to respond to Mayor O’Malley’s request to study the efficiency of five City departments and the City’s information technology structure.

During this time at a direct cost of $100,000, six project teams with nearly 30 sub-committees involving over 250 leaders from the region have been engaged on a volunteer basis. Their charge was to focus on actionable solutions and exceed the Mayor’s expectations. The results are 250 significant and impacting recommendations, yielding between $80 to $135 million in reductions to the City’s annual expenses. I would like to publicly thank the volunteer executives for their time and resources and Mayor O’Malley for bringing the President’s Roundtable and GBC together.

But make no mistakes . . . if you think these recommendations are only to reduce expenses . . . your wrong . . . The real objectives are to improve both the quality and scope of services provided to our citizens. To do so will require new processes. To pay for the development and implementation of such new processes will require the re-allocation of resources from inefficient and ineffective old processes.

Neither the Greater Baltimore Committee nor the President’s Roundtable believes we have provided all or the most accurate solutions. Nor do we believe every recommendation can or will be implemented. However, it is very clear that “business as usual” when it comes to the delivery of municipal services is no longer in the best interest of Baltimore’s citizens. What we do hope for is a positive dialogue on the recommendations that will ultimately result in the right decisions by the Major for Baltimore.

In conclusion, we are all much more aware and appreciative of the size and complexity of the issues facing Mayor O’Malley and like him, believe there are solutions. We also thank the Mayor for involving the expertise that resides in the private sector to address the challenges he faces and we have offered to assist in the future should he so chose. Finally, we are all very optimistic about the future because we see a Mayor who welcomes input, has an open mind to new ways and clearly has a bias for action.

John Morton III
Letter From Mayor

December 9, 1999
Mr. John Morton, III, Chairman
Greater Baltimore Committee
111 S. Calvert Street, Suite 1700
Baltimore, MD 21202

Dear Mr. Morton:

As you are aware, members of my transition and management teams have engaged in discussions with the Greater Baltimore Committee President, Donald P. Hutchinson, and Executive Vice President, Donald C. Fry regarding the creation of an economy and efficiency study of key city departments. The presentation made by David L. Cohen, former Chief of Staff of Philadelphia Mayor Ed Rendell before the GBC, and subsequent discussions with him, reinforced my interest in immediately involving the business community as a partner with the city administrators.

I would like to personally request that the GBC, its board and members, join with the Presidents Roundtable to participate in the economy and efficiency study of five city departments or agencies, namely, Public Works; Health, Housing and Community Development; Recreation and Parks; and Fire. Although I have asked for a review of the entire departments, some initial areas within a department that you may desire to address include: fleet management, communications and information technology, solid waste collection, and building management, repair and maintenance.

Adopting an approach similar to one that was taken in Philadelphia, I would ask that over the next 90-120 days that you analyze those departments and make specific recommendations regarding fiscal and management efficiencies that could be implemented to provide a better delivery of government services in the most cost-effective fashion. I am confident that a ‘fresh’ review of these departments with the quality of management expertise that business CEOs bring to the table will produce substantive results. The review will also include an internal assessment performed by city managers and employees, and a ‘best practices’ assessment relying on input from individuals with specific expertise relevant to the department being analyzed.

In examining each department, I ask that the designated study team follow a standard format and focus on the following evaluation objectives:

- To review and examine the department’s present program/function priorities and recommend appropriate changes in the program/function priorities;
- To assign grades (‘A’ for excellent through ‘F’ for failing) to various city departments or agencies based upon management and efficiency, fulfillment of mission, satisfactory performance of their designated government functions, cost-efficiency of delivery of service, and value of work or service performed;
- To provide recommendations for better management and efficiency of government functions;
- To provide recommendations regarding the appropriate number of employees needed to carry out particular government functions and suggested methods to maximize employee efforts;
- To identify methods to improve customer service and responsiveness to city residents and employers;
- To identify government functions that are not operating at maximum efficiency and to develop a series of
recommendations to improve the delivery of service;
– To identify cost-efficiencies in personnel, management, delivery of services, and those obtainable through the use of technology;
– To identify structural management deficiencies and to make recommendations as to department structure changes or the need to eliminate and/or reassign a particular departmental function;
– To provide a structure for an ‘on-going’ performance review and evaluation procedure of the departments or agencies reviewed; and
– Outsourcing and competitive reengineering of government services that are also provided by the private sector may be considered.

The time limitation that has been imposed should be treated as somewhat flexible. An initial review of a department may indicate that immediate action could be taken to maximize savings. In that case, your review teams should provide me with interim findings for consideration. In some cases, 90 days may not be sufficient time to adequately address the issues that have been raised within a department. Recognizing the time commitment that is being asked of you, in such an instance, depending on the wishes of the members of the study team, it should proceed in either of two ways:

a. The team may submit a final report after 90 days, including an identification of the major problems with recommended actions to be proposed; or
b. The team may submit an interim report after 90 days, indicating the problems it has identified, the potential options available to address the problem, and then continue its study until it reaches a final conclusion.

Please be assured that my department/agency leaders from the top level down will be directed to cooperate fully and to provide the study teams with complete and comprehensive answers. They will be fully responsive to all reasonable requests for information. Should you find any difficulty with the cooperation of a department representative, please feel free to contact me or a deputy mayor assigned to that department. This review will be a priority activity for all city government managers.

Finally, I assure you that any interim and/or final reports containing findings and recommendations of the study teams will be thoroughly examined by me, the deputy mayor assigned to the appropriate department, and the appropriate department head and management team. Although I cannot promise you that I will implement all of the study team recommendations that are submitted, I can assure you that no reasonable or practical suggestion will be summarily ignored. On the other hand, there may be valuable recommendations that I am unable to implement in the near future. I will implement all the recommendations that I can.

I recognize the challenges that confront me and the obstacles to success that stand in the way. I accept that challenge and pledge to work with you to build a better Baltimore. Your assistance in this endeavor will provide me with the faith and confidence that our business community and city government can create powerful public-private partnerships intending to advance the cause of our great city.

I need your help in this endeavor and in many, many other ways in the months and years ahead. Thank you for stepping up at the outset to make Baltimore a stronger City.

Sincerely,

[Signature]
Martin J. O’Malley
Mayor
cc: Donald P. Hutchinson
**Steering Committee Membership**

### MANAGEMENT AND EFFICIENCY STEERING COMMITTEE

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
<th>Company/Institution</th>
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<tr>
<td>Percy Allen, II</td>
<td>President/CEO</td>
<td>Bon Secours Hospital</td>
</tr>
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<td>Donald P. Hutchinson</td>
<td>President</td>
<td>Greater Baltimore Committee</td>
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<td>Dr. Morton I. Rapoport</td>
<td>President &amp; CEO</td>
<td>University of MD Medical System</td>
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<td>Sister Helen Amos</td>
<td>Executive Chair Board of Directors</td>
<td>Mercy Health Services</td>
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<tr>
<td>Donald A. Manekin</td>
<td>Senior Vice President/Partner</td>
<td>Manekin Corporation</td>
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<tr>
<td>Donald P. Ruthig</td>
<td>Director, Information Technology</td>
<td>The Baltimore Sun</td>
</tr>
<tr>
<td>Kenneth R. Banks</td>
<td>President</td>
<td>Banks Contracting Company</td>
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<tr>
<td>Victor C. March, Sr.</td>
<td>President</td>
<td>Marcorp Ltd.</td>
</tr>
<tr>
<td>James L. Shea</td>
<td>Managing Partner</td>
<td>Venable, Baetjer &amp; Howard</td>
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<tr>
<td>Robert C. Embry, Jr.</td>
<td>President</td>
<td>Abell Foundation</td>
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<td>Peter M. Martin</td>
<td>Chairman, President &amp; CEO</td>
<td>Provident Bankshares Corporation</td>
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<td>Tyrone Taborn</td>
<td>President</td>
<td>Career Communications Group</td>
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<td>Donald C. Fry</td>
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<td>Joshua C. Matthews</td>
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<td>JCM Control Systems, Inc.</td>
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<td>Otis Warren, Jr.</td>
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<td>John Hamilton</td>
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<td>John P. McDaniel</td>
<td>CEO</td>
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<td>J. Scott Wilfong</td>
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<td>Joseph Haskins, Jr.</td>
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<td>The Harbor Bank of Maryland</td>
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<td>John Morton, III</td>
<td>President, Mid-Atlantic</td>
<td>Bank of America</td>
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<td>Arnold Williams, CPA</td>
<td>Managing Partner</td>
<td>Abrams, Foster, Nole &amp; Williams</td>
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<td>Garland O. Williamson</td>
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<td>Information Control Systems, Corp.</td>
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<tr>
<td>Matthew D. Gallagher, Project Coordinator</td>
<td>Project Coordinator</td>
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# Department Review Team Leaders

## DEPARTMENT REVIEW TEAM LEADERS

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<tr>
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<th>Roundtable Team Leader</th>
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<td>Donald A. Manekin</td>
<td>Tyrone Taborn</td>
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<tr>
<td><strong>Fire Department</strong></td>
<td>James L. Shea, Esquire</td>
<td>Joshua C. Matthews</td>
</tr>
<tr>
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Project Overview

MANAGEMENT AND EFFICIENCY PROJECT OVERVIEW

Following his inauguration in December 1999, Baltimore Mayor Martin O’Malley asked the Greater Baltimore Committee, the most prominent organization of business leaders in the region, and the Presidents’ Roundtable, the city’s leading organization of minority CEOs, to jointly conduct business-driven evaluations of five key city government departments. Drawing from a similar strategy employed successfully by Philadelphia, Mayor O’Malley sought to form a partnership with the business community to strengthen Baltimore City’s fiscal management, its operations and the overall efficiency of five key government agencies that account for a combined 53 percent of the City’s net operating budget. In general, for each agency the Mayor requested evaluations and recommendations to help the new administration establish best management practices, reduce costs and increase efficiencies. He also requested assessments of departmental staffing needs, the use of technology and potential out-sourcing opportunities. Some of the key objectives that Mayor O’Malley set for these studies included:

– Evaluation of department mission, objectives, and priorities;
– Review of existing management and operational structures, and an assessment of their value and efficiency;
– Recommendations for strengthening departmental effectiveness and responsiveness;
– Recommendations for measuring departmental performance and for implementing ongoing outcome-based evaluation.

The city agencies identified for study included:
– Department of Public Works
– Department of Housing and Community Development
– Health Department
– Department of Recreation and Parks
– Fire Department

In addition to recommendations for these departments, the study teams recognized the need to provide recommendations for improved management of information technology throughout city government and other general citywide management recommendations, many of which are in the area of budgetary policy and management.

The Greater Baltimore Committee and Presidents’ Roundtable solicited volunteer business executives from the ranks of the Baltimore region’s most successful businesses. Study teams of mostly private-sector volunteer executives and managers were recruited for each of the agencies studied. The five agency study teams and an Information Technology team divided into more than 20 subcommittees to closely examine specific management issues within the agencies.

Each study team was led by private-sector CEOs who are leading members of the Greater Baltimore Committee and the Presidents’ Roundtable. Study teams were aided by some paid consultants where appropriate.

The study process was launched on January 31, 2000 with 150 volunteer executives who met at the Greater Baltimore Committee offices for a project orientation and keynote remarks by David L. Cohen, Esq., chairman of Ballard, Spahr, Andrews and Ingersoll LLP. Cohen served for five years as chief of staff to former Philadelphia Mayor Edward G. Rendell and was the architect of that city’s successful business-community review of city government.
More than 250 volunteer executives from member companies of the Greater Baltimore Committee and the Presidents’ Roundtable ultimately worked on study teams for this project.

The project study received no funding from the city government. The study was funded through contributions from the following sources:

– W.K. Kellogg Foundation
– Greater Baltimore Committee
– Harry and Jeanette Weinberg Foundation
– France-Merrick Foundation
– Abell Foundation
– Baltimore Community Foundation

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Project Methodology

METHODOLOGY

Having marshaled the efforts of approximately 250 executive volunteers from the Baltimore region’s business and non-profit communities, the Greater Baltimore Committee and the Presidents’ Roundtable undertook a series of comprehensive studies of the City of Baltimore’s Fire, Health, and Public Works Departments, as well as the Departments of Housing and Community Development and Recreation and Parks. Additionally, the City’s use of information technology and its associated planning efforts were evaluated. The cadre of participating executives were given a choice to volunteer to serve on one of the project teams and over 20 subcommittees charged with examining specific areas of Baltimore’s government. As part of the review, members of the project teams and their respective subcommittees met several times with representatives from the senior management teams of the reviewed departments, interviewed staff, reviewed extensive materials provided by the reviewed departments, and conducted site visits. Additionally, input was solicited from stakeholders such as contract providers, funding sources, and businesses and non-profit entities that regularly interact with the reviewed departments. Finally, issue-specific research was done to identify public sector best practices in hopes of identifying particularly effective and efficient initiatives that might be replicated in Baltimore.

While the reviewed departments are responsible for the management and delivery of a wide range of City services, efforts were taken to promote a consistent approach across all of the project teams and subcommittees. All of the project teams and subcommittees were directed to present their findings and recommendations in a uniform format that required the following:

– A clear and concise identification of the existing financial, operational, or management problem being addressed by the recommendation;
– A statement of the actionable recommendation(s) being suggested;
– A classification of the type of recommendation (cost saving, organizational, revenue enhancement, service improvement or some combination);
– Estimates of quantifiable (if available) financial or service impacts, associated implementation costs, and projected timelines to accomplish implementation; and
– Information related to potential barriers to implementation, necessary next steps, and research and analysis to support the recommendation.

This approach yielded sets of project team recommendations that form the basis for this report. Each chapter of this report has been organized along the following lines:

– Introduction: A brief overview of the chapter’s content encapsulating all major themes.
– Summary of Recommendations: A complete listing of all recommendations and estimated impacts (where available).
– Recommendations: The detailed analysis for each of the recommendations.

Admittedly, the individual project team reports do not include extensive background information on the reviewed departments and functions. The omission of this historic information was purposeful and consistent with the desires of the O’Malley Administration, the Greater Baltimore Committee, and the Presidents’ Roundtable to keep the final report a recommendation-driven document specifically geared toward identifying opportunities to achieve financial, operational, and service improvements in the reviewed areas.

As a result of this approach, the final report does not provide an exhaustive context for the very formidable challenges inherent in public sector management. In many cases, a confluence of factors such as having a predominately unionized workforce, being required to operate under federal and State mandates, and having
annual operating and capital budgets originating from multiple funding sources with a host of restrictions is responsible for long-standing operational practices, organizational configurations, and service priorities. These and other characteristics that are unique to public sector management represent very significant impediments that are generally not understood by the public-at-large and cannot be easily dismissed or changed.

In reviewing the report, it is critical that readers keep in mind the tremendous difficulty associated with efforts to concretely gauge the financial, operational, and service impacts of the recommendations contained herein. Even in instances where extensive and accurate cost and performance data is readily available—a reality rarely encountered during the course of this effort is difficult to quantify the existing managerial and workforce capacities to accomplish implementation. Additionally, the method, scope, and pace of implementation have a direct bearing on the level of achievable benefits.

Despite these challenges, the project teams and subcommittees have attempted to provide estimates of the potential impacts for many recommendations. Every effort has been made to clearly state the assumptions utilized in developing the calculations, but it must be noted that the method of calculation varies with each recommendation. Estimated impacts might be based on anecdotal experiences in other cities and tangible budgetary and cost information or they might represent what the project teams and subcommittees have determined to be achievable goals. Projected productivity increases may be expressed in terms of enabling departments to increase service levels with existing resources or, conversely, maintaining existing service levels with reduced resources. Ultimately, quantifying the true financial, operational, and service impacts that result from the implementation of adopted recommendations is an exercise best left for the future.

Finally, it must be acknowledged that the project teams and subcommittees cannot claim exclusive ownership of every recommendation included in this report. Through its work, participating executives encountered a variety of sources—both inside and outside of the government—that provided insight into the challenges confronting the reviewed departments, and identified opportunities to achieve improvements. In many instances, the genesis of a recommendation can be found in the experiences of other cities, prior operational assessments, and from within the City’s workforce. Whatever the source, ideas to improve Baltimore’s municipal government were not viewed as proprietary in nature and the content of this report is infused with valuable contributions from sources that extend beyond the ranks of participating executive volunteers.
Acknowledgements

GREATER BALTIMORE COMMITTEE AND THE PRESIDENTS’ ROUNDTABLE
MANAGING FOR SUCCESS

Acknowledgements

Special thanks go to the following for their support of, and participation in, the study, analysis and the compilation of this report:

– To Mayor Martin O’Malley for embracing the business community in his efforts to apply best management practices to Baltimore City government;

– To the board members and leaders of Greater Baltimore Committee and Presidents’ Roundtable for their willingness to take on this effort at the request of Mayor O’Malley and to commit staff time and resources to meet and exceed his expectations;

– To project team leaders and the more than 250 volunteers from both organizations who enthusiastically gave of their time and expertise to work on this project;

– To the department heads, managers and employees within Baltimore City government for making themselves completely accessible to study participants and for providing information and valuable insight into strategic and tactical operational challenges the city faces;

– To the W. K. Kellogg Foundation, the Greater Baltimore Committee, the Harry and Jeanette Weinberg Foundation; the France-Merrick Foundation, The Abell Foundation, and the Baltimore Community Foundation for providing the funding for this project.
II. Fire Department

Executive Summary

Recommendation Categories:

Reallocate fire suppression and emergency medical services (EMS) resources.
Revise the Department’s existing EMS fee structure and collection practices.
Improve the Department’s ability to manage more effectively personnel staffing practices.
Streamline the Department’s management structures and administrative processes.
Pursue strategic partnerships to achieve economies of scale.
Improve resource coordination, data tracking, and analysis.
Develop a comprehensive service measurement program.
Improve occupational safety and enhance workforce preparedness.
Identify new sources of revenue to support Departmental operations.
Critically evaluate the cost and operational effectiveness of the Department’s Apprenticeship Program.
Executive Summary

Introduction: FIRE DEPARTMENT

The Greater Baltimore Committee (GBC) and the Presidents’ Roundtable were asked to review the management and efficiency of the Baltimore City Fire Department (BCFD). The project team was led by James L. Shea, Managing Partner of Venable, Baetjer and Howard, and a member of the Board of the GBC, and Joshua Matthews, President of JCM Control Systems, Inc., and a member of the Presidents’ Roundtable. A group of executive volunteers assisted in the review. They brought varied expertise and experience to the task. Among them were an international bank’s senior vice president in charge of regional branch operations and three persons with significant fire department management experience, covering administration, operations and budget. A fire protection engineer, fully conversant in all National Fire Protection Association (NFPA) and fire insurance industry standards, also assisted. Those assisting the Greater Baltimore Committee/Presidents’ Roundtable review also brought significant expertise in emergency medical services (EMS). Several volunteers had EMS field experience, and two had a background in EMS management, including experience as an EMS provider.

The project team obtained and analyzed a variety of records and statistics provided by the BCFD itself. They also collected, collated, and studied published materials, studies, and analyses of urban fire departments and emergency medical services from across the country. Three subcommittees were formed, one on fire suppression, a second on emergency medical services, and a third reviewing the Department’s management systems. Each subcommittee conducted extensive interviews, which totaled nearly 50 in all. Those interviews were of fire suppression and emergency medical personnel and included union leadership as well as the management of the Department.

The following paragraphs provide the project team’s consensus view of the BCFD. The detailed recommendations that follow flow from this overview and implement the concepts outlined.

Introduction: Fire Department

Baltimore City Needs More Emergency Medical Resources
Resources Should Be Reallocated from Fire Suppression to EMS
The City’s Firefighting Bureaucracy can be Streamlined Without Sacrificing its Effectiveness
Achieving Economies Will Enable the BCFD to Improve and Modernize the Department
# Reallocation of Fire Suppression and Emergency Medical Services

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<td>1-A FIRE DEPARTMENT: REORGANIZE SUPPRESSION COMPANIES</td>
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<td>1-B FIRE DEPARTMENT: ADD EMS UNITS</td>
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<td>1-C FIRE DEPARTMENT: REDUCE AMBULANCE ASSIST RUNS</td>
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<td>1-D FIRE DEPARTMENT: REDUCE AMBULANCE ASSIST RUNS</td>
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<td>1-E FIRE DEPARTMENT: STAFFING MODELS THAT RESPOND TO THE FLUCTUATING DEMAND FOR EMS</td>
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**Revise the Department’s existing EMS fee structure and collection practices**

**Fire Department, Section 2**

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<td>2-A FIRE DEPARTMENT: EMS FEE STRUCTURE</td>
<td>Accept</td>
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<td>2-B FIRE DEPARTMENT: IMPROVE EMS FEE COLLECTIONS</td>
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**Improve the Department’s ability to manage more effectively personnel staffing practices**

**Fire Department, Section 3**

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<td>3-C</td>
<td>Study</td>
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# Streamline the Department’s management structures and administrative processes

**Fire Department, Section 3**

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<td>4-C FIRE DEPARTMENT: CRITICALLY EVALUATE THE ROLE OF THE BOARD OF FIRE COMMISSIONERS</td>
<td>Accept</td>
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<tr>
<td>4-D FIRE DEPARTMENT: MORE PRODUCTIVE DOWNTIME</td>
<td>Study</td>
<td>90-120 Days</td>
</tr>
<tr>
<td>4-E FIRE DEPARTMENT: STUDY THE CREATION OF AN EMS PUBLIC UTILITY</td>
<td>Reject</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Pursue strategic partnerships to achieve economies of scale

### Fire Department, Section 5

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-A FIRE DEPARTMENT: EXPANDED MUTUAL AID</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>45-B FIRE DEPARTMENT: TRAINING ACADEMY IMPROVEMENTS</td>
<td>Accept</td>
<td>90-120 Days</td>
</tr>
<tr>
<td>5-C FIRE DEPARTMENT: EXPLORE EMS MUTUAL AID WITH HOSPITALS</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
<tr>
<td>5-D FIRE DEPARTMENT: CONTRACT WITH HOSPITALS RECEIVING EMS PATIENTS</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
</tbody>
</table>
## Fire Department, Section 6

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-A FIRE DEPARTMENT: IMPROVED PREVENTION AND OUTREACH EFFORTS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6-B FIRE DEPARTMENT: REDUCE THE INCIDENCE OF WORKPLACE INJURIES</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6-C FIRE DEPARTMENT: INFORMATION TECHNOLOGY PLAN</td>
<td>Accept</td>
<td>180 Days</td>
</tr>
</tbody>
</table>
## Develop a comprehensive service measurement program

**Fire Department, Section 7**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-A FIRE DEPARTMENT: COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>LIST OF PROPOSED INDICATORS</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
# Improve occupational safety and enhance workforce preparedness

## Fire Department, Section 8

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-A FIRE DEPARTMENT: TESTING AND EQUIPMENT STANDARDS</td>
<td>Accept</td>
<td>Partially Implemented; Full Implementation in 90-120 Days</td>
</tr>
<tr>
<td>8-B FIRE DEPARTMENT: PROFESSIONAL TRAINING STANDARDS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>8-C FIRE DEPARTMENT: MANAGEMENT TRAINING FOR OFFICERS</td>
<td>Accept</td>
<td>90-120 Days</td>
</tr>
<tr>
<td>8-D FIRE DEPARTMENT: EMS TRAINING ACTIVITIES</td>
<td>Accept</td>
<td>90-120 Days</td>
</tr>
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</table>
# Identify new sources of revenue to support Departmental operations

## Fire Department, Section 9

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-A FIRE DEPARTMENT: FUNDING MARINE OPERATIONS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>9-B FIRE DEPARTMENT: INSTITUTE FEE STRUCTURE</td>
<td>Accept</td>
<td>90-120 Days</td>
</tr>
<tr>
<td>9-C FIRE DEPARTMENT: ALTERNATIVE FUNDING SOURCES</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Critically evaluate the cost and operational effectiveness of the Department’s Apprenticeship Program

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-A FIRE DEPARTMENT: CRITICALLY EVALUATE THE APPRENTICESHIP PROGRAM</td>
<td>Accept</td>
<td>60 Days</td>
</tr>
<tr>
<td>10-B FIRE DEPARTMENT: EXPANDING VOLUNTEER SERVICES</td>
<td>Reject</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Baltimore City Needs More Emergency Medical Resources

Over 70 percent of the calls to the BCFD in FY99 were for medical emergencies. Medic-related calls accounted for nearly 73 percent of BCFD’s responses in FY99, while fires and other incidents prompted almost 27 percent of the responses. This shift toward greater demand for emergency medical services and away from fire suppression is occurring throughout the country, and is particularly pronounced in Baltimore. It is critical that the City reallocate resources to answer its citizens' needs. The urgent demand for emergency medical services has coincided with relatively lesser demands for a firefighting bureaucracy. On the one hand, Baltimore has an aging population beset by numerous public health issues. On the other hand, fire protection demand is reduced because of the city’s loss of population, targeted outreach efforts including the widespread distribution of smoke detectors, improved building codes, and the increased prevalence of sprinkler and fire detection systems, as well as the accelerated demolition of old and vacant structures. The City must and can provide more than adequate fire protection, while answering the need to improve emergency medical services. The goal is enhanced overall emergency services. Any fire deaths are too many. But there is an equal public health hazard in non-responsive emergency medical services. Baltimore’s record low number of fire deaths in 1999 provides a standard for emergency medical services. In short, Baltimore needs the same level of proficiency in its emergency medical services as provided in the fire protection area.

Introduction: Fire Department
Baltimore City Needs More Emergency Medical Resources
Resources Should Be Reallocated from Fire Suppression to EMS
The City’s Firefighting Bureaucracy can be Streamlined Without Sacrificing its Effectiveness
Achieving Economies Will Enable the BCFD to Improve and Modernize the Department
Resources Should Be Reallocated from Fire Suppression to EMS

The imbalance that currently exists is readily apparent. While over 70 percent of the calls to the BCFD are medically related, there are three times as many first-line fire engines and trucks as medic units.

<table>
<thead>
<tr>
<th>Fire Suppression Equipment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Line Fire Engines</td>
<td>40</td>
</tr>
<tr>
<td>First-Line Fire Trucks</td>
<td>21</td>
</tr>
<tr>
<td>Total First-Line Fire Engine &amp; Truck Companies</td>
<td>61</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emergency Medical Services Equipment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total First-Line Medic Units</td>
<td>18</td>
</tr>
</tbody>
</table>

Further exacerbating the imbalance is the fact that each fire engine and truck company requires four trained firefighters, while each medic unit has two paramedics. Therefore, BCFD has over six times as many firefighters as paramedics staffing its first-line units.

As a result, the average fire suppression response time and the ambulance response time are in stark contrast. The fire response time is slightly over four minutes, while the response time for emergency medical units is nearly nine minutes. The fire response time is comfortably below typical urban standards, and the emergency medical response time is dangerously above industry standards.

The in-service time for fire and medic vehicles likewise reflects the decided imbalance. First-line fire suppression engines and trucks are used, on average, about 1 hour and 45 minutes out of each 24-hour day. Medic units, on the other hand, are often in service nearly full-time, averaging between 14 and 15 hours on the street during a 24-hour day.
This imbalance is even more striking when it is recognized that nearly one half of the fire suppression responses are for purely medical incidents. In 1999, fire suppression trucks and engines were dispatched about 49,000 times for ambulance assists. On these ambulance “assists,” a first-line fire company responds in order to stabilize the patient while waiting for a medic unit which can actually transport the person to a nearby hospital. Thus, the in-service time for equipment responding to fires (as opposed to medical emergencies) is considerably less than 1 hour and 45 minutes per day. The practice of dispatching fire engines and trucks, staffed by firefighters, to medical emergencies is a reaction to the existing imbalance, but an expensive one. The complex fire equipment costs two to five times that of a medic unit and is staffed by four firefighters. It is preferable to have the less expensive, more effective ambulance and paramedics respond promptly.

Introduction: Fire Department
Baltimore City Needs More Emergency Medical Resources
Resources Should Be Reallocated from Fire Suppression to EMS
The City’s Firefighting Bureaucracy can be Streamlined Without Sacrificing its Effectiveness
Achieving Economies Will Enable the BCFD to Improve and Modernize the Department
The City’s Firefighting Bureaucracy can be Streamlined Without Sacrificing its Effectiveness

A number of statistics provide reassurance that streamlining the City’s firefighting bureaucracy, will not risk adequate fire protection for the city’s residents. The number of fire deaths has steadily declined since 1980 and was over 50 percent lower from 1995 to 1999 as compared to the five-year period 1980 to 1984. The 19 deaths that occurred from fires in 1999 were the fewest in the City’s modern history. Likewise, the number of structural fires has dropped significantly over the last six years. There were over 60 percent fewer residential fires between 1994 and 1999, and over 57 percent fewer commercial structure fires during the same period. The streamlining of the BCFD should occur throughout the fire suppression bureaucracy. Engine companies and truck companies can be reassigned and stations consolidated. There are four Assistant Chiefs; two would suffice. The BCFD currently has eight battalions, each with one Chief per shift, for a total of thirty-two individuals holding the title of Field Battalion Chief. The BCFD’s records reflect that these field commanders averaged 1.2 fire responses per day, amounting to only 43 minutes of time on fire emergencies. Four of the City’s eight Battalion Chiefs logged less than one response per day and two other Battalion Chiefs averaged less than 1.15 responses per day. Therefore, a reduction of battalions along with a reassignment of their chiefs is in order. Each engine and truck company requires four persons to staff it. The staffing must be available 24 hours a day, 7 days a week. While this requires redundant staffing, the BCFD’s “staffing factor” is 5.5 persons for every position. Peer companies in jurisdictions such as Baltimore County and elsewhere require fewer than five persons for each position.

There are a number of reasons for BCFD’s high staffing factor. Baltimore City firefighters receive a large amount of leave time; when their hours off are totaled, their leave is the equivalent of more than nine weeks each. Management is accorded little discretion to deny a concentration of leave requests on particular days, exacerbating the leave problem. Moreover, in order to staff non-fire-fighting positions, a number of firefighters are permanently detailed to the Fire Academy, headquarters and elsewhere, leaving open positions behind.

The net result is extraordinary overtime costs. To fill all the fire suppression positions and provide the minimal staffing of the engine and truck companies with the excessive high staffing factor has required
many callbacks. Last fiscal year, over $7 million in overtime was spent to staff the relatively inactive firefighting positions. Significant savings, without layoffs, can be achieved from the streamlining recommended.

Introduction: Fire Department
Baltimore City Needs More Emergency Medical Resources
Resources Should Be Reallocated from Fire Suppression to EMS
The City's Firefighting Bureaucracy can be Streamlined Without Sacrificing its Effectiveness
Achieving Economies Will Enable the BCFD to Improve and Modernize the Department
Achieving Economies Will Enable the BCFD to Improve and Modernize the Department

By achieving these economies, the BCFD could invest more in EMS and modernize the entire system, including the fire suppression side. The Department lacks adequate information technology systems. There is no e-mail, no computerization of payroll or personnel records, and no local or wide area network. The enhanced productivity seen in virtually all sectors of today’s economy is not found in BCFD and as a result, city taxpayers are not getting a fair return from their tax dollars. Despite the expenditure of enormous overtime dollars, BCFD is not meeting testing, inspection, and maintenance standards. Equipment testing is inadequate, the inspection and prevention goals set by the BCFD itself were not met in FY99, and the maintenance of the fleet needs improvement. In time, the vehicles will not respond as needed. By cutting down the size of the firefighting bureaucracy, these matters can be addressed. In short, by not stretching its precious resources across so many pieces of fire equipment and station houses, the fire suppression bureaucracy can focus on areas of improvement and modernization. These efforts should not be stalled by neighborhoods misplaced belief that there is safety in a firehouse several blocks closer to them. A nearby stationhouse which does not have sufficient number of ambulances and paramedics, and which houses equipment that is not properly inspected and maintained creates an illusion of safety. All of the citizens of Baltimore would be better served by a Fire Department operating in a modernized and streamlined fashion, efficiently covering the entire city. The following recommendations are interconnected and address with specificity these matters. The project team urges the City and the BCFD to adopt an integrated approach, utilizing these recommendations as a starting point to bring modern technology and efficient management to bear on these important public safety issues.

Introduction: Fire Department
Baltimore City Needs More Emergency Medical Resources
Resources Should Be Reallocated from Fire Suppression to EMS
The City's Firefighting Bureaucracy can be Streamlined Without Sacrificing its Effectiveness
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FIRE DEPARTMENT: REORGANIZE SUPPRESSION COMPANIES

1-A
FIRE DEPARTMENT: REORGANIZE SUPPRESSION COMPANIES

Problem Identification:
There are more fire companies than necessary to meet the fire protection demands of the City of Baltimore. Reductions in the number of stations could be made while maintaining conformance with nationally recognized criteria.

Recommended Action:
Eliminate up to eight fire companies and consolidate fire stations, reducing the current stations by up to seven.

Classification:
Cost Savings

Functional/Operational Area:
Fire Suppression

Estimated Annual Impact:
$5,000,000 – $6,000,000

Estimated Implementation Cost:
None

Barriers to Implementation:
Community concerns regarding loss of local fire station. Union concerns relative to loss of overtime pay.

Projected Implementation:
Immediately

Next Step:
Disband the following companies: Engine 3, Engine 19, Engine 24, Engine 52, Engine 128, Truck 9, Truck 13, and Truck 15. Transfer all existing personnel within these companies into vacancies at other stations throughout the Department, thus reducing callbacks.

Analysis:
The project team conducted an analysis of the “response patterns” of all engine and truck companies currently in service within the city using nationally recognized criteria. ‘Distribution’ of companies (making sure all areas of the city are protected) and ‘concentration’ of companies (making sure multiple companies could be quickly gathered together) were both studied.

A total of eight companies (five engines and three trucks) were identified as being redundant. The overriding criterion was response time. The analysis involved mapping the coverage area for each of the BCFD’s 61 first-line fire engine and truck companies. A 1.5-mile coverage area, measured along the existing roadways and in a diamond configuration was the initial benchmark (1). That mapping revealed significant overlap and redundancy among both engine and truck companies. Each area of redundancy was assessed further, analyzing:

– Surrounding land use, providing relatively greater fire protection for dense residential areas;
– Street and traffic patterns;
– Types of structures in the area; and
– Availability of alternative fire protection (e.g., industry fire protection capacity and automatic mutual aid from surrounding counties).

Current fire suppression activity levels were not a predominant factor. None of the companies recommended for elimination, nor any of the adjacent companies which would pick up the additional load, is even close to its full capacity. The busiest company is at or below 10 percent capacity (2.4 hours in service per 24-hour day). Most of the companies in question are responding more than two-thirds of the time to medical emergencies. They will, therefore, have even greater capacity available, should the accompanying recommendation for increased EMS investment is adopted.

The elimination of the companies recommended will not overburden the remaining companies. The projected in service time for the remaining companies will still be over 10 hours less than the current in service time for the average medic unit.

The following lists each company proposed for elimination, the adjacent companies which can service the area, the distance of these companies from the company to be closed, and the proposed additional in-service time for each, as well as other relevant factors:

**Recommended Closing: Engine 3**
**Address:**
6714 Pulaski Highway (1952) 2
**Current Usage:** 1.06 hours/day
73 percent of total responses are medic-related

**Adjacent Companies:**
E 27 (2.5 miles away)  
**Current usage:** 1.63 hours/day  
**Projected usage:** 1.84 hours/day
E 41 (3.3 miles away)  
**Current usage:** 1.38 hours/day  
**Projected usage:** 2.11 hours/day
E 51 (1.8 miles away)  
**Current usage:** 1.97 hours/day  
**Projected usage:** 2.70 hours/day
E 54 (3.1 miles away)  
**Current usage:** 1.01 hours/day  
**Projected usage:** 1.22 hours/day
E 124 (2.3 miles away)  
**Current usage:** 1.12 hours/day  
**Projected usage:** 1.33 hours/day

**Other factors:**
– Baltimore County mutual aid will assist in coverage
– Minimally residential
– Good access via roads and highways
– Fire Academy location

**Recommended Closing: Engine 19**
**Address:** 1312 Guilford Avenue (1906)
**Current Usage:** 2.5 hrs/day
69 percent of total responses are medic-related

Adjacent Companies: Engine 6 (0.9 miles away)
**Current Usage:** 3.02 hrs/day
**Projected Usage:** 4.04 hrs/day

Engine 13 (1.2 miles away)
**Current Usage:** 3.06 hrs/day
**Projected Usage:** 4.07 hrs/day

Engine 23 (1.6 miles away)
**Current Usage:** 2.23 hrs/day
**Projected Usage:** 2.73 hrs/day

Engine 31 (1.6 miles away)
**Current Usage:** 2.17 hrs/day
**Projected Usage:** 2.66 hrs/day

Engine 33 (1.4 miles away)
**Current Usage:** 1.8 hrs/day
**Projected Usage:** 2.81 hrs/day

**Recommended Closing:** Engine 24
**Address:** 214 ½ N. Patterson Park Ave. (1904)
**Current Usage:** 2.35 hrs/day

67 percent of total responses are medic-related

Adjacent Companies: Engine 5 (0.6 miles away)
**Current Usage:** 1.75 hrs/day
**Projected Usage:** 2.27 hrs/day

Engine 6 (1.2 miles away)
**Current Usage:** 3.02 hrs/day
**Projected Usage:** 4.04 hrs/day

Engine 33 (2.2 miles away)
**Current Usage:** 1.8 hrs/day
**Projected Usage:** 2.81 hrs/day

Adjacent Companies: Engine 41 (1.5 miles away)
**Current Usage:** 1.38 hrs/day
**Projected Usage:** 2.11 hrs/day

Engine 51 (1.1 miles away)
**Current Usage:** 1.97 hrs/day
**Projected Usage:** 2.7 hrs/day

**Other factors:**

– Adjacent to Patterson Park

**Recommended Closing:** Engine 52
**Address:** 3525 Woodbrook Avenue (1922)
**Current Usage:** 2.32 hrs/day

66 percent of total responses are medic-related

Adjacent Companies: Engine 8 (1.6 miles away)
Current usage: 2.28 hrs/day  
Projected usage: 2.79 hrs/day  

Engine 13 (1.5 miles away)  
Current usage: 3.06 hrs/day  
Projected usage: 4.07 hrs/day  

Engine 20 (2.0 miles away)  
Current usage: 1.97 hrs/day  
Projected usage: 2.48 hrs/day  

Engine 29 (1.5 miles away)  
Current usage: 2.68 hrs/day  
Projected usage: 3.14 hrs/day  

Engine 40 (1.7 miles away)  
Current usage: 1.81 hrs/day  
Projected usage: 2.32 hrs/day  

Other factors:
- Adjacent to Druid Hill Park

Recommended Closing: Engine 128  
Address: 1302 E. Chesapeake Avenue (1952)  
Current Usage: 0.67 hrs/day  
43 percent of calls are medic-related  

Adjacent Companies: Engine 35 (1.5 miles away)  
Current usage: 1.22 hrs/day  
Projected usage: 1.42 hrs/day  

Engine 57 (1.2 miles away)  
Current usage: .86 hrs/day  
Projected usage: 1.06 hrs/day  

Engine 58 (3.3 miles away)  
Current usage: 2.15 hrs/day  
Projected usage: 2.36 hrs/day  

Other factors:
- less residential than other overlapping engine companies
- available industry capacity
- assistance from mutual aid with adjacent county

Recommended Closing: Truck 9  
Address: 3724 Roland Avenue  
Current usage: 0.9 hrs/day  
42 percent of total responses are medic-related  

Adjacent Companies: Truck 29  
Current usage: 1.29 hrs/day  
Projected usage: 1.59 hrs/day  

Truck 5  
Current usage: 2.23 hrs/day  


Projected usage: 3.05 hrs/day

Truck 16

Current usage: 2.77 hrs/day
Projected usage: 3.70 hrs/day

Recommended Closing: Truck 13
Address: 43 S. Carey Street (1907)

Current Usage: 2.53 hrs/day
72 percent of total responses are medic-related

Adjacent Companies: Truck 8 (1.9 miles away)
Current usage: 1.51 hrs/day
Projected usage: 2.14 hrs/day

Truck 10 (1.0 mile away)
Current usage: 2.11 hrs/day
Projected usage: 2.75 hrs/day

Truck 16 (1.5 miles away)
Current usage: 2.77 hrs/day
Projected usage: 3.70 hrs/day

Truck 23 (0.7 miles away)
Current usage: 1.53 hrs/day
Projected usage: 2.16 hrs/day

Recommended Closing: Truck 15
Address: 1223 N. Montford Avenue (1908)

Current Usage: 2.1 hrs/day
69 percent of total responses are medic-related

Adjacent Companies: Truck 1 (1.4 miles away)
Current usage: 1.70 hrs/day
Projected usage: 2.22 hrs/day

Truck 3 (1.4 miles away)
Current usage: 1.62 hrs/day
Projected usage: 2.15 hrs/day

Truck 5 (1.6 miles away)
Current usage: 2.23 hrs/day
Projected usage: 3.05 hrs/day

Truck 26 (2.2 miles away)
Current usage: 1.45 hrs/day
Projected usage: 1.97 hrs/day

Other factors:
– Proximity of Armco Steel
The BCFD has an established computer software program that identifies the positive and/or negative impact when companies are added or removed from service. The BCFD’s goal is to have an engine company at the emergency scene within five minutes of receiving the call, a truck company on location within six minutes, and the entire first alarm assignment (four engines and two trucks) within ten minutes. The average time for the BCFD dispatcher to handle the dispatch of apparatus is 58 seconds, which is included in the response time criteria.
The tables below show the percentages of successful coverage citywide in meeting the established goals at present compared with the eight identified companies removed:

<table>
<thead>
<tr>
<th>Current</th>
<th>Eight Companies Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Due Engine</td>
<td>76%</td>
</tr>
<tr>
<td>First-Due Truck</td>
<td>70%</td>
</tr>
<tr>
<td>First Alarm Assignment</td>
<td>86%</td>
</tr>
</tbody>
</table>

The computer also analyzed the impact the removal of these companies would make compared to actual 1997 fire incidents (which is the most recent data) in the system and compared it to all companies currently in service. Shown below are the results.

<table>
<thead>
<tr>
<th>Current</th>
<th>Eight Companies Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Due Engine</td>
<td>72%</td>
</tr>
<tr>
<td>First-Due Truck</td>
<td>79%</td>
</tr>
<tr>
<td>First Alarm Assignment</td>
<td>77%</td>
</tr>
</tbody>
</table>

Both analyses reflect only a minor negative impact upon the level of fire protection provided. Average first response times should remain well below five minutes, the current and widely accepted standard of the BCFD.

Based upon these results, the project team concluded that more lives could be saved by converting the identified companies into medic units and reallocating personnel to fill currently vacated positions, thereby reducing overtime.

1. The 1.5 mile coverage area is consistent with standards promulgated by the fire insurance industry and the Urban Guide for Fire Prevention and Control. Those standards would permit a 2.5 mile coverage area for truck companies but the more conservative 1.5 mile coverage was applied to both engine and truck companies.

2. Year indicated is when the stationhouse was built.
FIRE DEPARTMENT: ADD EMS UNITS

1-B
FIRE DEPARTMENT: ADD EMS UNITS

Problem Identification:
The BCFD has 18 front-line EMS units in service 24 hours every day. This is not enough to adequately respond to the number of calls to the EMS system. The average EMS unit in Baltimore City responds to 6,500 calls each year. Annual averages for units in cities similar to Baltimore are 4,500. The over-worked EMS system contributes to paramedic burnout and higher response times for medic units.

Recommended Action:
Add four to six EMS units.

Classification:
Service Improvement

Functional/Operational Area:
EMS

Estimated Annual Impact:
Response times for EMS units should be reduced from the current average of 8 minutes and 44 seconds.

Estimated Implementation Costs:
To be offset by cost savings achieved through the consolidation of fire suppression companies.

Barriers to Implementation:
None

Projected Implementation:
Immediate

Next Steps:
Place additional EMS units in service as soon as possible. Order additional equipment as necessary to maintain the increased deployment of units.

Analysis:
Medical emergency calls far exceed fire suppression calls for service, yet fire suppression units exceed medic units by a three-to-one ratio. Consequently, EMS response times are almost double fire suppression response times. Additionally, over 40 percent of fire suppression equipment responses are ambulance assistance calls and/or medic-related.

Annually, the Department’s EMS units respond to an unusually high number of calls. In comparison with cities of similar size and demographics, the City’s average EMS unit runs 2,000 more calls each year. The burden this places on EMS units has recently manifested into several issues, which if not addressed, threaten to undermine the effectiveness of the EMS system. These problems are the recent transfers of many veteran EMS personnel to less-paying suppression positions, the high incidence of ‘Red Alert’ situations, and the increasing number of suppression units being called for medical assists.

Given this workload disparity, it is not unexpected that the Department’s medic units are in service dramatically more hours per day than fire suppression units. The most active medic unit responded 7,865 times in FY99, while the most active fire engine responded 3,711 times, of which 1,442 were ambulance assists. The least active medic unit responded 4,476 times in FY99, while several (12) fire engines and trucks responded less than 1,000 times each that fiscal year.
FIRE DEPARTMENT: REDUCE AMBULANCE ASSIST RUNS

1-C
FIRE DEPARTMENT: REDUCE AMBULANCE ASSIST RUNS

Problem Identification:
The use of fire suppression engines and trucks to serve as ambulance assistance and/or first medical response is inefficient.

Recommended Action:
Reduce the use of fire suppression engines and trucks for ambulance assistance and/or first medical response.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Fire Suppression, EMS

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Step:
As the Department places additional EMS units in service, the number of ambulance assist/first responder runs by its fire suppression engines and trucks should decline.

Analysis:
In FY99, fire suppression trucks and engines were dispatched approximately 49,000 times for ambulance assists. On these ambulance “assists,” a first-line fire company responds in order to stabilize the patient while waiting for a medic unit to arrive which can actually transport the person to a nearby hospital. The practice of dispatching fire engines and trucks, staffed by firefighters, to medical emergencies is a reaction to the previously described workload imbalance between fire suppression and EMS. The practice, however, is very costly. The complex fire equipment costs two to five times that of a medic unit and is staffed by four firefighters, as opposed to a medic unit staffed by two paramedics. It is preferable to have the less expensive, more effective ambulance and paramedics respond promptly.
FIRE DEPARTMENT: STAFFING MODELS THAT RESPOND TO THE FLUCTUATING DEMAND FOR EMS

Problem Identification:
Baltimore City’s EMS system provides maximum coverage, 24 hours a day, seven days every week, with 18 medic units and excessive overtime expenses. When times of peak demand occur, the Fire Department’s response is to activate ‘Red Alert’ units that provide basic life support (BLS) and/or have fire suppression units respond with first-responder capabilities. This solution does not provide patients with the best care and is a short-term solution that has become permanent.

Recommended Action:
Develop EMS staffing models that conform to the fluctuating demand for service.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
EMS

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
EMS and fire suppression personnel share a staffing model. Internally, the Department will need to separate the personnel and apply separate scheduling systems. Also, a system for regular evaluation will need to be implemented to ensure the staffing model is appropriately responding to the demands on the EMS system.

Projected Implementation:
1 year

Next Steps:
Analysis of the Communication Center’s computer-aided dispatch (CAD) system needs to be done to determine patterns of peak demand for the EMS system. A staffing model should then be developed that provides for the City’s minimum and maximum staffing needs, by both chronology and geography.

Analysis:
Initial patterns identified during this study indicate that there are times in Baltimore City when the EMS system reaches peak demand. Additionally, this demand is distributed unevenly throughout the City. EMS systems using computer-aided dispatch (CAD) have an incredible tool available for establishing patterns in the demand for service being placed on EMS. Jurisdictions that apply this analysis reduce staffing levels when demand on EMS subsides and increase staffing when demand peaks. This staffing model often reduces the overtime needed to fill any 24-hour schedule and places EMS units in parts of the city when and where they are needed the most.
Problem Identification:
Charges imposed for EMS services are very low. The existing fee structure limits the City’s ability to recoup the rising costs of providing service.

Recommended Action:
Increase the charges for EMS services, to approach the levels allowed by federal reimbursement and third party payer plans.

Classification:
Revenue Enhancement

Functional/Operational Area:
EMS

Estimated Annual Impact:
$1,000,000

Estimated Implementation Costs:
None

Barriers to Implementation:
An increase to the City’s EMS fees would require City Council action. Potential opposition from citizens and the insurance industry.

Projected Implementation:
180 days

Next Steps:
Evaluate the City’s existing EMS fee structure, determine more appropriate rates, and take the appropriate legislative steps to initiate updating the fee structure.

Analysis:
Since FY89, the City has had the authority to charge fees for the Department’s ambulance services. The initial fee structure set the charges for basic life support (BLS) at $75 and advanced life support (ALS) at $100. The City can review the fee structure on an annual basis and change fees as necessary, so long as they do not exceed the City’s cost of providing service. The Department cannot, however, refuse service to anyone. A new rate structure for EMS service was instituted in January 1997, raising BLS and ALS service charges to $150 and $250, respectively.

While the updated fee structure implemented in mid-FY97 has improved the City’s ability to partially offset the cost of providing EMS service, in FY98 the Department’s direct cost of providing ambulance service exceeded $10.3 million, but it only collected approximately $3.7 million in service reimbursements 'less than 36 percent of the City’s direct cost of providing service. Additionally, the City’s EMS fee structure does not assess charges for EKG, oxygen, and transportation services although these services are eligible for third-party payor reimbursements.

In general, municipalities have been reluctant to increase EMS-related fees for fear that patient populations that can least afford to pay will be the hardest hit. This assumption is not accurate. While Baltimore currently does not collect information about the source of payment for EMS services (an issue later addressed in...
Recommendation 7-A), a review of billing information performed as part of a 1997 analysis to increase Philadelphia’s EMS fees showed that over 90 percent of Philadelphia’s revenues came from third-party payors (Medicare, Medicaid, and private insurance).

Finally, a review of the EMS fee structures in peer cities shows that Baltimore’s current fee structure is comparatively very low.

<table>
<thead>
<tr>
<th>City</th>
<th>ALS</th>
<th>BLS</th>
<th>Oxygen</th>
<th>EKG</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>$450</td>
<td>$350</td>
<td>$50</td>
<td>Included</td>
</tr>
<tr>
<td>Philadelphia</td>
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<td>$350</td>
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<td>Washington</td>
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<td>$207</td>
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<td>None</td>
</tr>
<tr>
<td>Baltimore</td>
<td>$250</td>
<td>$150</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

The financial impact of even a modest fee increase is difficult to estimate given the variability of the number of billable EMS runs, the Department’s billing and collection practices (related recommendations included throughout this report), and the insurance industry’s ever-changing reimbursement policies. If, however, the Department encountered the same demand for service as it did in FY99, maintained only its current success in collection efforts, and the average reimbursement was improved by just $50 per collectable EMS run, the corresponding revenue impact would exceed $1 million annually. It should be noted that this represents a very conservative estimate that could be significantly increased with the implementation of other recommendations included herein.
FIRE DEPARTMENT: IMPROVE EMS FEE COLLECTIONS

2-B
FIRE DEPARTMENT: IMPROVE EMS FEE COLLECTIONS

Problem Identification:
Efforts to collect fees charged to users of the City’s EMS system have been very unsuccessful.

Recommended Action:
Improve the collection rate of EMS charges, especially from third party payors, to at least 50 percent.

Classification:
Revenue Enhancement

Functional/Operational Area:
EMS

Estimated Annual Impact:
$2,900,000

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
90 – 120 days

Next Steps:
Analyze the existing organizational and operational impediments that limit the success of the Department’s EMS fee collection efforts. Reevaluate the reported failure of the previous attempt to outsource EMS fee collection activities.

Analysis:
Over the past five fiscal years, the City has had only minimal success in collecting EMS-related fees:

![Chart showing modest success in collecting EMS fees](image)
While the 1997 increase in the fees charged for the Department’s basic life support (BLS) and advanced life support (ALS) services produced a dramatic increase in total EMS billings, the annual collection rate has fluctuated between just 12 and 27 percent. The EMS fee collection industry (private service providers and municipal operations that have performed this function internally) have traditionally experienced high levels of uncollectable billings. Some industry leaders such as the City of Philadelphia, however, have been able to achieve collection levels at or above 60 percent.

It should be noted that there exist numerous factors that influence the Department’s overall collection rate, including:

– Quality, timeliness, and accuracy of billing information;
– Success of data sharing with local hospitals;
– Insurance reimbursement practices; and
– Effectiveness of billing practices.

The quality, timeliness, and accuracy of billing information can be improved through simple steps such as more focused training of Departmental personnel and the installation of mobile data terminals in the City’s fleet of EMS units. Additionally, improved communications between the Department and hospitals receiving EMS patients (See Recommendation 5-D) can accelerate the exchange of billing information.

Finally, there exists a number of service providers willing to manage municipal EMS billing functions. It should be noted that the Department undertook a brief experiment with contracting for its EMS collections, but the initiative was judged unsuccessful and the Department has again assumed internal operational responsibility for this function. Despite this previous setback, strong consideration should be given to revisiting that experiment, assessing the reasons for its failure, and examining the feasibility of contracting with another provider. Agreements can be structured to guarantee the City a minimum annual revenue stream at or above current levels and revenue sharing can occur at levels above the annual guarantee. Additionally, parties that assume responsibility for EMS billings are often willing to make investments with local hospitals and in EMS technology improvements (mobile data terminals) to increase the likelihood of successful collection efforts.

Utilizing the Department’s FY98 EMS billing data as a baseline for developing an estimate of the potential financial impact of improved collection efforts (FY98 represents the most recently completed fiscal year where responsibility for EMS collections was not split between the Department and a third-party provider), were the City to increase the success of its collection efforts to 50 percent, a $2.9 million increase would occur in the level of EMS revenue collection.
Problem Identification:
The Department’s staffing factor is disproportionately high. Substantial overtime and callbacks are still occurring and first-line apparatus is being taken out of service.

Recommended Action:
Reduce and control leave for Departmental personnel. Examine all absences from assigned emergency services minimum staffing posts and curtail the unnecessary absences.

Classification:
Cost Savings

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
$3,000,000 – $5,000,000

Estimated Implementation Cost:
None

Barriers to Implementation:
Union contracts control both leave amounts and liberal scheduling policy. Institutional reluctance will impede curtailing unnecessary details/unnecessary assignments away from minimum staffing posts.

Projected Implementation:
Some changes can be accomplished immediately, although most will require modifications to existing labor contacts.

Next Step:
Audit position assignments and discontinue the policy of sending details away from minimum staffing posts. Reduce amount of holiday leave granted to emergency services personnel by converting leave to hours; grant same number of hours for uniformed personnel as civilian personnel. Take all leave scheduling issues out of future labor contracts, replace leave earning section with hours instead of days, and create levels comparable to other City employees and/or other jurisdictions’ fire departments.

Analysis:
The amount of leave (vacation and holidays) granted to BCFD emergency operations personnel is substantially higher than other area fire departments. According to Department officials, the high level of leave is the product of past labor negotiations and reflects decisions to grant additional leave in lieu of pay increases. Salary comparisons with comparable jurisdictions with similar workweeks, however, do not substantiate a major disparity in pay. Additionally, it appears that attempts were made to create leave parity with other City departments on a day-for-day basis. This was done without consideration of the different number of hours per day for fire personnel (average 12-hour day versus 7 or 8 hour day for non-fire personnel). Whatever the reason, the Department leave is excessive and results in unjustifiably high labor costs.

The granting of leave at the employee’s discretion further exacerbates the problem and contributes to
substantial overtime, well in excess of approved budget levels. Furthermore, this necessitates fire suppression equipment routinely being taken out-of-service due to staffing shortages.

Compounding the shortage of staffing for emergency equipment is the practice of detailing or reassigning personnel to duties away from their assigned fire station to perform non-emergency functions. This practice often results in calling back personnel at premium pay (time and one-half) levels.
FIRE DEPARTMENT: IMPROVED LABOR CONTRACTS

Problem Identification:
Cumulative labor contract concessions have resulted in a financial burden on the Fire Department and the City.

Recommended Action:
Negotiate labor contracts which are less unfavorable to the City, including:— Developing a multi-year term;
— Eliminating daylight savings time and standard time contract provisions;
— Eliminating the payment of a night differential pay premium;
— Revising sick leave and vacation/holiday earning and usage policies;
— Compressing the grievance process to reduce grievance-related absences and personnel costs;
— Requiring the unions to assume their organizational; administration, and management costs; and
— Reforming retirement separation practices.

Classification:
Cost Savings, Organizational

Functional/Operational Areas:
All Department operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, eliminating or revising some of these unfavorable contact terms could result in cost savings that reach into the millions of dollars.

Estimated Implementation Cost:
None

Barriers to Implementation:
Labor unions’ reluctance to give up existing contractual benefits.

Projected Implementation:
FY2002

Next Step:
The Mayor’s office should immediately establish a negotiating team to begin preparing for the next round of labor contract negotiations. More extensive comparative analysis should be undertaken in all Departmental areas.

Analysis:
While some of these labor concessions may have been justified in the past, at least in part, by salary inequities, the current pay scale and average work week for Fire Department personnel is not substantially lower than comparable jurisdictions. These benefits in the City’s contracts are not common in other jurisdiction’s labor contracts seen elsewhere and drive the Department’s operational costs to unacceptable levels.

A glaring example is the Department’s payment of a night differential pay premium. Such a practice may have been warranted when Departmental personnel were on duty 50 – 60 hours per week, but under the current 42-hour work week schedule where personnel work two 10-hour days, two 14-hour nights, followed by four days off, the necessity or appropriateness of a night differential pay premium is without merit. Changing this
single contract provision would result in approximately $500,000 in annual cost savings to the Department.
Problem Identification:
The Department’s current complement of upper management positions is unwarranted.

Recommended Action:
Consolidate Assistant Chief functions and reduce number from four to two. Consolidate battalion districts and reduce number from eight to six.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Management

Estimated Annual Impact:
$650,000

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
Immediately

Next Step:
Redefine battalion district lines and reallocate stations assigned to the remaining six battalion districts. For Assistant Chiefs and Battalion Chiefs not eligible for retirement, reassign and follow reduction-in-force guidelines.

Analysis:
The present senior management structure of the Department is shown below with emphasis on field operations:
The Department currently operates 61 first-line engines and trucks companies from 45 stations (including the fireboat). A reduction to 53 companies in 38 stations would allow for a sufficient level of control and would permit a reduction of two battalion chief districts. Four battalion districts would have six stations each and two districts would have seven stations, one of which would include the fireboat.

While a shift commander is required for each working shift, the number of existing assistant chief positions is excessive. The number of assistant chiefs could be reduced to two: one for field operations and the other to be responsible for all supporting services.
FIRE DEPARTMENT: CRITICALLY EVALUATE THE ROLE OF THE BOARD OF FIRE COMMISSIONERS

Problem Identification:
The Board of Fire Commissioners, a three-member advisory board appointed by and serving at the pleasure of the Mayor, plays a very limited role in Fire Department operations, yet its members receive a yearly stipend for service.

Recommended Action:
Require the Board of Fire Commissioners to play a more objective, critical role in providing direction to the Department, or should not receive any stipend for service.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Board of Fire Commissioners

Estimated Annual Impact:
$12,000

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
Immediate

Next Steps:
The Fire Chief, in conjunction with the Mayor’s Office, must critically evaluate the future role of the Board of Fire Commissioners. If the decision is made to continue operating the Board as an advisory group with limited tangible impact or influence on Departmental policies and practices, the yearly stipend to Board members should be phased out or eliminated.

Analysis:
Prior to a mid-1990s change in the City Charter, the Board of Fire Commissioners was the official legal head of the Baltimore City Fire Department. The Board’s official powers have since been transferred to the Fire Chief and its role in the overall governance of the Department has been minimized. The project team feels that a strong and active Board of Fire Commissioners could be a tremendously valuable asset to the Fire Chief. If, however, the Board’s role as a limited advisory group remains unchanged, the annual $12,000 stipend divided between its three members should be phased out or eliminated.
4-D
FIRE DEPARTMENT: MORE PRODUCTIVE DOWNTIME

Problem Identification:
The firefighters are not being fully utilized during their 42-hour workweek. Downtime represents an untapped resource.

Recommended Action:
Prepare and implement a plan for more productive use of downtime for firefighters on duty, but not actively responding to alarms.

Classification:
Service Improvement

Functional/Operational Area:
Fire Suppression

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
Immediately

Next Step:
Conduct an inventory of productive activities by hour of day and night including documented training, equipment maintenance, inspections, pre-fire plans, physical fitness, educational and health care institutional visits, etc.

Survey other City departments to identify functions that could be performed by firefighters while on duty in fire stations or as an in-service crew in the field, and what additional training would be required to perform these services. Examples of possible productive use of firefighters’ downtime include elementary health, building, zoning, or housing inspections, livability code enforcement, CPR classes, PAL Center staffing, stadium crowd control, security patrol, mail sorting, processing permits, responding to citizen complaints, minor repairs to parks and playgrounds, stream restoration, and school tutoring.

Analysis:
Fire suppression forces have historically been assigned substantially more hours per work week than other government employees. Until recent years, 56 hour work weeks were not uncommon. The three platoon system with 10 hour days and 14 hour nights, in fact, equate to a 56 hour average work week. With these extra hours beyond the usual 40 hour work week, the granting of sleep time on night shift and leisure time in the evening was rationalized. Now, however, with a shorter work week (presently 42 hours per week) and with the creation of a fourth platoon, allowing leisure time and sleep time of up to 16 hours per work week is not warranted.
FIRE DEPARTMENT: STUDY THE CREATION OF AN EMS PUBLIC UTILITY

4-E
FIRE DEPARTMENT: STUDY THE CREATION OF AN EMS PUBLIC UTILITY

Problem Identification:
The cost of operating Baltimore’s EMS system will always far exceed the levels of revenue the Department can collect.

Recommended Action:
Consider the creation of a public utility to manage the City’s EMS functions.

Classification:
Cost Savings, Organizational, Revenue Enhancement, and Service Improvement

Functional/Operational Area:
EMS

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, a task force should be assembled to study the benefits of implementing an EMS public utility for Baltimore City.

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
Opposition from the Department’s union and local commercial ambulance service vendors to a new service delivery model for EMS.

Projected Implementation:
180 – 270 days

Next Step:
Create a task force to study the creation of an EMS public utility in Baltimore. Additionally, senior-level City officials should visit select cities with EMS public utilities to ascertain the merits of further investigation.

Analysis:
Through an EMS public utility, a municipality awards the right to provide emergency and non-emergency services to a single vendor. All ambulance traffic originating within the jurisdiction is channeled to the single provider. In general, only large ambulance service providers or hospitals have the depth and expertise to provide the required services on this scale.

Municipal franchises of this type have many precedents, the most prominent of which is cable television service. Instead of having many companies and the local government meeting local medical transportation needs, one provider can standardize service quality and respond efficiently with peak staffing models. This may also be termed as a competitive wholesale service model.

If an EMS utility model is designed appropriately, a municipality retains control and cannot be held hostage by the service vendor due to the presence of three devices:

– A performance based contract;
– Retaining ownership of the ambulances and medical equipment; and

– Requiring a performance bond.

The EMS public utility is a service delivery model that might yield a far more efficient and responsive system for Baltimore’s citizens. EMS public utilities are characterized by high levels of customer service and efficiency. Major cost savings are realized when non-emergency ambulance traffic cross-subsidizes emergency traffic. Fourteen North American jurisdictions have EMS public utilities. In many areas, this model has either eliminated, or greatly reduced the need for local subsidies for emergency ambulance services.

The City of Richmond is the jurisdiction closest in proximity to Baltimore that employs the EMS utility model. With approximately 55,000 transports per year, the Richmond Ambulance Authority has a 70/30 emergency to non-emergency ambulance call ratio and is considered to be one of the leading urban EMS systems in the nation.

*Jurisdictions with EMS Public Utilities*

- Richmond, VA
- Kansas, MO
- Charlotte/Mecklenburg County, NC
- Lincoln, NE
- Pinellas County, FL
- Reno, NV
- Davenport, IA
- Fort Worth, TX
- Fort Wayne, IN
- Monterey County, CA
- Little Rock, AR
- Solano County, CA
- Tulsa, OK
FIRE DEPARTMENT: EXPANDED MUTUAL AID

Problem Identification:
The City's existing mutual aid agreements are limited in scope.

Recommended Action:
Establish automatic mutual aid with adjacent jurisdictions to maximize coverage and public safety.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
Fire Suppression, EMS

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, enhanced mutual aid, with automatic responses, could help ensure quality and timely service particularly in light of proposed station closings.

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
90 – 120 days

Next Step:
Schedule meetings between the chiefs of the region's respective fire and law departments.

Analysis:
The City has existing mutual aid agreements with the State of Maryland for Baltimore/Washington International Airport and with the City of Annapolis, as well as Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties.

The existing agreement with the adjacent counties has been interpreted as prohibitive of the 'automatic' dispatch and free flow of apparatus between jurisdictions. A call for assistance apparently must be made by the municipality desiring assistance after their personnel arrive at the emergency scene.

This type of mutual aid system is burdensome and wastes valuable time. The City of Baltimore is bordered by Anne Arundel County and Baltimore County, both of which have strong nationally recognized fire and EMS service organizations. The City needs to utilize those resources to a greater extent. The existing language contained in the current agreements particularly works in disfavor to the City as at least 18 fire stations within those two counties could be utilized to provide automatic assistance on first alarms of fire alone.

The City and surrounding jurisdictions need to establish a true automatic mutual aid system as has existed for decades within the metropolitan area of Boston, Massachusetts.
FIRE DEPARTMENT: TRAINING ACADEMY IMPROVEMENTS

5-B
FIRE DEPARTMENT: TRAINING ACADEMY IMPROVEMENTS

Problem Identification:
The Fire Academy resources and facilities are inadequate.

Recommended Action:
Explore the sharing of the new Fire Academy being planned for Baltimore County. Repair and renovate the existing Department’s Academy as necessary.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
All uniformed operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
None

Next Step:
Representatives of the Mayor’s Office and the Department’s leadership should meet with adjoining jurisdictions’ leaders to explore joint use agreements for fire training facilities. Repair and/or renovate the Department’s existing facilities where reasonable. As much training as possible should be provided while companies are in service for maximum utilization of time.

Analysis:
The current state of training within the Department should be improved. The existing Fire Academy, constructed in the early 1950s, at one time a model for the State, has fallen into disrepair and has been outgrown. The Academy has inadequate permanent classrooms and essentially no locker or restroom facilities for females. Portable training equipment and teaching resources are severely lacking. The Academy also lacks adequate training courses for emergency vehicle drivers, fire officers, fire inspectors, fire investigators and chief fire officers.
FIRE DEPARTMENT: EXPLORE EMS MUTUAL AID WITH HOSPITALS

Problem Identification:
The City’s EMS system is overwhelmed. Additionally, the BCFD provides selected services which could be provided by alternative ambulance providers.

Recommended Actions:
Explore mutual aid agreements with the University of Maryland Medical System (UMMS) and Johns Hopkins University to provide additional equipment and personnel backup for the City’s EMS system.

Classification:
Cost Savings, Service Improvements

Functional/Operational Area:
EMS

Estimated Annual Impact:
While the immediate financial input cannot be estimated, implementation of this recommendation would expand the City’s level of EMS response capabilities.

Estimated Implementation Costs:
None

Barriers to Implementation:
Potential unwillingness of educational institutions to participate due to public cost and indemnification issues.

Projected Implementation:
180 – 270 days

Next Steps:
The City should meet with Johns Hopkins and UMMS to discuss the development of mutual aid agreements. The scope of responsibility and service needs to be determined (first responder, transport, etc.). Training and indemnification issues need to be fully explored as well.

Hospital-based ambulances should have radio links to the City’s 911 system. Some means of identifying the availability and status of the personnel should be established so that the 911 dispatches can determine whether those resources are available or not. This needs to occur on a real-time/continuously updated basis.

Analysis:
A review of BCFD EMS traffic indicates that there are significant numbers of EMS requests which originate from the campuses of The Johns Hopkins Medical Institutions, the Hopkins Bayview campus and the University of Maryland, Baltimore campus. When campus clinics and physicians offices have a need to move patients to their affiliated hospital, BCFD EMS is often requested to transport that patient. This is entirely appropriate when there is a life-threatening emergency or there is no other means of responding to the needs of the patient. However, this is not an optimal response considering that both Johns Hopkins and University operate critical care transport programs which are capable of providing first responder and transport services. Furthermore, EMS is a public safety service and analogous to police and security functions. Both University
and Johns Hopkins have made investments and provisions for public safety and police functions. While Baltimore City Police are available to respond to these campuses when the need arises, each institution has assumed primary responsibility. The same should be true with EMS. Johns Hopkins and University should each develop means for responding to the EMS and medical transportation requests on their respective campuses. They should be encouraged to meet their non-emergency medical transportation needs during the Monday-Friday business hours when their out-of-hospital clinics and offices are open.
FIRE DEPARTMENT: CONTRACT WITH HOSPITALS RECEIVING EMS PATIENTS

Problem Identification:
The relationship between the City and those hospitals which receive EMS patients is very informal. There is a noticeable lack of written agreements which outline any mutual expectations. Furthermore, hospitals vary to the extent that they exchange supplies and provide training and billing information. These practices need to be standardized throughout all hospitals receiving the City’s EMS patients.

Recommended Action:
Develop and negotiate contracts with hospitals receiving patients from the City’s EMS system.

Classification:
Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
EMS

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, sharing billing data with hospitals could improve the quality and timeliness of the City’s EMS collection efforts.

Estimated Implementation Costs:
None

Barriers to Implementation:
Possible unwillingness of hospitals to participate.

Projected Implementation:
1 year

Next Steps:
Utilize the Health Department’s regular meetings with local hospital administrators to broach this subject.

Analysis:
Some leading and well-developed EMS systems have similar EMS system-hospital agreements in place. New York City and San Diego County are among them. New York City established these agreements in 1974 and is currently in the process of revising them. At a minimum, these contracts should address the following areas:

– Providing patient financial data to the City for billing purposes;
– Restocking supplies and medications in City EMS units;
– Participating in EMS quality improvement initiatives including clinical feedback;
– Provider notification to EMS personnel when patients are diagnosed with communicable diseases; and
– Indemnification of participating parties.

In order to reduce the burden on taxpayers, City officials are obligated to maximize all available fee-for-service revenue from ambulance services. The likelihood of getting paid for services is a function of the

quality and completeness of data provided the third-party payors. Hospitals that receive EMS patients are in the best position to provide complete and accurate demographic and billing information. Hospitals should be providing this data in an electronic format no later than several business days after receiving patients. This could help reduce the City’s EMS accounts receivable aging cycle.

Hospitals appear to have different practices regarding the replenishment of ambulance supplies. Furthermore, current practices for managing EMS drugs are flawed. The current means for restocking and checking medications is inefficient and lacks an audit trail. At present, ambulances must drive across town to a BCFD facility to replace used narcotics. In addition, considerable paramedic time is wasted rechecking drug boxes from shift-to-shift. An exchange box system should be implemented for managing the inventory of medications. The best approach would be to adopt the practice used throughout the nation’s hospital industry for managing their cardiac arrest/crash cart supplies and medications. Under this model, the hospital pharmacy serves as the restocking and control point. Each hospital would be required to have their pharmacy restock ambulance medication boxes. When a patient is brought to a particular hospital, an opened and used drug box would be exchanged for a sealed and complete numbered drug box. To ensure accountability and inventory control, the currency of medications would be signed off by the pharmacist and a tamperproof lock would be used to close the box. A supply of boxes would be under lock and key within the emergency department for rapid exchange. Participation would be required for all hospitals receiving EMS patients.

Pre-hospital care providers face an array of occupational hazards. One of the greatest threats is from exposure to communicable diseases. The list of diseases includes tuberculosis (TB), hepatitis B and C, and human immunodeficiency virus (HIV) among others. In addition, these exposures place the families of these workers at risk. State law mandates that hospital provide EMS providers with follow-up information regarding those patients who are found to have positive lab results; however, these feedback systems are generally inadequate. Hospitals wishing to participate as 911 ambulance receiving facilities should be required to demonstrate a failsafe system for promptly alerting EMS personnel when their patients are subsequently found to have communicable diseases.
FIRE DEPARTMENT: IMPROVED PREVENTION AND OUTREACH EFFORTS

6-A
FIRE DEPARTMENT: IMPROVED PREVENTION AND OUTREACH EFFORTS

Problem Identification:
The Department did not meet the majority of its prevention and outreach goals in FY99.

Recommended Action:
Improve prevention outreach and inspection functions by focusing on and targeting high fire activity areas, by expanding the smoke detector distribution program, and by setting and enforcing realistic goals.

Classification:
Service Improvement

Functional/Operational Area:
All Departmental operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
45 days

Next Steps:
Each division should be required to establish meaningful performance measures and to establish realistic goals with identified measurable targets.

Analysis:
Several of the performance goals listed in the Fire Department’s FY99 Performance Measurement Summary were not met. The variances for measures dealing specifically with prevention were significant:

<table>
<thead>
<tr>
<th>Service Indicator</th>
<th>Goal</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspections (by suppression)</td>
<td>22,601</td>
<td>8,836</td>
<td>(13,765)</td>
</tr>
<tr>
<td>Number of Smoke Detectors Distributed</td>
<td>16,981</td>
<td>11,509</td>
<td>(5,472)</td>
</tr>
<tr>
<td>Fire Safety Programs to Schools &amp; Communities</td>
<td>30,448</td>
<td>28,379</td>
<td>(2,109)</td>
</tr>
<tr>
<td>Inspections (by Fire Loss Mgmt.)</td>
<td>22,765</td>
<td>18,445</td>
<td>(4,320)</td>
</tr>
</tbody>
</table>

Accountability must be established with predetermined consequences in the event that these targets are not reached. Failure to meet performance measures should not be tolerated. Accountability should flow through the chain-of-command and the para-military nature of the Department’s command structure should be used to its best advantage to increase productivity.
FIRE DEPARTMENT: REDUCE THE INCIDENCE OF WORKPLACE INJURIES

6-B
FIRE DEPARTMENT: REDUCE THE INCIDENCE OF WORKPLACE INJURIES

Problem Identification:
Fire Department personnel are vulnerable to a wide range of injuries as a result of their efforts to deliver fire suppression and emergency medical services. Aside from the significant physical and mental anguish caused by workplace injuries, personnel that are unable to perform their duties due to injuries create difficult financial and operational problems for the Department.

Recommended Action:
Collect and analyze data on workplace injuries and revise training programs to reduce the incidence of workplace injuries.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
All Fire Department operations

Estimated Annual Impact:
$217,000

Estimated Implementation Costs:
This recommendation could be implemented within the Department’s existing resources.

Barriers to Implementation:
Collection and analysis of data would need to become increased priorities for the Department.

Projected Implementation:
45 days for initial data collection and analysis; 180 days for the revision of existing programs and the development of new training programs.

Next Steps:
Analyze all available historical data on workplace injuries, identify troubling trends, and develop, in cooperation with the City's risk management function, strategies to reduce the incidences of injuries. Once the analyzes are completed, modify existing programs, create new training programs and invest in new safety equipment (where appropriate).

Analysis:
The Department must make every conceivable effort to mitigate the risks of service for its personnel. Reducing the frequency and severity of workplace injuries can produce tangible savings in the following areas:

1. Reduction in number of paid work days lost due to injuries;
2. Reduction in overtime costs associated with filling minimum staffing posts that are vacant as a result of personnel that have been injured on duty and cannot work;
3. Reduction in number of service-connected disability pensions awarded; and
4. Reduction in the repair and replacement costs for equipment damaged or destroyed as a result of vehicular accidents.
The Fire Department project team encountered the following data related to workplace injuries and vehicular accidents through the course of its work:

**BCFD Injury Data**  
**1994-1998**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Responding/Returning from a Fire</td>
<td>38</td>
<td>8</td>
<td>8</td>
<td>4</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>At Fire Ground</td>
<td>236</td>
<td>457</td>
<td>380</td>
<td>265</td>
<td>293</td>
<td>349</td>
</tr>
<tr>
<td>At Non-Fire Emergency</td>
<td>NR</td>
<td>92</td>
<td>222</td>
<td>201</td>
<td>168</td>
<td>171*</td>
</tr>
<tr>
<td>Training</td>
<td>9</td>
<td>3</td>
<td>34</td>
<td>25</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Other on Duty Injuries</td>
<td>17</td>
<td>185</td>
<td>80</td>
<td>199</td>
<td>173</td>
<td>159</td>
</tr>
<tr>
<td>Total Injuries</td>
<td>NC</td>
<td>745</td>
<td>724</td>
<td>694</td>
<td>643</td>
<td>702*</td>
</tr>
</tbody>
</table>

Source: The BCFD’s 1994-1998 submissions to the National Fire Protection Association  
NR: Not Reported  
NC: Not Complete  
*1995-1998 four-year average

While the 13.7 percent reduction in the total number of injuries during the 1994-1998 period is encouraging, the fluctuating and/or increasing trends in the number of injuries occurring ‘at fire grounds’ and ‘other on duty injuries’ are worthy of additional investigation. These injuries, furthermore, are causing the Department’s personnel to miss an increasing amount of work as illustrated in the following chart:

![Work Days Lost to Sickness/Injury (Line of Duty) Increased 15.5 Percent Since 1997](chart.png)

Source: BCFD

The project team also encountered data related to vehicle accidents and accident-related injuries:
All told, the Department lost an average of 3,147 employee work days to injuries per year during the three-year period 1997-1999 (1). Additionally, the Department’s vehicles were involved in an average of 209 accidents per year during the five-year period 1994-1998. Were the Department to reduce those levels by a modest 15 percent in future years, the following represent conservative estimates of the potential cost savings (2):

- 472 fewer employee work days lost due to injury
- 31 fewer vehicle accidents with an average repair cost of $2,000 per accident (3)
- $155,000
- $62,000
- $217,000

(1) To put this figure in perspective, consider that the City of Philadelphia’s Fire Department lost only 1,771 work days to injury in FY99, almost 44 percent fewer work days lost to injury than the BCFD’s 1997-1999 three-year average, all while having an almost 40 percent larger uniformed workforce.

(2) Estimate does not include associated pension and medical costs borne by the City’s retirement and benefits systems.

(3) Fire apparatus are among the most costly vehicles in the municipal fleet. This conservative estimate does not factor in unplanned vehicle replacements necessitated by accidents.
FIRE DEPARTMENT: INFORMATION TECHNOLOGY PLAN

6-C
FIRE DEPARTMENT: INFORMATION TECHNOLOGY PLAN

Problem Identification:
Information technology and computer utilization is sorely lacking throughout the Department.

Recommended Action:
Develop an information systems enhancement and automation plan for the entire Department.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
Inadequate computer equipment and training.

Projected Implementation:
180 days

Next Step:
Develop a comprehensive information technology systems enhancement plan. Request technical assistance from other jurisdictions with successful systems or from the private sector as necessary.

Analysis:
Based on discussions and the information received, the Department’s information technology system either does not include the software needed for specific activities or, if the capability exists, the technology is not being fully utilized. Routine and critical activities that are currently being handled manually and should be prioritized for tracking or for information technology include:

- Prefire plan drawing
- Academy training records
- Prevention programs and activities
- Annual service reports
- Attendance reports
- Apparatus maintenance records
- Response records
- Inspection schedules
- Performance measures and monthly variances to measure

In addition, the Department needs to automate linkage of information for:

- Station to station (networking)
- Computer aided dispatch
– Prevention activities to results

Computer capabilities (e-mail, voice mail) need to be provided to operating organizational units. Proper technology should be available at each station.
Problem Identification:
City policymakers and Department management are often forced to make critical resource allocation
decisions in the absence of meaningful performance and service data. This incomplete information limits the
City’s and Department’s ability to effectively and efficiently manage limited budgetary resources.

Recommended Action:
Develop a comprehensive performance measurement program for all facets of Departmental operations.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Fire Department operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the regular collection and review of performance
and service data can produce innumerable opportunities for improving the Department’s operations by
equipping managers with the information necessary to make informed decisions regarding the allocation of
resources.

Estimated Implementation Costs:
Can be accomplished with the Department’s existing resources

Barriers to Implementation:
The collection and analysis of performance and service data must become an increased priority for the
Department’s leadership. Future information technology efforts must be specifically geared towards improving
tracking and reporting capabilities.

Projected Implementation:
45 days

Next Steps:
Utilizing the list of proposed indicators (linked below), the Department, in conjunction with representatives
from the Mayor’s Office and other central administration offices, must evaluate the adequacy of current data
tracking and analysis efforts, identify those key indicators that best measure the effectiveness and efficiency
of the Department’s operations, and begin to regularly report (at least on a monthly basis) on performance.

Analysis:
By focusing attention on what services the Department provides and how well it provides those services, a
comprehensive performance measurement program can provide City managers and the public with the
information necessary to evaluate the efficiency and effectiveness of the Department’s services. The
information yielded through these efforts can be used to justify requests for increased funding as well as to
ensure the Department’s ability to sustain or increase services with the same or decreasing levels of
resources. Equally important, the program can increase the City’s accountability by providing the public with
enhanced information about services and service delivery.
List of Proposed Indicators
LIST OF PROPOSED INDICATORS

Fire Suppression

911 Fire Suppression Service Calls
Total Responses to Fire Calls
– Total Structure Fires
– Residential
– Other Structure Fires
– Total Nonstructure Fires
– Vehicle Fires
– Debris Fires
– Vacant Lot Fires
Total Vacant Building Fires
Average Fire Suppression Response Time
Percentage of Fire Service Calls Responded to Within Five Minutes
Total Fire Deaths
– Firefighter Deaths
– Civilian Deaths
– Deaths Age 0-18
– Deaths Age 19-35
– Deaths Age 36-59
– Deaths Age 60+
Deaths by Structure Type
– Residential
– Commercial
Total False Alarms
– Residential
– Commercial
Total Dollar Value Lost to Fire
– Residential
– Commercial

Emergency Medical Services

911 EMS Service Calls
Total EMS Medical Runs
EMS medical runs that resulted in medical transport
– Advanced Life Support (ALS) Runs
– Basic Life Support (BLS) Runs
Average EMS Unit Response Time
Percentage of EMS Service Calls Responded to Within Eight Minutes
Suppression Apparatus Ambulance Assist Runs
Average Suppression Apparatus Ambulance Assist Response Time
Percentage of Ambulance Assist Calls Responded to Within Eight Minutes
Runs that Resulted in an EMS Billing
Total EMS Billings (in dollars)
Total EMS-Related Revenues Collected
- Medicare Revenues Collected
- Medicaid Revenues Collected
- Insurance Revenues Collected
- Self-Pay Revenues Collected
- Overall EMS Collection Rate

**Special Units**

HAZMAT Incidences
Marine Unit Incidences
- Fire Response
- Piers
- Barges
- Refineries
- Tug Boats
- Other Boats
- Structure Fires
- Others
- Rescues
- Assist Police
- Overturned/Sinking Boats
- Car in the Water
- Assist Coast Guard
- HAZMAT

**Community Risk Reduction/Prevention**

Total Number of Fire Inspections Conducted
Average Number of Inspections Performed per Fire Company
Percentage of Fires in Previously Inspected Occupancies
Percentage of Total Inspected Occupancies Experiencing Fires
Fire Marshall’s Office Total Investigations
- Incendiary/Arson as Cause of Fire
- Investigation-Related Criminal Prosecutions
Number of Fire Prevention In-School Presentations
Field Fire Prevention Activities
Total Number of Smoke Detectors Distributed
- Number of Fires Occurring in Structures Without a Working Smoke Detector
  - Residential
  - Other Structures
- Number of Fire Deaths Occurring in Structures Without a Working Smoke Detector
  - Residential
  - Other Structures

**Risk Management**

Total Number of Paid Days Lost Due to Injuries
Total Number of ‘Limited Duty’ Injured-on-Duty Days
New Service Connected Disability Pensions Granted
Total Number of Vehicles Accidents
- Engine Accidents
- Related Injuries
- Truck Accidents
- Related Injuries
- EMS Unit Accidents
- Related Injuries
- Command Car Accidents
- Related Injuries
- Other Vehicle Accidents
- Related Injuries

**Internal Services**

Total Number of Fire Vehicles
- Number of Engines
- Minimum Number of Engines Needed in Service Each Day
- Percentage of Time Minimum Number of Engines Available
- Number of Trucks
- Minimum Number of Trucks Needed in Service Each Day
- Percentage of Time Minimum Number of Trucks Available
- Number of EMS Units
- Minimum Number of EMS Units Needed in Service Each Day
- Percentage of Time Minimum Number of EMS Units Available
- Number of Command Cars
- Minimum Number of Command Cars Needed in Service Each Day
- Percentage of Time Minimum Number of Command Cars Available
- Number of Other Vehicles
- Minimum Number of Other Vehicles Needed in Service Each Day
- Percentage of Time Minimum Number of Other Vehicles Available
FIRE DEPARTMENT: TESTING AND EQUIPMENT STANDARDS

8-A
FIRE DEPARTMENT: TESTING AND EQUIPMENT STANDARDS

Problem Identification:
Suppression equipment is not properly maintained or tested. Hose tests, ladder tests and pump tests are not performed. Facilities and manpower for maintenance are inadequate.

Recommended Action:
Maintain and test all apparatus and equipment in accordance with nationally recognized criteria. Provide adequate physical repair facilities and mechanics. Require the Department of Public Works to give higher priority attention and consideration to the Department’s emergency equipment.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, improved maintenance should increase reliability and life expectancy of engines, trucks, and medic units thereby resulting in cost savings. Safety on the fire ground will also be enhanced.

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
Requiring the Department of Public Works or the department ultimately responsible for fleet management services to increase the priority of the repair and maintenance of the Fire Department’s emergency service vehicles.

Projected Implementation:
180 days

Next Step:
The Fire Department must re-establish as one of its priorities the proper inspection and testing of its fire fighting equipment. Increased priority consideration must be given to the Department’s emergency response equipment over all others.

Analysis:
The Department has discontinued the proper inspection and testing of fire pumps, fire hoses and ground ladders because of the problem of excessive staffing vacancies. Nationally recognized standards promulgated by the National Fire Protection Association (NFPA) dictate the annual inspection and testing of these resources. Concomitant with the Department’s discontinuance of proper inspection and testing of fire fighting equipment has been the Department of Public Works’ failure to dedicate an adequate staff of mechanics to keep the emergency vehicle fleet in satisfactory repair or to place a priority on such repairs.

While the existing fire apparatus repair shop on Key Highway is structurally intact, the building has not received adequate maintenance which compounds the difficulties of the mechanics in performing their duties. Unfinished excavation/removal of an interior under floor tank, failure to annually inspect installed overhead
traveling cranes, lack of repair to the exterior head-wall, and even failure to replace inoperative overhead interior ceiling lights are examples of existing building maintenance problems.

The number of mechanic positions assigned to the Fire Department repair shop is apparently one supervisor and nine mechanics. One of several vacancies has existed since September 1997. Considering the quantity of apparatus in both first and second-line (reserve) status, the number of assigned mechanics appears inadequate. Reportedly, on some weekdays, only two or three mechanics are on duty. The result, in spite of the efforts of several dedicated mechanics and their supervisor, is a mechanically deteriorating fleet.
FIRE DEPARTMENT: PROFESSIONAL TRAINING STANDARDS

8-B
FIRE DEPARTMENT: PROFESSIONAL TRAINING STANDARDS

Problem Identification:
Some fire training being provided does not meet acceptable standards, nor has the Department adopted nationally recognized professional standards of training.

Recommended Action:
Adopt and implement nationally recognized professional standards of training.

Classification:
Service Improvement

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Deteriorating training facilities and limited training resources.

Projected Implementation:
180 days

Next Steps:
Develop an implementation plan for professional qualifications.

Analysis:
The Department has not adopted or implemented the National Professional Qualifications Standards for fire service personnel. Record keeping related to training activity is antiquated.
FIRE DEPARTMENT: MANAGEMENT TRAINING FOR OFFICERS

Problem Identification:
The Department has little formalized management training for personnel serving in officer job classifications.

Recommended Action:
Provide lieutenants and higher-ranking officers with management training.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Fire Department operations

Estimated Annual Impact:
While the impact of management training is difficult to quantify, officers that receive management training are more likely to be successful in identifying and implementing improvement projects and more effective and efficient in managing the Department’s limited resources.

Estimated Implementation Costs:
Management training could be implemented with no additional cost through leveraging either existing management expertise from the ranks of the Department’s corps of currently serving and/or recently retired officers and/or from soliciting volunteers from the private sector and higher education community.

Barriers to Implementation:
Officers attending training create temporary vacancies in staffing posts that need to be covered. If management training could not be accomplished within the time constraints of the Department’s other regularly scheduled training efforts, the Department’s leadership would need to identify the times of the year when additional training sessions would create the fewest scheduling challenges.

Projected Implementation:
60 – 90 days

Next Steps:
The Fire Chief should convene a small group of experienced personnel to identify specific areas where formal management training could be beneficial to the Department’s cadre of officers (e.g., conflict resolution, logistics, and risk management). In instances where a particular management expertise does not already exist within the Department, requests should be made of recently retired fire officers, the business community, and higher education institutions for volunteers to conduct periodic seminars on pertinent management topics.

Analysis:
Firefighters are promoted to officer ranks as a result of reaching service time milestones and successful passage of Civil Service examinations. While years of work experience and a demonstrated proficiency on Civil Service examinations are two indicators that a firefighter might be prepared and well-equipped for an officer position, some members of the Department augment their training by taking community college courses, pursuing undergraduate and graduate degrees, and attending training at the National Fire Academy.
These efforts, however, are not mandated. A structured approach to management training could improve the transitioning of Departmental personnel from firefighter status to officer and ultimately produce a workforce more likely to be successful in managing the Department's operations and resources.
**FIRE DEPARTMENT: EMS TRAINING ACTIVITIES**

**8-D**

**FIRE DEPARTMENT: EMS TRAINING ACTIVITIES**

**Problem Identification:**
The region offers an array of EMS training resources that are underutilized by the Department.

**Recommended Action:**
Explore utilizing local educational institutions to meet the Department’s EMS training needs.

**Classification:**
Cost Savings, Organizational

**Functional/Operational Area:**
EMS

**Estimated Annual Impact:**
Cannot be Estimated

**Estimated Implementation Costs:**
Not Determined

**Barriers to Implementation:**
None

**Projected Implementation:**
180 days

**Next Steps:**
Create an inventory of the Department’s EMS needs and develop a Request For Proposal (RFP) to which interested educational institutions can respond.

**Analysis:**
The following table depicts the EMS educational resources available within 30 minutes of downtown Baltimore. These training resources might provide a cost-effective alternative to providing similar service at the City’s Fire Academy. Additionally, the Department’s existing EMS training resources could be redeployed to other pressing training needs.

<table>
<thead>
<tr>
<th>Educational Institution</th>
<th>Fire Technology</th>
<th>EMT</th>
<th>EMT-P</th>
<th>Certificate</th>
<th>Associates</th>
<th>Bachelors &amp; Masters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore City Community College</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td></td>
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<td></td>
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<tr>
<td>Community College of Baltimore County</td>
<td></td>
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<td>+</td>
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<tr>
<td>(Catonsville)</td>
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</tr>
<tr>
<td>Community College of Baltimore County</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td></td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>(Essex)</td>
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<tr>
<td>Community College</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institution</th>
<th>+</th>
<th>+</th>
<th>+</th>
<th>+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Arundel Community College (Arnold)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Howard Community College (Columbia)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>University of Maryland Baltimore County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltimore County Fire Department Academy</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
FIRE DEPARTMENT: FUNDING MARINE OPERATIONS

9-A
FIRE DEPARTMENT: FUNDING MARINE OPERATIONS

**Problem Identification:**
Marine operations are an expensive burden that should be fully borne by the Port Authority and the State of Maryland.

**Recommended Action:**
Obtain more State financial support for marine fire suppression units, including not only operating expenses, but also replacement and maintenance costs for the units.

**Classification:**
Cost Savings, Revenue Enhancement

**Functional/Operational Areas:**
Marine Unit

**Estimated Annual Impact:**
$500,000

**Estimated Implementation Cost:**
None

**Barriers to Implementation:**
State Budget Official’s reluctance to accept financial burden.

**Project Implementation:**
FY2002

**Next Step:**
Mayor’s Office should immediately make a formal request to the Governor’s Office to assume this function and/or to provide full financial support for the City to operate the Marine Unit.

**Analysis:**
The City marine unit should be viewed much the same as the aircraft crash trucks at BWI. The Baltimore harbor is essential to the statewide economy and since it cannot safely operate without an effective marine unit, this arguably constitutes a state function. Currently, the City receives $1.4 million from the Maryland Port Authority for port fire protection. However, the Department’s annual cost to operate the Marine Unit exceeds $1.9 million.
**FIRE DEPARTMENT: INSTITUTE FEE STRUCTURE**

9-B

**FIRE DEPARTMENT: INSTITUTE FEE STRUCTURE**

**Problem Identification:**
The Department is not fully pursuing revenue generating opportunities.

**Recommended Action:**
Develop a revenue plan that identifies areas where a fee schedule of appropriate charges can be applied to certain fire suppression activities.

**Classification:**
Revenue Enhancement

**Functional/Operational Area:**
Fire Suppression

**Estimated Annual Impact:**
$100,000

**Estimated Implementation Cost:**
Not Determined

**Barriers to Implementation:**
Community and business concerns about additional fees and charges.

**Projected Implementation:**
180 days

**Next Step:**
Request technical assistance from Maryland Association Of Counties, Maryland Municipal League, National League of Cities, and National Association of Counties for inventory of service charges for fire departments.

Form a joint advisory committee with representatives from all branches of the Department, Finance Department, and other appropriate City agencies to identify areas for fee consideration (e.g., hazardous materials (HAZMAT) clean-up, specialized training to private sector, fees for repeated false alarms). Identify actual costs associated with each function or service to ensure a fair, reasonable and defendable fees.

**Analysis:**
There is no overall strategy with a proactive focused attention to generating income with an annual goal.

There are opportunities in establishing a flat fee charge for HAZMAT clean-up for commercial incidents that could result in additional tiered charges based on the time firefighters are involved in an incident. Identifying, developing, and providing specialized training to the private sector for fees per course or attendees (i.e., high rise building, HAZMAT, etc.) could provide additional income.

Based on the number of false alarms (4,107) in 1999, if only 10 percent were considered excessive and were each charged a modest fee of $100, the Department could have collected over $41,000. By keeping focused on commercial false alarms (whose fees may be easier to collect) there could also be a higher fee for repeat false alarms. If half of the 10 percent of false alarms were repeat alarms, the total revenue potential would exceed $60,000.

Encourage ongoing awareness and discussion on revenue generating opportunities. Recognition of the best ideas could be part of the overall strategy.
**Problem Identification:**
Fire Department funding is limited to City allocations, state grants, EMS billing revenue and occasional grants and other funding from outside organizations.

**Recommended Action:**
Develop a plan for identifying alternative and non-traditional funding sources.

**Classification:**
Organizational, Revenue Enhancement

**Functional/Operational Area:**
All Department operations

**Est. Annual Impact:**
$100,000 – $500,000

**Est. Implementation Costs:**
$60,000

**Barriers to Implementation:**
None

**Projected Implementation:**
Immediate

**Next Steps:**
Recruit a Grants Manager with fund raising or institutional advancement background. Develop a business plan that contains realistic and quantifiable goals and objectives.

**Analysis:**
Billions of dollars are awarded in the United States each year to provide and enhance services vital to the health and well being of urban citizens. Higher education and healthcare institutions in the city raise millions of dollars to further their respective missions. To do so, they employ individuals tasked with the duty of identifying, cultivating, and soliciting sources of philanthropic and grant monies. This is a prime opportunity for the Fire Department, much like the City’s school system, to engage in the business of fundraising.

The business of philanthropy is a million dollar enterprise. Wealthy individuals with special interests in the Fire Department’s mission, foundations with the primary goal of enhancing the medical services provided to inner-city residents, and businesses looking to be outstanding ‘corporate citizens’ are a few examples of the sources of alternative funding that exist. By tapping into these resources, new funding for programs such as fire prevention, public education, and EMS outreach could be acquired at very little cost.
FIRE DEPARTMENT: CRITICALLY EVALUATE THE APPRENTICESHIP PROGRAM

10-A
FIRE DEPARTMENT:
CRITICALLY EVALUATE THE APPRENTICESHIP PROGRAM

Problem Identification:
The financial and operational benefits of the Department's apprenticeship program remain unclear.

Recommended Action:
Critically evaluate the apprenticeship program, giving consideration to whether it has been successful in meeting appropriate goals.

Classification:
Organizational

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
120 – 180 days

Next Steps:
Convene a Departmental working group to determine the criteria to study apprenticeship program.

Analysis:
The Department’s firefighter/paramedic apprenticeship program is a four-year initiative where participants receive classroom and on-the-job training in firefighting techniques and the delivery of emergency medical services (EMS). Participants receive an increasingly higher percentage of a full firefighter’s or paramedic’s regular pay upon the successful completion of nine program steps over the course of the four-year program. When hired, apprentices make 51 percent of the top pay for a full-fledged firefighter or paramedic, and receive between two and eleven percent increases every six months until reaching parity with the full pay scale after four years. The apprenticeship program has taken on increased importance in light of the high number of Departmental personnel that have retired in recent years through the City’s Deferred Retirement Option Program (DROP). Participants represent a low-cost solution to some of the Department’s staffing issues.

Given the totality of recommendations included within this report that impact the Department’s staffing needs and practices, this seems to be an opportune time to assess the success of the apprenticeship program, determine its necessity should other staffing-related recommendations be implemented, and make an informed decision as to the fiscal and operational desirability or feasibility of extending the program.
FIRE DEPARTMENT: EXPANDING VOLUNTEER SERVICES

10-B
FIRE DEPARTMENT: EXPANDING VOLUNTEER SERVICES

**Problem Identification:**
Utilization of volunteer services is extremely limited, particularly in comparison to adjoining jurisdictions. This resource is virtually untapped.

**Recommended Action:**
Explore expansions of volunteer personnel utilization through appropriate pilot projects.

**Classification:**
Cost Savings, Organizational, Service Improvement

**Functional/Operational Area:**
All Department operations

**Estimated Annual Impact:**
While the immediate financial impact cannot be estimated, the potential financial impact, based on experience in adjoining jurisdictions, could reach into millions of dollars. Service enhancement could be significant.

**Estimated Implementation Cost:**
None

**Barriers to Implementation:**
Institutional reluctance and union concerns.

**Projected Implementation:**
180 days

**Next Step:**
Request technical assistance from the Maryland State Volunteer Fireman’s Association and Volunteer Fireman’s Associations in adjoining jurisdictions in the development of a volunteer component. Explore opportunities for pilot projects such as utilizing volunteers to staff selected stations that are slated for closing as an option for the community. Consider utilizing volunteers to staff the special units such as the air cascade or hose units. Research the number of City emergency service personnel who are volunteering in other jurisdictions. Solicit input from the existing auxiliary firefighters group.

**Analysis:**
Adjoining jurisdictions make extensive use of volunteer fire and emergency medical services, annually saving these jurisdictions millions of dollars in costs. Volunteers staffing fire engines, trucks, and medic units provide levels of service comparable to career professionals.

In Baltimore City, volunteer service is limited in scope and function. There are fewer than a dozen volunteers (auxiliary firefighters) and their service at fire scenes is very limited. While there does not appear to be great interest in the BCFD to substantially expand the role of volunteers, the positive experiences in neighboring counties, coupled with the City’s projected budget deficits, suggests a closer analysis of this option.
III. Health Department

Executive Summary

**Recommendation Categories:**

Establish mechanisms to improve the public’s ability to critically evaluate the quality, accessibility, and effectiveness of the Department’s services.

Improve the efficiency and effectiveness of the Department’s services.

Pursue mutually beneficial partnerships.

Ease administrative processes to improve the flow of information.

Achieve economies-of-scale through the merging of organizational units.

Better align staffing patterns.

Improve the Department’s revenue – generating capabilities.

Develop a comprehensive service measurement program.

Improve the Department’s ability to communicate with the general public.

Begin playing an active role in improving the City’s emergency medical services system.
Executive Summary

Introduction: HEALTH DEPARTMENT

At the request of Mayor Martin O’Malley, the Greater Baltimore Committee and the Presidents’ Roundtable were asked to review the operations of the City of Baltimore’s Health Department. The Health Department project team was led by Greater Baltimore Committee board members Sister Helen Amos, Executive Chair of the Board of Directors, Mercy Health System, John McDaniel, President, MedStar Health, Dr. Morton I. Rapoport, President & CEO, University of Maryland Medical Systems and Presidents’ Roundtable members Percy Allen II, President/CEO, Bon Secours Hospital and Victor C. March, Sr., President, Marcorp Ltd. The project team was divided into eight subcommittees that focused on the following areas: Health Administration; Adult, School, and Community Health; Baltimore Mental Health Systems; Baltimore Substance Abuse Systems; Communicable Diseases; Environmental Health; Maternal and Child Health; and a subcommittee that researched “best practices” in the public health field.

As part of the review process, members of the project team met several times with the Department’s senior management team, interviewed staff, performed site visits, and hosted a conference attended by leading public health officials from several cities across the country. The project team leaders and the eight subcommittees attempted to keep the review effort focused on identifying opportunities to improve the quality, effectiveness, and efficiency of the services that the Department either directly provides or funds.

The project team’s recommendations can be encapsulated within the five overarching themes below. These themes form the basis for a series of recommendations designed to improve the Department’s ability to respond to Baltimore’s public health needs and to act on the O’Malley Administration’s service priorities.

Introduction: Health Department

Promoting Accountability by Establishing More Effective Evaluation Mechanisms
Improving Coordination and Cooperation with Other Government Entities and Service Providers
Easing Administrative Processes
Achieving Operational Efficiencies
Increasing Revenue Generation
Establish mechanisms to improve the public’s ability to critically evaluate the quality, accessibility, and effectiveness of the Department’s services

**Health Department, Section 1**

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-A HEALTH DEPARTMENT: ACTIONABLE STRATEGIC AND OPERATING PLANS</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>1-B HEALTH DEPARTMENT: CRITICALLY EXAMINE THE ALLOCATION OF FINANCIAL RESOURCES</td>
<td>Accept</td>
<td>IMPLEMENTED; Ongoing</td>
</tr>
<tr>
<td>1-C HEALTH DEPARTMENT: MAKE BETTER USE OF OUTCOME-BASED CONTRACTS</td>
<td>Accept</td>
<td>Ongoing with AIDS Stat</td>
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</tbody>
</table>
**Improve the efficiency and effectiveness of the Department’s services**

### Health Department, Section 2

<table>
<thead>
<tr>
<th>Recommendations</th>
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<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-A HEALTH DEPARTMENT: HUMAN SERVICES CABINET</td>
<td>Modify</td>
<td>IMPLEMENTED w/KidStat &amp; LeadStat</td>
</tr>
<tr>
<td>2-B HEALTH DEPARTMENT: INTERGOVERNMENTAL LEAD PAINT INITIATIVES</td>
<td>Accept</td>
<td>Ongoing w/DrugStat &amp; LeadStat</td>
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Pursue mutually beneficial partnerships

Health Department, Section 3

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<thead>
<tr>
<th>Recommendations</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-A HEALTH DEPARTMENT: ALIGN DIRECT SERVICES WITH LOCAL HOSPITALS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>3-B HEALTH DEPARTMENT: COORDINATION WITH LOCAL HOSPITALS</td>
<td>Accept</td>
<td>30 Days</td>
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Ease administrative processes to improve the flow of information

Health Department, Section 4

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-A        HEALTH DEPARTMENT: DEMONSTRATION PROJECT</td>
<td>Accept</td>
<td>Planning Underway; Full Implementation FY2002</td>
</tr>
<tr>
<td>4-B        HEALTH DEPARTMENT: ACCELERATED HIRING FOR GRANT-FUNDED POSITIONS</td>
<td>Accept</td>
<td>Planning Underway; Full Implementation FY2002</td>
</tr>
<tr>
<td>4-C        HEALTH DEPARTMENT: IMPROVED INFORMATION TECHNOLOGY INFRASTRUCTURE</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
</tbody>
</table>
Achieve economies-of-scale through the merging of organizational units

**Health Department, Section 5**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-A HEALTH DEPARTMENT: BSAS/BMHS MERGER</td>
<td>Accept</td>
<td>Planning Underway; Merger FY2002</td>
</tr>
<tr>
<td>5-B HEALTH DEPARTMENT: CONSOLIDATED DATA COLLECTION FUNCTION</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>5-C HEALTH DEPARTMENT: ADMINISTRATION OF SCHOOL HEALTH</td>
<td>Reject</td>
<td>N/A</td>
</tr>
<tr>
<td>5-D HEALTH DEPARTMENT: INTEGRATED SCHOOL-BASED SUBSTANCE ABUSE PREVENTION PROGRAMS</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
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</table>
# Better align staffing patterns

## Health Department, Section 6

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-A HEALTH DEPARTMENT: CRITICALLY EVALUATE STAFFING PATTERNS</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
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</tbody>
</table>
## Improve the Department’s revenue-generating capabilities

### Health Department, Section 7

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<tr>
<th>Recommendation</th>
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<th>Implementation Time</th>
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</thead>
<tbody>
<tr>
<td>7-A HEALTH DEPARTMENT: CONSOLIDATED MANAGEMENT OF REVENUE-GENERATING ACTIVITIES</td>
<td>Modify</td>
<td>IMPLEMENTED; Consolidated Under a Grants Program Officer</td>
</tr>
<tr>
<td>7-B HEALTH DEPARTMENT: UPDATE FEE STRUCTURE</td>
<td>Accept</td>
<td>Partially Implemented; Other Fees to be Reviews Over 90 Days</td>
</tr>
<tr>
<td>7-C HEALTH DEPARTMENT: CREDIT/DEBIT CARDS</td>
<td>Accept</td>
<td>30-60 Days</td>
</tr>
<tr>
<td>7-D HEALTH DEPARTMENT: STRUCTURED GAIN-SHARING PROGRAM</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
<tr>
<td>7-E HEALTH DEPARTMENT: INCREASED INSPECTION ACTIVITY</td>
<td>Accept</td>
<td>60 Days</td>
</tr>
<tr>
<td>7-F HEALTH DEPARTMENT: EXPAND MEDICAL ASSISTANCE PERSONAL CARE TO OTHER JURISDICTIONS</td>
<td>Study</td>
<td>Will Revisit Capacity in FY2002</td>
</tr>
<tr>
<td>7-G HEALTH DEPARTMENT: OFFICE CONSOLIDATION</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
<tr>
<td>7-H HEALTH DEPARTMENT: TARGET STATE FUNDING REQUESTS TOWARDS NON-RECURRING NEEDS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>7-I HEALTH DEPARTMENT: INCREASED INSURANCE ENROLLMENT EFFORTS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
# Develop a comprehensive service measurement program

## Health Department, Section 8

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<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
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<tbody>
<tr>
<td>8-A HEALTH DEPARTMENT: COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>Proposed Performance/Service Measures</td>
<td>–</td>
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</table>
**Improve the Department’s ability to communicate with the general public**

**Health Department, Section 9**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
</table>
| 9-A  
HEALTH DEPARTMENT: ENHANCED MEDIA RELATIONS       | Accept             | Ongoing             |
| 9-B  
HEALTH DEPARTMENT: PUBLICIZING HEALTH VIOLATIONS  | Reject             | N/A                 |
Begin playing an active role in improving the City’s emergency medical services system

Health Department, Section 10

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<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
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<tbody>
<tr>
<td>10-A \nHEALTH DEPARTMENT: EMS PLANNING AND ACCREDITATION EFFORTS</td>
<td>Study</td>
<td>Ongoing</td>
</tr>
<tr>
<td>10-B \nHEALTH DEPARTMENT: EMS-RELATED PUBLIC INFORMATION, OUTREACH AND RESEARCH EFFORTS</td>
<td>Study</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Promoting Accountability by Establishing More Effective Evaluation Mechanisms

Throughout the course of the review process, the project team and its subcommittees grappled with determining what constituted success when addressing public health needs in an urban environment. The overwhelming conclusion was that, while the public health challenges of American cities may vary, there exists a universal need for urban health professionals to establish a clear vision for improving public health in their communities. This vision must move beyond the typically reactionary focus of public health and include quantifiable metrics and goals with specified criteria against which to measure progress and success.

In Baltimore, the Department needs to implement a comprehensive performance measurement program that sets quantifiable performance goals for each of the Department’s major initiatives and operational areas. In addition to establishing goals, specific Departmental managers must be identified as being responsible for each performance goal, and an annual ‘report card’ detailing the Department’s progress toward meeting the established measurable goals should be issued.

In recognition of the fact that the vast majority of public health services are delivered by contract providers, the Department must expand the use of outcome-based contracts with performance criteria, service goals, and outcome objectives. Through improved performance monitoring of contract providers, the Department can make informed funding decisions. In sum, the Department can reward the best providers with future financial support and reduce or eliminate support to under-performing providers. Additionally, better outcome-data could strengthen the Department’s case in appealing to the State and other funders for resources needed to address priority health issues, such as substance abuse.

Ultimately, the benefits of promoting accountability and developing more effective evaluation mechanisms reach far beyond improving the Department’s efficiency. Given the likelihood that Baltimore will always have a public health agenda that extends past its limited financial resources, the significance of educating the public about the city’s most pressing health needs takes on greater importance. A knowledgeable citizenry represents the Department’s best partner in its ongoing efforts to protect and promote public health in Baltimore. In the final analysis, the availability of information regarding both the threats to the city’s collective public health and the Department’s responsiveness to those threats is critical to making more informed and better decisions about the use and necessity of public health resources.

Introduction: Health Department
Promoting Accountability by Establishing More Effective Evaluation Mechanisms
Improving Coordination and Cooperation with Other Government Entities and Service Providers
Easing Administrative Processes
Achieving Operational Efficiencies
Increasing Revenue Generation
Improving Coordination and Cooperation with Other Government Entities and Service Providers

Public health represents a significant element of the health and human services continuum of care that is accessed by Baltimore’s citizens. Ultimately, the Department’s ability to execute its stated mission "To ensure all Baltimoreans access to comprehensive, quality health services and care, as well as to ensure a healthy environment" is inextricably dependent upon the efforts of other public, private, and non-profit entities with complementary missions.

Mutually beneficial partnerships, from both the quality of service and financial efficiency perspectives, represent one of the central themes of the Greater Baltimore Committee and Presidents’ Roundtable Health Department project team’s set of recommendations. There is no shortage of issues where collaboration and partnerships are abundantly necessary. These issues include drug abuse, violence, gun violence, lead paint, school readiness, and homelessness. A number of the recommendations identify opportunities where improved coordination and cooperation between the Department, other public sector entities, and local hospitals and other service providers could yield tangible improvements. To begin to realize these improvement opportunities, steps must be taken by the Department to actively engage service providers in meaningful dialogues about these issues. These steps include convening a Human Services Cabinet to develop strategies to manage these issues and to provide entities an opportunity to better integrate programmatic initiatives; to identify duplicative efforts and gaps in the level of services provided; and to fully leverage available resources to maximize service impacts. Additionally, the Department should pursue strategic partnerships that would align the Department’s clinics and administrative offices with local hospitals to upgrade the overall quality of care by providing services in more modern facilities, spurring more extensive collaborative efforts, facilitating resource and data sharing, and potentially diminishing the stigma of Department-operated clinics.

Introduction: Health Department
Promoting Accountability by Establishing More Effective Evaluation Mechanisms
Improving Coordination and Cooperation with Other Government Entities and Service Providers
Easing Administrative Processes
Achieving Operational Efficiencies
Increasing Revenue Generation
Easing Administrative Processes

Easing Administrative Processes

Nearly 90 percent of the Department’s funding comes from sources other than the City’s General Fund, yet the Department is required to adhere to all of the City’s existing administrative rules that govern personnel, procurement, and contracting practices. City policies and procedures governing public sector personnel, procurement, and contracting processes have been established over the years as safeguards to ensure the appropriate expenditure of public funds. These processes represent important internal financial controls to which all City departments must adhere. These requirements sometimes impede the Department's ability to effectively and efficiently pursue, manage, and expend grant funds.

While every City department may argue that its operations are ‘different’ from other City entities, the Health Department’s arguments are particularly compelling. Factors that set the Health Department apart include: its highly specialized staffing needs (doctors, dentists, nurses), its need to respond quickly to rapidly emerging health trends (strains of highly contagious diseases, virus outbreaks), and the unique types of materials and supplies required to provide health services (medical supplies, vaccines, etc.).

Some have advocated ending the practice of the Department providing direct services to the public, opting instead for a service delivery model where there would be a public health officer with a policy-setting role and all direct clients services would be outsourced to third-party providers. While this was a solution considered by the project team, a ‘demonstration project’ concept was the preferred alternative.

The project team judged the Department as a particularly attractive candidate for a 12 to 24 month controlled experiment to measure the effects of providing increased management and operational autonomy. Conducting such a demonstration project would require a tremendous amount of operational and financial planning and necessitate the establishment of well-defined goals and objectives against which to measure the ultimate success or failure of the experiment. In the event that the Mayor elects to pursue the implementation of this recommendation, members of the Greater Baltimore Committee and Presidents' Roundtable Health Department project team have volunteered to play an active role in collaborating with the Department’s leadership to develop more concrete plans for the scope of the demonstration, to establish measurable performance goals, to monitor the implementation, and to provide regular reports (monthly or quarterly) to the Mayor, City Council, City Comptroller, and other interested stakeholders.

Introduction: Health Department
Promoting Accountability by Establishing More Effective Evaluation Mechanisms
Improving Coordination and Cooperation with Other Government Entities and Service Providers
Easing Administrative Processes
Achieving Operational Efficiencies
Increasing Revenue Generation
Achieving Operational Efficiencies

While the Department’s primary management focus should remain on servicing the public health needs of Baltimore’s neediest populations, this report includes a number of recommendations aimed at achieving operational economies-of-scale, increasing existing revenues and cultivating new revenue streams. These recommendations were designed to address fragmentation that was observed in the management of specific administrative and service functions, as well as to increase the availability of funds to support the Department’s future operations.

The City’s current compartmentalized approach to treating mental health and substance abuse problems fails to acknowledge the reality that in many instances Baltimore Mental Health Systems (BMHS) and Baltimore Substance Abuse Systems (BSAS) are treating a shared population of clients with similar service needs. This system fragmentation limits the City’s ability to maximize treatment opportunities, coordinate services, and improve public accountability. By combining BMHS and BSAS, a unified organization to oversee and direct the City’s behavioral health spending could be created. The merger could lead to better integration of treatment strategies and funding streams, improved data sharing, potential consolidation of administrative functions, enhanced public accountability, and increased access to treatment.

Another promising opportunity exists to consolidate the Department’s disparate data collection, evaluation, and policy development functions into a single administrative unit to improve the coordination of efforts and to achieve operational efficiencies. The timeliness, accuracy, and quality of the Department’s data collection and analysis efforts are critical to identifying emerging health trends, evaluating the efficiency and effectiveness of existing initiatives, and developing new strategies to address the City’s most-pressing public health needs. The consolidated unit could be tasked with eliminating the Department’s duplicative data collection efforts, identifying cumbersome manual data collection processes that should be targeted for automation, and collaborating with external data sources to facilitate the sharing of information.

Introduction: Health Department
Promoting Accountability by Establishing More Effective Evaluation Mechanisms
Improving Coordination and Cooperation with Other Government Entities and Service Providers
Easing Administrative Processes
Achieving Operational Efficiencies
Increasing Revenue Generation
The Department’s annual budget includes a number of revenue streams, including: State and federal grants, City General Fund monies, third-party insurance reimbursements, licensing and permit activities, and non-governmental grant funds. Responsibility for cultivating, managing, and maximizing these funding streams, however, is diffused throughout the Department. Consideration should be given to adopting a more holistic approach to managing revenue-generating and grants-procurement functions. Convening monthly meetings specifically aimed to assemble the managers responsible for these assorted functions to share information and to develop coordinated strategies could have beneficial impacts on the Department’s multiple revenue streams. Specific strategies include:

- Designating a single deputy or assistant health commissioner to be responsible for managing all revenue generating and grants procurement functions;
- Revising the Department’s outdated fee structure;
- Instituting a structured gain-sharing program to provide the Department a financial incentive to increase inspection efforts;
- Increasing the frequency of air quality and food inspections through the establishment of performance goals and the regular monitoring of inspector productivity;

- Marketing the Department’s Medical Assistance Personal Care services to other jurisdictions;
- Relocating services in the Department’s Federal Hill facility to available underutilized space in its Druid Hill facility making the Federal Hill site available for public sale and eventual private or commercial development;
- Pursuing increased State funding by focusing lobbying efforts on securing funds for non-recurring needs such as improving the Department’s information technology infrastructure; and
- Identifying and assisting eligible Baltimore City residents to enroll in existing public insurance programs.

It is the hope of the Greater Baltimore Committee and Presidents’ Roundtable Health Department project team that the recommendations set forth help address some of the organizational, operational, and financial challenges that the Department confronts and improves its ability to respond to Baltimore’s public health needs. The members of the Greater Baltimore Committee and Presidents’ Roundtable Health Department project team would like to acknowledge the tremendous level of cooperation received from the Health Department personnel during the conducting of this effort.

Introduction: Health Department
Promoting Accountability by Establishing More Effective Evaluation Mechanisms
Improving Coordination and Cooperation with Other Government Entities and Service Providers
Easing Administrative Processes
Achieving Operational Efficiencies
Increasing Revenue Generation
HEALTH DEPARTMENT: ACTIONABLE STRATEGIC AND OPERATING PLANS

1-A
HEALTH DEPARTMENT: ACTIONABLE STRATEGIC AND OPERATING PLANS

Problem Identification:
It is difficult to measure and evaluate the Department’s effectiveness in managing Baltimore’s public health needs.

Recommended Action:
Translate the Department’s well-conceived five-year strategic plan and annual operating plan into actionable agendas that connect the City’s public health objectives to desired outcomes and issue an annual Department “report card” detailing progress toward meeting established measurable goals.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
30 Days

Next Steps:
The Department’s senior management team should convene to set quantifiable performance goals for each of the major strategies and initiatives included in its 2000-2004 Five-Year Strategic Plan and its FY2001 Annual Operating Plan. In addition to establishing goals, specific Departmental managers should be identified as being responsible for each of the performance goals.

Analysis:
Throughout the course of the Greater Baltimore Committee/Presidents’ Roundtable Management and Efficiency Review of the Health Department, the project team and its subcommittees grappled with determining what constituted success when managing public health needs in an urban environment. Struggles with this issue prompted the project team to collaborate with the Milbank Fund, a New York-based foundation focused on the improvement of public health, in hosting a forum of leading public health professionals from around the country at the Baltimore campus of the University of Maryland Medical Systems. In all, public sector health professionals from around the country, including Chicago, Houston, Milwaukee, Nashville, and San Diego, participated in a series of meetings with the project team and the Health Department’s senior management team.

The overwhelming conclusion was that while the public health challenges of American cities may vary, there exists a universal need for urban health professionals to establish a clear vision for improving public health in
their communities. This vision must move beyond the typically reactionary focus of public health and include quantifiable metrics and goals that together provide specified criteria against which to measure progress and success.

During the summer of 1999, the Department embarked on a comprehensive planning process that culminated with the issuance of a five-year strategic plan covering the years 2000-2004. The plan, divided into programmatic areas, identified strategies, key performance indicators, and operational activities ‘to ensure all Baltimoreans access to comprehensive, quality health services and care, as well as to ensure a healthy environment.’ This plan was followed by the development of an operating plan for FY2001.

The Greater Baltimore Committee/Presidents' Roundtable Health Department project team believe that these documents are indicative of a desire by the Department’s management team to not only articulate a comprehensive vision for promoting public health in Baltimore, but also to provide a context and framework within which the effectiveness of the Department’s initiatives can be regularly evaluated. However, the real value of these documents is inextricably linked to the Department’s efforts to translate these plans into actionable agendas where quantifiable goals are established, performance is continually evaluated, and the extent of progress is regularly reported.

San Diego County has adopted an approach to these issues that the Health Department should consider replicating. Through the issuance of an annual ‘report card,’ San Diego’s Health and Human Services Agency is taking steps to link local health and human service indicators in areas such as safety, economics, education, health, and access to service to its own organizational performance measures in an effort towards developing true public accountability.
HEALTH DEPARTMENT: CRITICALLY EXAMINE THE ALLOCATION OF FINANCIAL RESOURCES BETWEEN TREATMENT & PREVENTION

1-B
HEALTH DEPARTMENT: CRITICALLY EXAMINE THE ALLOCATION OF FINANCIAL RESOURCES BETWEEN TREATMENT & PREVENTION

Problem Identification:
The still unmet need for treatment-related public health services dominates the distribution of scarce financial resources thereby diminishing financial support of prevention activities.

Recommended Action:
Evaluate the Department's allocation of financial resources between treatment and prevention-related activities and make strategic decisions to achieve the appropriate ratio to provide maximum public health outcomes.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
As part of its regular planning and public reporting processes, the Department should continually evaluate and disclose the allocation of financial resources between treatment and prevention-related activities. This information should be utilized by policymakers in making decisions about the allocation of public resources.

Analysis:
The allocation of scarce budgetary resources between treatment and prevention-related activities is a policy-level decision most appropriately made by the City’s elected officials in conjunction with public health professionals. Through the course of the project team's work, however, a tendency was observed to overwhelmingly favor the funding of treatment activities, thus diminishing the number and scope of prevention initiatives. For example, the Baltimore Substance Abuse System (BSAS) utilizes a $30 million annual budget to provide drug treatment and prevention services to the estimated 60,000 substance abusers in Baltimore City. BSAS spends approximately 89 percent of its annual budget on drug treatment programs, while just slightly more than 2 percent is used to provide drug use prevention services.
HEALTH DEPARTMENT: MAKE BETTER USE OF OUTCOME-BASED CONTRACTS

Problem Identification:
It is difficult to determine whether the Department systematically measures the effectiveness of individual service providers so as to direct funds to providers that produce the best outcomes.

Recommended Action:
Make better use of outcome-based contracts.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
Unwillingness by some providers to link the extension of service contracts to the achievement of quantifiable service outcomes. The limited number of providers in some areas of health services restricts the Department's contracting options.

Projected Implementation:
Ongoing

Next Steps:
As part of its contract development process, the Department must include provider performance criteria, service goals, and outcome objectives in all future agreements.

Analysis:
The Department contracts with a large number of third-party providers to deliver health-related services to Baltimore's citizens. In FY2000, nearly $111.5 million (over 75 percent) of the Department's operating budget constituted contractual service costs.

Contracts represent the primary mechanism through which the Department can articulate performance
standards and expectations and require providers to monitor service outcomes and share data. Considering
the Department’s annual responsibility for a portfolio of contracts that exceeds $110 million, it is in a strong
position to dictate terms that are consistent with the Department’s efforts to improve its ability measure
performance.

Through improved performance monitoring of contract providers the Department can make more informed
funding decisions. In sum, the Department can reward the best providers with future financial support and
reduce or eliminate support to under-performing providers. Additionally, better outcome-data could strengthen
the Department’s case in appealing to the State and other funders for resources needed to address priority
health issues, such as substance abuse.
HEALTH DEPARTMENT: HUMAN SERVICES CABINET

2-A

Problem Identification:
Policymaking, programmatic, and financial coordination among Baltimore’s human service-related entities needs improvement.

Recommended Action:
Establish a Human Services Cabinet to enhance collaboration and communications among entities serving shared populations and to develop strategies to mitigate the ‘silo effect’ that occurs as a result of multiple funding streams.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
30 – 60 days

Next Steps:
Develop a list of Baltimore’s critical public and non-profit human service entities, have the Mayor extend invitations to the leaders of each of these entities to serve in a Human Services Cabinet, and convene regular monthly meetings to develop and implement strategies to coordinate initiatives and fully leverage collective financial resources.

Analysis:
Public health represents a significant element of the health and human services continuum of care that is accessed by Baltimore’s citizens. Ultimately, the Department’s ability to execute its stated mission, i.e. – ‘To ensure all Baltimoreans access to comprehensive, quality health services and care, as well as to ensure a healthy environment’ is inextricably dependent upon the efforts of other public, private, and non-profit entities with complementary missions.

In Baltimore, there is no shortage of issues where collaboration and partnerships are abundantly necessary. These issues include drug abuse, violence, gun violence, lead paint, school readiness, and homelessness.

Despite the existence of complementary missions and shared priorities, collaboration does not come easily. Funding streams, the lifeblood of health and human service entities, can create barriers to cooperation by dictating organizational focus and reducing incentives to partner.

Convening a cabinet to develop strategies to manage these issues could provide entities an opportunity to...
better integrate programmatic initiatives, identify duplicative efforts and gaps in the level of services provided, and fully leverage available resources to maximize service impacts. In addition to the Health Department, potential City government entities that should be considered for inclusion in the cabinet are representatives of the Baltimore City Public School System, the Enoch Pratt Free Library, the Police Department, and the Departments of Housing and Community Development and Recreation and Parks.

Task forces, working groups, and cabinets are popular organizational mechanisms that frequently come to life in response to immediate, short-term needs. Their creation, however, is sometimes greeted with skepticism by participating members, and sustaining their efforts beyond the initial crisis can prove challenging in the absence of decisive leadership. While this was an attitude encountered within some pockets of the Health Department, it in no way diminishes the remaining need.
Problem Identification:
Lead paint continues to represent a serious health risk to Baltimore’s citizens.

Recommended Action:
Continue to develop intergovernmental initiatives, particularly in conjunction with the City’s housing-related entities, to mitigate the negative effects of lead paint.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Environmental Health

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
The Department, in cooperation with other City departments, must develop a fully integrated approach to managing issues related to lead paint. This should include consolidating lead paint-related functions under the administration of one department and studying potential legislative remedies such as requiring the certification of homes as being ‘lead free’ prior to sale.

Analysis:
Exposure to lead-based paint represents a significant health risk for children under the age of six. Certain levels of exposure can lead to an increased risk of behavioral problems and learning disabilities. The Department currently has staff that inspects homes to detect the presence of lead paint, test children for lead poisoning, and provides case management services to infected clients. These efforts have intensified in recent years leading to increases in the number of children tested and homes abated.

Despite the increased prevalence of this issue, more needs to be done. Opportunities for improvement include collaboration with the Baltimore City Public School System, the Department of Housing and Community Development, and the Baltimore City Housing Authority on targeted outreach efforts. The City’s management of health and housing issues related to lead paint could serve as an initial focus of the Human Services Cabinet (as described in Recommendation 2-A).
HEALTH DEPARTMENT: ALIGN DIRECT SERVICES WITH LOCAL HOSPITALS

3-A
HEALTH DEPARTMENT: ALIGN DIRECT SERVICES WITH LOCAL HOSPITALS

Problem Identification:
For some citizens there is a stigma associated with visiting City-operated health services clinics. Additionally, the City’s operation of a network of direct service clinics is expensive and might represent a failure to make full use of existing facility capacity within Baltimore’s private health care community.

Recommended Action:
Align the Department’s direct health service delivery centers with local hospitals.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Evaluate the Department’s current space needs and pursue planning meetings with local hospitals and other health service providers to discuss opportunities for co-locating clinics at existing private facilities.

Analysis:
At the onset of the Greater Baltimore Committee/ Presidents’ Roundtable Management and Efficiency Review, the Department operated six clinics and one administration site. During the course of the project, the Department also opened a citywide men’s health center. Plans are underway for two additional community-based centers in the Park Heights and Historic East Baltimore communities.

As has been previously described in this report (see Recommendation 1-C), the majority of Department-funded services are provided by third parties through contract with the City. This is consistent with a long-evolving public health trend to reduce the scope of services that are directly provided by public entities, the most notable local example occurring in 1983 when operation of the Baltimore City Hospital was turned over to Johns Hopkins in 1983.

Given the Department’s reliance on third-party providers and the extensive network of private hospitals in Baltimore, strong consideration should be given to pursuing strategic partnerships that would align the Department’s clinics and administrative offices with local hospitals.

One specific opportunity for facility consolidation is already identified in this report (see Recommendation 7-
G). By occupying less space, the Department can achieve cost savings via reduced building maintenance, security, and utility costs and make City-owned facilities available for commercial or residential development. Perhaps more importantly aligning City clinics with local hospitals could upgrade the overall quality of care by providing services in more modern facilities, spurring more extensive collaborative efforts, facilitating resource and data sharing, and potentially diminishing the stigma some associate with visiting Department-operated clinics.
HEALTH DEPARTMENT: COORDINATION WITH LOCAL HOSPITALS

Problem Identification:
The Department regularly meets with administrators from Baltimore’s hospitals but these gatherings produce few benefits due to the lack of tangible objectives.

Recommended Action:
Refocus the regular planning meetings that occur between the Department and local hospitals to center attention on the creation of a functioning citywide health surveillance system, the institution of uniform and nonduplicative data reporting requirements, the resolution of privacy-related data sharing issues, and other issues of mutual concern.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, improved coordination between the Department and Baltimore’s hospitals could increase the timeliness and accuracy of collected data, improve the sharing of data, and promote more informed organizational and policy decisionmaking.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
Immediate

Next Steps:
The Department should make every conceivable effort to ensure that the top administrators from all of Baltimore’s local hospitals attend the next planning meeting, develop consensus regarding the objectives of this group, and develop a specific action plan to focus the activities of this group.

Analysis:
The Department and local hospitals regularly participate in the ‘Urban Health Coalition.’ The meetings of the coalition are supposed to provide a structured forum where the Department’s leadership and local hospital administrators can convene on a regular basis, ostensibly to exchange information and coordinate planning initiatives. The agenda for these meetings is dictated by the Department and little effort has been made to develop a series of long-term objectives that reflect shared priorities towards which this group can focus its collective efforts.

Mutually beneficial partnerships, from both the quality of service and financial efficiency perspectives, represent one of the central themes of the Greater Baltimore Committee/ Presidents’ Roundtable Health Department project team’s set of recommendations. A number of the recommendations included herein surface opportunities where improved coordination and cooperation between the Department and local...
hospitals and other service providers could yield tangible improvements (data sharing, Medical Assistance
enrollment efforts, and facility sharing). To begin to realize these improvement opportunities, steps must be
taken by the Department to actively engage service providers in meaningful dialogues about these issues.
Specific areas of interest upon which the coalition can focus efforts include:

Establishing an operable citywide health surveillance system;
Instituting uniform and nonduplicative data reporting requirements; and
Resolving data sharing and patient privacy issues.
HEALTH DEPARTMENT: DEMONSTRATION PROJECT

Problem Identification:
Nearly 90 percent of the Department’s funding comes from sources other than the City’s General Fund, yet the Department is required to adhere to all of the City’s existing administrative rules that govern personnel, procurement, and contracting practices. These requirements sometimes impede the Department’s ability to effectively and efficiently pursue, manage, and expend grant funds.

Recommended Action:
Establish the Department as the subject of a 12 to 24-month ‘demonstration project’ where its executive leadership would be given increased autonomy in critical administrative areas such as personnel and procurement.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Department Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Existing City policies and practices related to hiring, procurement, and information technology. Some of these operational impediments are rooted in the City Charter.

Projected Implementation:
1 – 2 years

Next Steps:
Conduct planning meetings with all impacted stakeholders; including, the Baltimore City Council and Comptroller, affected municipal unions, and members of the advocacy community. Constitute a group of these stakeholders to oversee this demonstration project in conjunction with representatives from the Greater Baltimore Committee/ Presidents’ Roundtable Management and Efficiency Review Health Department project team.

Analysis:
Existing City policies and procedures governing public sector personnel, procurement, and contracting processes have been established over the years as safeguards to ensure the appropriate expenditure of public funds. These processes represent important internal financial controls to which all City departments must adhere. While every City department will argue that its operations are ‘different’ from other City entities, the Health Department’s arguments are particularly compelling. Factors to consider include the Department’s highly specialized staffing needs (doctors, dentists, nurses), its need to respond quickly to rapidly emerging health trends (strains of highly contagious diseases, virus outbreaks), and the unique types of materials and supplies required to provide health services (medical supplies, vaccines, etc.). These specialized needs, coupled with the City’s sometimes cumbersome administrative policies and practices, have led to the creation of organizational ‘workarounds’ such as the Baltimore Substance Abuse System (BSAS) and Baltimore
Mental Health Systems (BMHS).

Some parties have advocated completely ending the practice of having the Department provide direct services to the public, opting instead for a service delivery model where the only Department official would be a public health officer with a policy-setting role, and all direct clients services would be outsourced to third-party providers. This would represent a direct extension of the past efforts by the Department to disassociate its operations from the public sector control processes. While this was a solution considered for inclusion by the Greater Baltimore Committee/Presidents’ Roundtable Health Department project team as a potential recommendation, the ‘demonstration’ concept was viewed as a more viable alternative.

For the reasons stated above, the project team judged the Health Department as a particularly attractive candidate for a controlled experiment to measure the effects of providing municipal entities increased management and operational autonomy.

Conducting such a demonstration project would require a tremendous amount of operational and financial planning and necessitate the establishment of well-defined goals and objectives against which to measure the ultimate success or failure of the experiment. In the event the Mayor elects to pursue the implementation of this recommendation, members of the Greater Baltimore Committee/Presidents’ Roundtable Health Department project team have volunteered to play an active role in collaborating with the Department’s leadership to develop more concrete plans for the scope of the demonstration, establish measurable performance goals, monitor the implementation, and provide regular reports (monthly or quarterly) to the Mayor, City Council, City Comptroller, and other interested stakeholders.
HEALTH DEPARTMENT: ACCELERATED HIRING FOR GRANT-FUNDED POSITIONS

Problem Identification:
The time required to fill approved new positions and vacancies in the Department is excessive and causes service delivery delays.

Recommended Action:
Develop an accelerated hiring process for grant funded employees to maximize the City’s ability to fully utilize available grant funding.

Classification:
Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
Up to $1,000,000 per year. According to the Department, this is the amount of funding returned to non-City sources each year due to its inability to fill funded positions in a timely manner.

Estimated Implementation Cost:
None

Barriers to Implementation:
Charter-mandated requirements that assign the management of personnel-related functions to the City’s Personnel Department.

Projected Implementation:
1 year

Next Steps:
The Department should develop a proposal that streamlines the hiring process for grant-funded positions. The proposal should outline how the Department could better-manage this personnel function, detail the service and financial benefits that could accrue through the implementation of this recommendation, and identify all the resources needed to achieve a successful implementation.

Analysis:
The Department’s ability to respond quickly to emerging health trends is often reliant upon its ability to meet critical staffing needs. Organizational responsibility for creating and filling positions currently resides with the City’s Personnel Department. The current hiring process can take as long as six months and represents a considerable impediment to recruiting and retaining qualified professionals. As a workaround to this administrative impediment, the Department often must hire new staff through professional service contracts.

Given the time-sensitive nature of much of the Department’s operations and staffing needs, coupled with the fact that nearly 90 percent of its annual funding comes from non-City sources, an alternative hiring process for grant-funded positions could help alleviate the Department’s staffing difficulties.
HEALTH DEPARTMENT: IMPROVED INFORMATION TECHNOLOGY INFRASTRUCTURE

4-C
HEALTH DEPARTMENT:
IMPROVED INFORMATION TECHNOLOGY INFRASTRUCTURE

Problem Identification:
The Department cannot access and manage accounting and purchasing information in a timely fashion.

Recommended Action:
Enhance the Department’s information technology infrastructure by implementing software applications that interface with the City’s central systems.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Fiscal Services

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, improvements in the Department’s information technology infrastructure could enable more timely production of accounting and purchasing reports and yield potential opportunities to downsize fiscal and purchasing staffs necessitated by existing duplicative manual processes.

Estimated Implementation Costs:
Connectivity and programming costs have not been determined.

Barriers to Implementation:
The cost of implementation.

Projected Implementation:
1 year

Next Steps:
The Department, in conjunction with the Bureau of Information Technology, should develop a proposal to establish the necessary electronic interfaces.

Analysis:
The Department’s fiscal staff relies heavily upon the Finance Department for accounting information. This information, however, is often only available in hard copy and there can be considerable delays in supplying it to the Department. As an interim measure to full automation, the Department should pursue meetings with the Finance Department to identify opportunities to improve existing manual processes and accelerate the sharing of critical accounting information.

The Department does not have an automated system to track and expedite purchase orders and monitor budget allocation and expenditures. An automated purchasing system could reduce staffing needs necessitated by repetitive and cumbersome manual processes and improve the Department’s ability to take advantage of vendor discounts.
Problem Identification:
The City's approach to treating and delivering services to mental health and substance abuse clients is fragmented. This system fragmentation limits the City's ability to maximize treatment opportunities, coordinate services, and improve public accountability.

Recommended Action:
Combine Baltimore Mental Health Systems and Baltimore Substance Abuse Systems to create a unified organization to oversee and direct the City's behavioral health spending.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
BMHS and BSAS

Estimated Annual Impact:
$1,000,000 – $2,000,000

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
Implementation of this recommendation would represent a fundamental change in the delivery of behavioral health services and would necessitate extensive efforts to educate the public, impacted client populations, and State health officials. As the source of funding for this behavioral health service differs, there could be difficulty in retention of funding.

Projected Implementation:
1 – 2 years

Next Steps:
Convene a working group to develop a comprehensive plan to accomplish the merger of these two entities. The working group should include participation from the Department, management and board leadership from BMHS and BSAS, and potentially impacted stakeholders from the provider community. Initiate discussions with State health officials to discuss the objectives of this initiative and solicit technical support to accomplish implementation.

Analysis:
The Baltimore Mental Health Systems, Inc. (BMHS) and the Baltimore Substance Abuse Systems, Inc. (BSAS) are quasi-public, non-profit corporations responsible for administering the City's mental health and substance abuse programs. The Health Commissioner serves on the board of each organization.

The City's current compartmentalized approach to treating mental health and substance abuse problems fails to acknowledge the reality that in many instances BMHS and BSAS are treating a shared population of clients ('dually diagnosed') with similar service needs. Merging these entities could achieve the following potential benefits:
Better integration of treatment strategies and funding streams;
Improved data sharing;
Consolidation of administrative functions;
Enhanced public accountability; and ultimately
Increased access to treatment.

The City of Philadelphia provides a useful model for the creation of an integrated behavioral health system. Prior to 1997, Philadelphia’s Department of Public Health provided behavioral health care services to its citizens through the Office of Mental Health (OMH) and the Coordinating Office for Drug and Alcohol Abuse Programs (CODAAP). These two entities offered diverse programs, were supported by different funding streams, and operated under separate restrictions and guidelines.

As a result of the State of Pennsylvania’s implementation of a mandatory managed health care program for Philadelphia’s nearly 400,000 Medical Assistance recipients, Philadelphia’s Department of Public Health created Community Behavioral Health (CBH) to compete for the State contract to become Philadelphia’s local behavioral health care managed care organization. CBH has been tremendously successful. During its first year of operation it produced $21 million in savings that were reinvested in a variety of human services programs. In 1999, CBH was recognized by the Kennedy School of Government and The Ford Foundation with one of ten national Innovations in Government awards. (To learn more about this initiative, please consult http://www.phila-bhs.org).

As indicated in the ‘Barriers to Implementation’ section of this recommendation template, the implementation of this recommendation would represent a fundamental change in the delivery of behavioral health services and would necessitate extensive efforts to educate the public, impacted client populations, and State health officials. The range of potential savings included in this recommendation is a conservative estimate based upon the two entities being able to identify approximately $1 million in salary and fringe benefit savings through the consolidation of duplicative organizational functions and a target of an additional $1 million in economies-of-scale that can be achieved in the delivery of services. Ultimately, savings in both areas could enable the merged entity to increase the total level of behavioral health services provided without increasing total costs.
HEALTH DEPARTMENT: CONSOLIDATED DATA COLLECTION FUNCTION

5-B
HEALTH DEPARTMENT: CONSOLIDATED DATA COLLECTION FUNCTION

Problem Identification:
Organizational responsibilities for managing data-related functions are diffused throughout the Department.

Recommended Action:
Consolidate the Department’s disparate data collection, evaluation, and policy development functions into a single administrative unit to improve the coordination of efforts and achieve operational efficiencies.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
60 days

Next Steps:
Identify an individual to lead the Department’s newly constituted Office of Grants, Research, and Evaluation and reorganize existing staffing resources as necessary.

Analysis:
The timeliness, accuracy, and quality of the Department’s data collection and analysis efforts are critical to identifying emerging health trends, evaluating the efficiency and effectiveness of existing initiatives, and developing new strategies to address the City’s most-pressing public health needs. The Department has already created a position description for a Chief of the Office of Grants, Research, and Evaluation. Funding has been identified and the necessary administrative steps to create and fill the position are being pursued with the Personnel Department.

The consolidated unit could be tasked with eliminating the Department’s duplicative data collection efforts, identifying cumbersome manual data collection processes that should be targeted for automation, and collaborating with external data sources to facilitate the sharing of information. These efforts could potentially enable the consolidation of positions. The unit could also play a central role in the implementation of recommendations included throughout this report that relate to measuring Departmental, organizational unit, and third-party provider performance (1-A, 1-B, 1-C, and 8-A).
5-C
HEALTH DEPARTMENT: ADMINISTRATION OF SCHOOL HEALTH

Problem Identification:
A strategic determination should be made to determine the organizational entity—either the Health Department or the Baltimore City Public School System—that should be responsible for administering school-based health programs.

Recommended Action:
Consider transferring the administration of the School Health program to the Baltimore City Public School System.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
School Health Services

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
The Baltimore City School System's administrative capacity to manage this function.

Projected Implementation:
Ongoing

Next Steps:
A small working group, possibly led by the new organizational unit described in Recommendation 5-B, should examine the management of school-based health programs in other large cities, evaluate the capacity of the Baltimore City Public School System to assume management responsibility for this function, and make an informed recommendation to the Health Commissioner.

Analysis:
The Department’s School Health program is responsible for providing health assessments to Baltimore public school children that do not have primary medical care providers. Annually, over 146,000 visits occur at these school-based centers. The Department’s administration of the School Health program costs nearly $17 million each fiscal year, representing more than 11 percent of the Department’s annual operating budget. There is no question that the Department’s School Health program is responsible for the delivery of critical services to some of the City’s most important clients—its children. The need for service is illustrated by the fact that the Department’s FY2000 budget included the replacement of 14 permanent school health care positions that had been vacant with contractual workers to provide added coverage. This move enabled the Department to hire three contractual workers for every two permanent positions that were replaced.

A central focus of the Greater Baltimore Committee/Presidents’ Roundtable Management and Efficiency Review effort has involved evaluating the services currently provided by the City and determining the most
appropriate organizational structures and delineation of responsibilities to ensure the delivery of the most effective and efficient services. A common theme that has emerged across each of the six project teams is that City departments must focus their service efforts on core functions. While the Greater Baltimore Committee/Presidents' Roundtable Health Department project team found that the Health Department was effectively managing the School Health programs, the issue remained that the responsibility for the administration of School Health programs might be more appropriately vested with the Baltimore Public School System providing it were able to demonstrate a capacity to assume these duties. This recommendation advocates considering the appropriateness of the current division of responsibilities and revisiting this issue on a regular basis.
HEALTH DEPARTMENT: INTEGRATED SCHOOL-BASED
SUBSTANCE ABUSE PREVENTION PROGRAMS

Problem Identification:
Lack of coordination of educational programs by Baltimore City Health Department and Baltimore City Public
Schools.

Recommended Action:
Eliminate redundancies in service delivery in the City’s school health and addiction prevention efforts.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
BCHD: School Health Services and Tobacco Use Prevention; Baltimore City Public Schools: Curriculum and
Instruction and Safe and Drug Free Schools Program

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, better-coordinated substance and tobacco
prevention education efforts could lead to the identification of service redundancies and provide better
program planning to maximize the service impacts achieved.

Estimated Implementation Costs:
None

Barriers to Implementation:
Possible differences in spending priorities between the Department and School System.

Projected Implementation:
120 – 180 days

Next Steps:
Agreement between the Department and School System to coordinate efforts, develop a plan, and report on
outcomes. Integrate education opportunities between school nurses, school-based health centers, and
educators.

Analysis:
Funding for drug and tobacco prevention goes to both the Department and the School System, but
programmatic initiatives are not coordinated. The School System has historically resisted the Department’s
involvement (BCHD nurses) in school-based health education programs. The School System’s new chief of
curriculum and instruction, however, is very open to pursuing greater programmatic collaboration. The
school-based health centers are ideal locations to pilot integrated prevention programs.
HEALTH DEPARTMENT: CRITICALLY EVALUATE STAFFING PATTERNS

Problem Identification:
Departmental staffing patterns must be continually scrutinized to ensure the proper allocation of human resources to the areas most critical to the promotion of public health objectives.

Recommended Action:
Achieve reductions in the Department’s senior and administrative staffing contingents. Focus future hiring efforts on bolstering the Department’s inspections, service delivery, and contract and fiscal monitoring staffs.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
$1,000,000

Estimated Implementation Cost:
None

Barriers to Implementation:
Low turnover rates might impede the Department’s ability to consolidate positions without layoffs.

Projected Implementation:
Ongoing

Next Steps:
Continually evaluate the Department’s staffing patterns; upon the departure of existing employees scrutinize the critical need for the vacated positions and consider converting funding to other job classifications that address more pressing staffing needs or support programmatic initiatives.

Analysis:
As part of the Greater Baltimore Committee/Presidents’ Roundtable Review process, the Health Department project team’s subcommittees reviewed the Department’s existing budget and the distribution of job classifications across its organizational programs. Through these reviews, certain staffing patterns were identified where opportunities for potential cost savings might exist.

For example, the Department seems to have a generous contingent of senior managers, including the following number in each job classification: one commissioner, two deputy commissioners, five assistant commissioners, ten directors, and six chiefs. Additionally, in reviewing administrative and clerical staffing, there were large concentrations of personnel in the following categories: 47 office assistants, seven secretaries, 16 typists, 45 word processing operators, 15 data entry operators, and 17 medical office assistants.

While it is impossible to make a conclusive statement regarding the necessity of each of these positions in the absence of individual employee workload audits, our review suggests that some position consolidation could occur through merging select supervisory responsibilities and creating shared/pooled administrative
support functions. A modest 15 percent reduction in the senior management and administrative staffing levels described herein could produce $1,000,000 in cost savings (assuming the elimination of 25 positions with an average savings of salary and fringe benefit costs of $40,000).

Moving forward, careful consideration should be given to focusing the Department’s future hiring efforts on bolstering the inspection, service delivery, and contract and fiscal monitoring staffs. These staffing areas are critical to the Department's revenue generating and performance monitoring efforts.
Problem Identification:
The Department receives or generates a number of different revenue streams through its various activities, but there is no designated manager with overall responsibility for managing revenue-related activities.

Recommended Action:
Designate a single deputy or assistant health commissioner to be responsible for managing all revenue-generating and grants-procurement functions.

Classification:
Organizational, Revenue Enhancement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Next Steps:
Designate a member of the Commissioner's senior staff to be responsible for coordinating all of the Department's revenue-generating and grants-procurement functions.

Analysis:
The Department's annual budget includes a number of revenue streams, including: State and federal grants, City General Fund monies, third-party insurance reimbursements, licensing and permit activities, and non-governmental grant funds. Responsibility for cultivating, managing, and maximizing these funding streams, however, is diffused throughout the Department.

While the Department's primary management focus should remain on servicing the public health needs of Baltimore's neediest populations, consideration should be given to adopting a more holistic approach to managing revenue-generating and grants-procurement functions. Convening monthly meetings specifically aimed to assemble the managers responsible for these assorted functions to share information and to develop coordinated strategies could have potentially beneficial impacts on the Department's multiple revenue streams.
HEALTH DEPARTMENT: UPDATE FEE STRUCTURE

7-B
HEALTH DEPARTMENT: UPDATE FEE STRUCTURE

Problem Identification:
Fees charged for inspections, permits, licenses issued by the Environmental Health Division do not undergo normal review to ensure that they remain current.

Recommended Action:
Regularly revise the Department’s outdated fee structure.

Classification:
Revenue Enhancement

Functional/Operational Area:
Environmental Health

Estimated Annual Impact:
$450,000

Estimated Implementation Costs:
None

Barriers to Implementation:
Changes in the Department’s fee structure require approval from the City Council.

Projected Implementation:
Ongoing

Next Steps:
Pursue the necessary administrative and legislative steps to implement a revised fee structure.

Analysis:
The Department’s Environmental Health Division is responsible for preventing environmental conditions that foster the growth and spread of disease. To fulfill this function, the Department conducts inspections of establishments that serve food, day and foster care providers, hospitals, and schools. Additionally, the Division has enforcement responsibilities related to lead paint and animal licensing.

All fees charged by the Department should be reviewed on an annual basis and adjusted as necessary. Some of the Department’s current fees have not been adjusted in over nine years. It should be noted that the Department recently received approval from City Council to adjust its fee structure. It is projected that the adjustment should result in a $450,000 annual increase in the level of fees collected. This projected positive financial impact, furthermore, should be reinforced by Recommendations 7-D and 7-E.
HEALTH DEPARTMENT: CREDIT/DEBIT CARDS

Problem Identification:
A problem arises when checks are accepted and later returned due to insufficient funds in the account, or when clients arrive for services without funds available to pay for them.

Recommended Action:
Begin accepting credit and debit cards for the payment of license and permit fees.

Classification:
Cost Savings, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Fiscal Services

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, increased fee collections, fewer bounced checks, and the tighter internal controls and automated record keeping that would accompany the use of a credit/debit card system should offset the costs of implementing and operating the system.

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
180 days

Next Step:
The Department should work with the Finance Department to develop an implementation plan and develop estimates for system implementation and projected revenue enhancements.

Analysis:
Presently, the Health Department accepts cash or checks for the payment for licenses, permits and animal control fees. Use of a debit or credit card would facilitate the completion of the transactions while making it more convenient for the client. It would, as a consequence, lead to an increase in the amount of fees collected.

It is believed that the increase in fees collected through the use of the credit/debit card payment process would exceed the costs of operating the system. In addition, a debit/credit card system would reduce the loss of revenues caused by bounced checks and pilferage associated with a cash-only system. The collection operations would be rendered more secure because of less cash collections that are required to be secured on-site and deposited in the bank. The credit/debit card monthly statement would provide an additional accounting check and balance.
HEALTH DEPARTMENT: STRUCTURED GAIN-SHARING PROGRAM

7-D
HEALTH DEPARTMENT: STRUCTURED GAIN-SHARING PROGRAM

Problem Identification:
Departments with revenue-generating functions have little budgetary incentive to increase revenue streams because the funds generated through their activities flow directly into the City’s General Fund.

Recommended Action:
Institute a structured gain-sharing program to provide the Department a financial incentive to increase inspection efforts.

Classification:
Organizational, Revenue Enhancement

Functional/Operational Area:
Environmental Health

Estimated Annual Impact:
$200,000

Estimated Implementation Cost:
None

Barriers to Implementation:
Reluctance to change existing budgeting practices and install departmental gain-sharing agreements that involve budgetary monies from the City’s General Fund.

Projected Implementation:
90 – 120 days

Next Steps:
The leadership of the Finance and Health Departments should meet to establish aggressive goals for the Health Department’s revenue-generating activities and structure a gain-sharing agreement that provides future budgetary rewards to the Health Department for exceeding revenue goals.

Analysis:
The Department generates approximately $1.6 million a year in revenues, primarily through its food inspection and licensing efforts. Additional sources of revenue include animal and swimming pool licenses, as well as solid waste collection permits. The Department, however, currently has no financial incentive to increase its revenue-generating activities that have corresponding positive impacts on the overall level of public health in Baltimore because revenues collected flow directly into the City’s General Fund.

In general, the City government’s central administration offices (the Mayor’s Office and Finance Department) are reluctant to dedicate General Fund revenues in support of specific departmental operations. Additionally, it can be argued that while the specific revenues generated through these activities do not flow directly back into the Department’s budget, the City’s annual level of total General Fund support to the Department (nearly $18.4 million in FY2000) far exceeds the annual level of revenue generated by the Department.

While acknowledging the validity of these arguments, the City should consider instituting structured gain-sharing agreements to provide financial incentives for departments, such as the Health Department, to
augment these revenue streams through enhanced enforcement activity. By establishing performance goals and providing departments an incentive through gain sharing to exceed performance goals, both the City’s General Fund and impacted departments can realize financial benefits.

As an example: the Health Department is projected to generate approximately $2 million in annual revenues in future fiscal years (including the implementation of the updated fee structure). Under a structured gain-sharing program, goals could be established where the Department could realize additional funding in future years if it exceeded its projected revenue goal. If a $2.1 million gain-sharing goal were established, the Department could retain some predetermined percentage of revenues generated above the $2.1 million performance goal. If the Department were to generate $2.2 million in revenues and be entitled to keep half of the revenues above the $2.1 gain-sharing goal, the City’s General Fund would realize a $150,000 benefit, while the Department would receive an additional $50,000 to support its operations.
HEALTH DEPARTMENT: INCREASED INSPECTION ACTIVITY

Problem Identification:
The Department struggles to meet its State- and City-mandated inspection requirements.

Recommendation Classification:
Increase the frequency of air quality and food inspections through the establishment of performance goals and the regular monitoring of inspector productivity.

Classification:
Revenue Enhancement, Service Improvement

Functional/Operational Area:
Environmental Health

Estimated Annual Impact:
$100,000

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Determine time and frequency standards and goals for various inspection activities and begin actively monitoring per-inspector workloads and productivity levels.

Analysis:
Inspection activity represents one of most easily measurable and manageable functions performed by the Department. Establishing standards for the length of inspections and the frequency with which they should occur could provide the Department’s managers with better information to evaluate the productivity of its inspection workforce. Additionally, the regular collection and analysis of this information could equip managers with strategies to increase per-inspector productivity. Assuming that the Department could produce just a five percent (5%) productivity improvement, either through fewer inspectors covering the existing inspection workload or generating more revenues through increased inspection activity, the estimated annual impact would be $100,000.
HEALTH DEPARTMENT: EXPAND MEDICAL ASSISTANCE PERSONAL CARE TO OTHER JURISDICTIONS

Problem Identification:
The Department has underutilized system capacity to manage Medical Assistance Personal Care programs.

Recommended Action:
Market the Department’s Medical Assistance Personal Care services to other jurisdictions.

Classification:
Revenue Enhancement, Service Improvement

Functional/Operational Area:
Adult Geriatric Health Services

Estimated Annual Impact:
$120,000

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Pursue discussions with State program officials; negotiate with officials in other jurisdictions.

Analysis:
The Department currently serves approximately 1,500 Medical Assistance Personal Care program clients. Its efficient management of this client population generates an annual surplus of about $600,000. Other Maryland jurisdictions are responsible for serving similar client populations, but might not possess the infrastructure necessary to successfully manage the delivery of services.

The Department already is the contract provider for Montgomery County. Additionally, Prince George’s County has 200 clients in their program, but demographics show a projected service need for 1,500 clients. This is a population of clients that the Department could service as the necessary operational infrastructure already exists Department and the cost of any additional staffing needs could be passed along to the other jurisdictions that would contract for service. Given the current surplus generated via the Department’s management of its existing caseload of 1,500, were it able to increase its caseload by 20 percent by marketing its services to surrounding counties such as Prince George’s County, the surplus generated could increase by $120,000.
Problem Identification:
The Department’s office space at 1211 Wall Street in Federal Hill is underutilized. The Departmental operations located at this site are administrative and involve little to no interaction with the public.

Recommended Action:
Relocate services in the Department’s Federal Hill facility to available underutilized space in its Druid Hill facility. This action will make the Federal Hill site available for public sale and generate private or commercial development.

Classification:
Cost Savings, Revenue Enhancement

Functional/Operational Area:
Departmental administrative functions

Estimated Annual Impact:
$400,000 – $500,000 (nonrecurring)

Estimated Implementation Costs:
$50,000 – $75,000 for moving expenses

Barriers to Implementation:
Other City departments might wish to utilize this highly desirable piece of real estate.

Projected Implementation:
180 days

Next Steps:
Determine the actual cost to relocate the impacted Departmental operations to the Druid Hill facility, perform the necessary fit-out to utilize the space available in the Druid Hill facility, and initiate all necessary processes to accomplish the sale of the vacated City building.

Analysis:
Every City department must regularly evaluate its office space needs. The report of the Department of Public Works study of the Greater Baltimore Committee/ Presidents’ Roundtable Management and Efficiency Review includes a number of recommendations related to reducing the City’s portfolio of real estate assets and related building costs (energy, security, etc.). In the case of the Health Department’s operations at 1211 Wall Street, these functions can be provided from another Departmental location, specifically the facility in Druid Hill.

An independent real estate analysis of the 1211 Wall Street building produced an estimated value of this facility at $34 per square foot or $402,000. This model, however, assumes that the building would be leased after being vacated by the Department. Were the building to be sold and redeveloped for residential purposes (considering the ever-increasing value of residential property in this area of the city), the sale value could be even higher. Not included in the fiscal impact are other savings such as reduced utility and building services costs.
HEALTH DEPARTMENT: TARGET STATE FUNDING REQUESTS TOWARDS NON-RECURRING NEEDS

Problem Identification:
The City has enjoyed limited success in convincing the State to increase its annual level of financial support for public health initiatives, most notably in the area of substance abuse. Funding sources are reluctant to see grant recipients utilize new funds to support initiatives that will ultimately be contingent upon recurring financial support.

Recommended Action:
Pursue a new approach to increase State funding by focusing lobbying efforts on securing funds for non-recurring needs such as improving the Department’s information technology infrastructure.

Classification:
Revenue Enhancement

Functional/Operational Area:
All Department Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Identify the Department’s most pressing one-time, non-recurring needs and target the City’s lobbying efforts to secure funding from the State for these specific needs.

Analysis:
The State of Maryland entered FY2001 with a $1 billion budget surplus. Over $500 million of the surplus will be invested in one-time capital projects in the areas of education, transportation, and smart growth. State spending affordability controls cap the appropriation of surplus funds to activities that would not have ongoing budget impacts.

With the State economy remaining strong, spending affordability caps may again drive significant portions of next year’s projected budget surplus to one-time expenditures. Projects such as modernization and coordination of the Health Department’s information technology systems might qualify as ‘one-time expenditures’ and have long-term benefits to the efficiencies of the Department’s operations. Other similar ‘one-time’ investment opportunities should be identified and presented to the City legislative delegation and state officials for investment.
Problem Identification:
The Department's Strategic Plan for 2000-2004 and the Operating Plan for FY2001 reflect a priority for achieving universal health coverage for all Marylanders. However, despite a number of existing Departmental initiatives, neither plan explicitly states that maximizing enrollment for those eligible in existing insurance programs is a high priority.

Recommended Action:
The Department should establish an explicit high priority to identify Baltimore City residents who are eligible for existing public insurance programs and assist in the enrollment of those residents. Additionally, the Department should sustain a campaign to encourage enrollment in employer-based programs for those who work and do not elect health insurance coverage. Current efforts should be expanded to encourage employers who do not offer insurance to assist in encouraging eligible employees to apply for insurance programs and/or take advantage of reduced cost and free services. Employer sponsored incentives for employees should be explored.

Classification:
Revenue Enhancement, Service Improvement

Functional/Operational Area:
BCHD: Baltimore Health Care Access, Inc. and other appropriate agencies of the Department in concert with Department of Health & Mental Hygiene.

Estimated Annual Impact:
The immediate financial impact cannot be estimated because reliable information on the number of uninsureds who are eligible for some type of insurance is not readily available.

Estimated Implementation Costs:
The absence of reliable estimates of the size of the target population makes cost estimates difficult.

Barriers to Implementation:
BHCA, Inc. has many established effective relationships with individuals and organizations in the community that have greatly enhanced BHCA’s ability to identify and enroll children and pregnant women in the Health Choice and MCHP programs. These organizations have established considerable credibility in the community. However, BHCA’s mandate stops with pregnant women and children. Responsibility for the more difficult populations of single males under 65 are spread among the various agencies that have contact with that population. The process of recovering medical assistance for individuals who have left welfare but are still eligible for Medical Assistance is a State managed process for which the BCHD (through BHCA) has an advisory and coordinating role only.

Next Steps:
Work closely with State officials to establish a working data base for estimating current numbers of uninsured by age, gender, family income/employment status. Such a database would be critical to measuring progress.

Analysis:
At every level within the Department there is a keen awareness of the barriers to quality health care for people who are uninsured and the public health implications. There is also ample evidence of a Department-wide commitment to increasing insurance coverage for pregnant women and children and to improving the health care infrastructure’s ability to provide quality care for all uninsured and underinsured residents. Examples include the Men’s Health Program, successful competition for national private foundation grant funds to improve services to the uninsured, and a recent application for funds under a new federal initiative for the same purposes. While working toward a long-term goal of universal coverage, some short-term measurable goals should be established for maximizing coverage in existing programs. This is well underway for pregnant women and children through a well-orchestrated program to work with the schools to identify children eligible for MA or MCHIP and a program of expedited eligibility for pregnant women who have so-called associated cases. An equally aggressive and coordinated effort is needed for the other populations. For instance, BHCA makes considerable effort to inform pregnant women and parents of the availability of reduced-fee and free care in community health centers and other health care facilities. Likewise a more definitive role should be developed for BCHD in working with the state to restore Medical Assistance coverage to those who were inadvertently dropped from the roles as a result of welfare reform. The extensive network of community contacts and outreach workers nurtured by BHCA such as the faith community should be tapped. Likewise, strategies to deploy the electronic and print media as well as other advertising vehicles to promote Health Choice and MCHIP enrollment should be extended to all underserved and uninsured target groups.
HEALTH DEPARTMENT: COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM

Problem Identification:
City policymakers and Department management are often forced to make critical resource allocation decisions in the absence of meaningful performance and service data. This incomplete information limits the City’s and Department’s ability to effectively and efficiently manage scarce budgetary resources.

Recommended Action:
Develop a comprehensive performance measurement program for all facets of Departmental operations.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Health Department operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the regular collection and review of performance and service data can produce innumerable opportunities for improving the Department’s operations by equipping managers with the information necessary to make informed decisions regarding the allocation of resources.

Estimated Implementation Costs:
Can be accomplished with the Department’s existing resources

Barriers to Implementation:
The collection and analysis of performance and service data must become an increased priority for the Department’s leadership. Future information technology efforts must be specifically geared towards improving tracking and reporting capabilities.

Projected Implementation:
45 days

Next Steps:
Utilizing the list of proposed indicators (linked below), the Department, in conjunction with representatives from the Mayor’s Office and other central administration offices, must evaluate the adequacy of current data tracking and analysis efforts, identify those key indicators that best measure the effectiveness and efficiency of the Department’s operations, and begin to regularly report (at least on a monthly basis) on performance.

Analysis:
By focusing attention on what services the Department provides and how well it provides those services, a comprehensive performance measurement program can provide City managers and the public with the information necessary to evaluate the efficiency and effectiveness of the Department’s services. The information yielded through these efforts can be used to justify requests for increased funding as well as to ensure the Department’s ability to sustain or increase services with the same or decreasing amounts of resources. Equally important, the program can increase the City’s accountability by providing the public with
enhanced information about services.

Proposed Performance/Service Measures
Proposed Performance/Service Measures

General Health Indicators – PRIORITIES

Number of Substance Abusers
Number of Cases of Sexually Transmitted Disease (STD) and Syphilis
Adult and Child Morbidity and Mortality Rates
Screening and Cases of Lead Poisoning
Number of Screenings for Cancer
Number of Clients Served by Baltimore City Health Department

Communicable Diseases and Epidemiology

Primary Syphilis Rate
Secondary Syphilis Rate
Number of Congenital Syphilis Cases Reported
Number of Client Referrals to Substance Abuse Treatment
Percentage of Referrals Followed Through On
Number of STD Screenings Performed
Number of Staff Trained to Provide STD Care and Prevention
Percentage of Staff Trained to Provide STD Care and Prevention
Number of Reported Tuberculosis (TB) Cases
Number of TB Cases Completing Treatment
Number of Drug Resistant TB Cases
Number of HIV Screenings Performed
Number of HIV Providers
Number of HIV Patients
Number of HIV Patient Visits

Adult, School, and Community Health

Number of School-Based Health Centers
Number of Visits to School-Based Health Centers
Expenses and Revenue, Aged Accounts Receivable for School-Based Health Centers
Number of Children Enrolled in Maryland Children's Health Insurance Program (MCHIP)
Percentage of Eligible Children Enrolled in MCHIP
Number of Home Visits
Number of Rides Provided to Medical Appointments
Number of Dental Screenings
Number of Staff Trained to Provide Substance Abuse Counseling
Percentage of Staff Trained to Provide Substance Abuse Counseling
Number of Children Educated by Prevention Programs for Substance Abuse
Number of Women Screened and Re-screened for Cancer

Baltimore Substance Abuse Systems (BSAS)

Number of Treatment Slots Provided
Retention Rate for Treatment Clients
Greater Baltimore Regional Business Leaders | Greater Baltimore Committee | Proposed Performance/Service Measures

Number of Clients Served  
Number of Client Visits  
Measure Outcomes for Each Funded Agency:  
– New Clients Enrolled  
– Clients Completing Treatment Cycle  
– Employment of Clients Completing Treatment  
– Re-enrollment Rates  
– Referral Numbers by Agency  
– Clients Enrolled in BMHS  
Number of Outreach and Education Programs with Community Organizations  
Ongoing Programs and Results of Outreach Efforts  
Needle Exchange Program Results/Outcomes:  
– Number of Needle Exchanges  
– Number of Clients Served  
– Number of New Clients  
– Age of Clients Served  
– HIV Tests Performed  
– Referral to Drug Treatment  
– Success Rate of Drug Treatment Referrals  
– Referrals for HIV and TB, Rates for These Referrals  
– Number of Treatment Sites Being Served  

**Baltimore Mental Health Systems (BMHS)**

Monitor Outcomes by Contracted Agency for Each Item  
– Number of Clients Served  
– Number of Treatments Per Client  
– Number of Treatments by Modality ' Individual, Group, etc.  
– Number of Clients in Subsidized and Supervised Housing, Length of Stay in – Housing,  
– Percentage of Patients Who Continue Treatment While in Housing  
– Number of Psychiatric Hospital Admissions and Re-admissions, and Length of Stay for Clients in Treatment Programs  
– Number of Clients with Drug Abuse Problems  

**Maternal and Child Health**

Number of Screenings of Women and Children  
Number of Referrals of Women and Children to Drug Treatment  
Number of Women and Children Receiving Treatment  
Number of Mothers with Substance Abuse Problems Monitored by Maternal and Infant Nursing  
Number of Home Visits Conducted  
Number of Cases of Perinatal Hepatitis B Infections  
Number of Children Enrolled in Maryland Children's Health Insurance Program (MCHIP)  
Percentage of Eligible Children Enrolled in MCHIP  
Measure Teen Birth Rate  
Measure Teen and Adult STD and HIV Rate  
Measure Low Birth Weight Rate  

**Environmental Health**

Food Service Facilities  
– Measure Number and Increase in Food Service Facility Inspections  
– Measure Number of Food Service Facilities with Deficiencies
– Percentage of Food Service Facility Inspections Completed Within State
– Mandated Time
– Measure Revenue for Food Service Facility Inspection
– Number of Food Complaints, Inspections, and Outcomes by Category

Animal Control
– Measure Number and Increase of Animal Licenses
– Measure Number of Calls for Animal Problems in Neighborhoods
– Measure Number of Animals with Selected Diseases
– Track Cost of Disposal of Animal Carcasses
– Measure Revenue for Animal Control Services
– Measure Number of Summons and Revenue for Animal Control Problems

Lead Poisoning
– Measure Number of Screenings
– Measure Number of Children Treated
– Measure Number of Houses Reported and Repaired
– Measure Number of Hospital Admissions and Days for Lead Poisoning

Air Quality
– Measure Air Quality Days by Category
– Measure Activities to Improve Air Quality
Problem Identification:
The public and media awareness of the Department and its role in promoting public health in Baltimore is usually limited to instances when there is a pressing local health emergency or high-profile efforts to increase the level of State funding in support of the Department’s operations.

Recommended Action:
Increase efforts to engage the general public and media in improving public health in Baltimore.

Classification:
Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Develop public and media relations plans to increase familiarity with the Department’s operations and the wide range of services it provides.

Analysis:
During the 1990’s, Baltimore received adverse national media coverage due to the local syphilis outbreak. While the Department has made important strides in managing this public health issue and this crisis has faded from the national spotlight, rehabilitating the reputation of the city and by extension the Department has been difficult. While the Department will always attract its strongest public and media attention during periods of crisis, the Department does more than just respond to local health emergencies.

The Department’s 2000-2004 Strategic Plan acknowledges the necessity of undertaking public awareness campaigns and holding town hall meetings to educate citizens, community leaders, and legislators about Baltimore’s public health priorities, needs, and strategies. In addition to the forums, the Department must proactively pursue every opportunity to spotlight its activities, including: public access cable programming, television and radio public service announcements, and targeted media alerts.
HEALTH DEPARTMENT: PUBLICIZING HEALTH VIOLATIONS

9-B
HEALTH DEPARTMENT: PUBLICIZING HEALTH VIOLATIONS

Problem Identification:
The Department has limited capabilities to notify the public about local food establishments with multiple health-related violations.

Recommended Action:
Identify food establishments with repeat health violations in the Food section of The Sun and other local newspapers.

Classification:
Service Improvement

Functional/Operational Area:
Environmental Health

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
The potential unwillingness of local print media to participate in the implementation of this initiative.

Projected Implementation:
30 – 60 days

Next Steps:
Have the Department pursue meetings with local print media sources to discuss the regular publication of lists of local food establishments with repeat health violations. The Department should also develop and publicize guidelines as to the criteria for having violation information publicized through this initiative.

Analysis:
Establishments that serve food are required to be licensed and the Department is responsible for conducting regular inspections to ensure that the appropriate level of cleanliness exists for the safe preparation and service of food.

While regular inspections and the issuance of violation notices motivate the operators of these establishments to maintain their operations in a sanitary manner, the thought of the negative publicity that would accompany having the violations regularly reported in the print media could prove a powerful incentive to the operators of these establishments to increase efforts to meet all applicable health codes.

During the course of its fieldwork, multiple members of the Health Department project team mentioned that The Washington Post regularly lists information about food establishments with health violation in its weekly Food section. It is reportedly one of the most well read sections of that newspaper.
HEALTH DEPARTMENT: EMS PLANNING AND ACCREDIATION EFFORTS

Problem Identification:
While Maryland is world renowned for having a well-coordinated Statewide Emergency Medical System (EMS), Baltimore City’s emergency medical system is inadequate in many respects.

Recommended Action:
Work with the City’s Fire Department and local hospitals to have Baltimore’s EMS system nationally accredited.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Fire and Health Departments

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
60 – 90 days to develop an organizational improvement plan using the Commission on Accreditation of Ambulance Services (CAAS) criteria; 1 – 2 years to achieve CAAS accreditation

Next Steps:
Assemble a planning team consisting of personnel from the Health and Fire Departments and representatives of key stakeholder groups. Interested volunteer experts from local hospitals and the Maryland Institute for Emergency Medical Service Systems (MIEMSS) should also be engaged.

Analysis:
An EMS system includes many components, including: the emergency ambulance service, 911 communications center, training resources, hospital emergency departments, and first-responder services. Given these complexities, the task of improving EMS requires coordination among many agencies and organizations.

The long-term success of the City’s EMS system needs to take into account how EMS will interact with public health initiatives, as well as Baltimore’s larger health care system. Health care organizations are fast becoming integrated networks with multiple hospitals, physician offices, and payor requirements. These sites are integrated by way of telecommunications and information system links, reliant on transport systems, and financing arrangements. To harmonize EMS improvement efforts with an evolving health care system, a cooperatively developed strategic plan is essential.
In fashioning a strategic plan, the City should turn to many local experts who are knowledgeable in EMS-related matters. In 1994 and 1995, a team of volunteer EMS experts was assembled and drafted Maryland’s State EMS Plan. These experts came from MIEMSS, Johns Hopkins, the University of Maryland, and other local organizations. This comprehensive plan is viewed as a national model.

Program assessments conducted by external peer reviewers serve as an important catalyst for quality improvement programs. EMS accreditation and peer reviews help assure citizen taxpayers and elected officials that the local EMS agency has the components and processes necessary to ensure efficient and high quality service. Furthermore, outside assessments help ensure that the local EMS organization is responsive, and capable of sustaining quality even with changes in management.

The Commission on the Accreditation of Ambulance Services (CAAS) has promulgated national standards that are useful in reviewing both public and private sector EMS organizations. CAAS criteria address the following areas:

– Organization
– Interagency Relations
– Management
– Financial Management
– Community Relations and Public Information
– Personnel and Personnel Processes
– Clinical Standards
– Other Standards of Operation
– Equipment and Facilities
– Communications

At the present time, there are 63 ambulance services nationwide that have been CAAS accredited.
HEALTH DEPARTMENT: EMS-RELATED PUBLIC INFORMATION, OUTREACH AND RESEARCH EFFORTS

10-B
HEALTH DEPARTMENT:
EMS-RELATED PUBLIC INFORMATION, OUTREACH AND RESEARCH EFFORTS

Problem Identification:
While EMS has traditionally had a public safety orientation, the quality and effectiveness of service is a major public health issue. Additionally, the City’s existing EMS public information and education efforts have been inadequate.

Recommended Actions:
Recognize the public's use of the City EMS system as a major health care issue and develop appropriate public information, outreach, and research efforts.

Classification:
Organizational, Service Improvements

Functional/Operational Area:
Fire and Health Departments

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Identifying funding and staff resources to dedicate to these efforts.

Projected Implementation:
Ongoing

Next Steps:
An alliance comprising local public health, health system, and EMS officials should be formed for the purpose of developing programmatic and financial strategies for increasing public education and injury prevention efforts above current levels.

Analysis:
The City’s Health and Fire Departments should collaborate to ensure that the broadest possible audience of citizens is exposed to critical lifesaving skills. In some cities, such as Seattle, the likelihood of surviving from sudden and witnessed cardiac arrest is five to ten times greater than many East Coast cities. This is attributed to major public CPR educational campaigns. A variety of informational and outreach programs can serve to reduce EMS mortality and morbidity, including:

- CPR
- First aid
- Latch-key kids/babysitting skills
- Home safety
- Elderly fall prevention
- Use of 911
– Child safety seats
– Intoxicated driving programs

The Maryland State EMS Plan, adopted in 1995, included the following goal: 'Increase public awareness of the role EMS plays, the appropriate means to access and utilize the system, and effective ways to prevent injury and sudden illness. Additionally, the plan identified the following specific objectives:

– Develop relationships with all media to enhance accurate coverage of EMS issues and activities.
– Establish public, private, and community relationships to promote support for EMS and for injury and illness prevention activities.
– Provide basic media training to regional and local EMS agencies to enhance the flow of information to citizens through local media.
– Utilize existing and developing technologies for dissemination of public information and educational materials (e.g.: training, satellites, cable/computers).
– Identify public information and education priorities through use of relevant data; disseminate public information and education materials to address these priorities.

Additionally, health service research initiatives should augment EMS system quality improvement efforts. The following research initiatives could equip the City’s public health and EMS professionals with the necessary information to achieve more beneficial outreach and education outcomes:

**Patient Outcome Studies**

– Cardiac arrest
– Stroke
– Pulmonary disease such as asthma
– Trauma/major injury
– Spinal injury/whiplash

**Performance Studies**

– 911 communications and dispatching
– Response times and time intervals
– Appropriateness of triage decisions
– Provider skill utilization

**System Operations**

– Spatial and temporal variations in EMS response patterns
IV. Department of Housing and Community Development

Executive Summary

**Recommendation Categories:**
- Reorganize the department and retrain staff as necessary.
- Strengthen personnel and financial management.
- Improve property management services.
- Transform the Neighborhood Service Centers.
- Overhaul the process of property acquisition and disposition.
- Eliminate backlog of vacant buildings needing boarding and cleaning.
- Overhaul the demolition strategy.
- Streamline the code enforcement process.
- Streamline the permitting process.
- Improve the administration and management of the Section 8 program.
- Privatize or transfer resident services programs.
- Review current limitations on commercial development, historic rehabilitation, and homeownership.
Executive Summary

Introduction: Department of Housing and Community Development

This report contains a series of recommendations aimed at helping the Department of Housing and Community Development (HCD) improve neighborhoods in Baltimore. The Greater Baltimore Committee/Presidents' Roundtable project team has not reviewed the program and policy choices that need to be made in allocating scarce resources to improve housing and neighborhood conditions, but instead has concentrated on the systems, procedures, and practices that need to be in place to successfully execute the policy direction chosen by the O'Malley Administration.

In developing these recommendations the project team interviewed over 160 Department staff members, reviewed existing procedures, examined operations and consulted with officials in other cities. There is, however, much that the project team was not able to look at in depth. In these cases, the project team has identified opportunities for further work. It should be noted that the project team chose not to review HCD’s Office of Homeless Services in order to avoid duplicating the efforts of the Baltimore City Task Force on Homelessness.

The overwhelming conclusion reached by the Greater Baltimore Committee/Presidents' Roundtable project team is that HCD and the Housing Authority of Baltimore City (HABC) are failing to achieve their mission of neighborhood recovery and stabilization. Both are in need of dramatic improvements in overall direction, management, administration, internal systems, programs, and budgeting. Critical operational areas appear to be barely functional, with the result that, in its current state, the ability of HCD and HABC to execute a key part of the O'Malley Administration’s agenda—the improvement of neighborhoods—is in question.

The project team is appreciative of the exceptional cooperation provided by the HCD management team.

Introduction: Department of Housing and Community Development

Background
Looming Challenges: Financial
Looming Challenges: Internal Structures and Systems
Recommendations and Projected Results
### Reorganize the department and retrain staff as necessary

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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:**
REORGANIZE THE DEPARTMENT
– Organization Chart
Strengthen personnel and financial management

Department of Housing and Community Development, Section 2

2-A
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
ESTABLISH AGENCY GOALS AND OBJECTIVES

2-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
ESTABLISH AGENCY GOALS AND OBJECTIVES

2-C
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
INCREASE THE NUMBER OF NON-CIVIL SERVICE MANAGERS

2-D
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
'MAP' WORK PROCESSES ACROSS THE AGENCY

2-E
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
INSTITUTE A CONSOLIDATED BUDGET PROCESS

2-F
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
DEVELOP A COST-ALLOCATION SYSTEM

2-G
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
INSTITUTE PROPERTY-BASED BUDGETING
Improve property management services

Department of Housing and Community Development, Section 3

3-A
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE PROPERTY MANAGEMENT SERVICES

3-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE SCATTERED SITE HOUSING

3-C
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: CREATE AN ASSET MANAGEMENT FUNCTION

3-D
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: TRANSFER HABC POLICE AND DEVELOP COMMUNITY POLICING

3-E
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: REDUCE NUMBER OF PUBLIC HOUSING BUILDING MONITORS
Transform the Neighborhood Service Centers

Department of Housing and Community Development, Section 4

4-A, 4-B, & 4-C
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT:
TRANSFORM THE NEIGHBORHOOD SERVICE CENTERS

4-D
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
CREATE A CENTRALIZED COMPLAINT RESPONSE SYSTEM
4-E & 4-F
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT:
STRENGTHEN NEIGHBORHOOD PLANNING FUNCTION
Overhaul the process of property acquisition and disposition

Department of Housing and Community Development, Section 5

5-A – 5-F
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
OVERHAUL THE PROCESS OF PROPERTY ACQUISITION AND DISPOSITION
Eliminate backlog of vacant buildings needing boarding and cleaning

Department of Housing and Community Development, Section 6

6-A – 6-E
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
ELIMINATE BACKLOG OF VACANT BUILDINGS
NEEDING BOARDING AND CLEANING
Overhaul the demolition strategy

Department of Housing and Community Development, Section 7

7-A – 7-F
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
OVERHAUL THE DEPARTMENT'S DEMOLITION STRATEGY
Streamline the code enforcement process

Department of Housing and Community Development, Section 8

8-A – 8-H

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
STREAMLINE CODE ENFORCEMENT PROCESS
Streamline the permitting process

Department of Housing and Community Development, Section 9

9-A – 9-F

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
STREAMLINE PERMITTING PROCESS
Improve the administration and management of the Section 8 program

Department of Housing and Community Development, Section 10

10-A
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE THE SECTION 8 LEASED HOUSING PROGRAM OR OVERHAUL THE PROGRAM'S MANAGEMENT STRATEGY

10-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPLEMENT A SECTION 8 MANAGEMENT INFORMATION SYSTEM THAT WORKS

10-C
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 CUSTOMER SERVICE

10-D
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 STAFF SKILLS; DEVELOP STAFF TRAINING PLAN

10-E
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 PROGRAM UTILIZATION

10-F
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE THE PROCESS FOR SETTING SECTION 8 PROGRAM RENTS

10-G
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 INTERNAL QUALITY CONTROL

10-H
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: ENHANCE ORGANIZATIONAL EXPERTISE IN PROMOTING PARTICIPANT MOBILITY

10-I
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 WAITING LIST MANAGEMENT; DEVELOP AND IMPLEMENT LOCAL PREFERENCES

10-J
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: EXPAND THE AREA IN WHICH HABC DIRECTLY ADMINISTERS SECTION 8 UNITS
Greater Baltimore Regional Business Leaders | Greater Baltimore Committee | Improve the administration and management of the Section 8 program
Privatize or transfer resident services programs

Department of Housing and Community Development, Section 11

11-A
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
PRIVATIZE HCD DAY CARE PROGRAMS
  – Chart 1
  – Chart 2
  – Chart 3

11-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
EVALUATE TRANSFER OF HEAD START OUT OF HCD
Review current limitations on commercial development, historic rehabilitation, and homeownership

Department of Housing and Community Development, Section 12

12-A
HOUSING AND COMMUNITY DEVELOPMENT:
REVIEW AND MODIFY OR TERMINATE OUTDATED
REDEVELOPMENT STANDARDS

12-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
DEVELOP AND ADOPT STATE SMART CODE

12-C
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
FACILITATE PROCESS OF PROVIDING HOMEOWNERSHIP ASSISTANCE FUNDS
The responsibilities for the Department of Housing and Community Development (HCD) and Housing Authority of Baltimore City (HABC) are extensive. Together, the agencies are responsible for housing large numbers of low-income city residents, increasing the supply of and access to housing for residents of all income levels, maintaining the well-being of the city’s diverse neighborhoods, and overseeing residential and commercial development. Over the past decade, HCD has undergone a gradual shift from being managed as a consolidated agency to effectively becoming two separate agencies ‘HCD and HABC,’ which report to the same Commissioner/Executive Director. The Commissioner, who is a member of the Mayor’s Cabinet, serves a joint appointment as Executive Director of HABC. While HCD is a City agency, HABC is distinct from City government and is governed by a five-member Board of Commissioners appointed by the Mayor. HABC is funded exclusively by tenants’ rents and the federal Department of Housing and Urban Development (HUD), whereas HCD is funded through a combination of City, State and federal sources. HABC is the larger of the two agencies, with an FY2000 budget of $206 million and 1,653 budgeted staff positions (including 263 vacancies), compared to HCD’s FY2000 budget of $160 million and 580 budgeted positions (including 71 vacancies). HABC is the nation’s fourth largest public housing authority, behind New York, Chicago and Philadelphia.
Looming Challenges: Financial

Both HCD and HABC are facing serious financial challenges. The Department does not have the capital funding adequate to improve neighborhoods or the public housing now operated by the Housing Authority.

The capital budget for HCD- those funds used to finance housing developments- will be dramatically impacted over the next five years due to borrowings against future Community Development Block Grant (CDBG) funds (the most flexible source of federal funds coming from the federal government), through what is known as the Section 108 loan program. The City receives approximately $32 million in CDBG funds annually. When all of the funds authorized to be borrowed under Section 108 loans are drawn down for projects such as Sandtown, Historic East Baltimore Community Action Coalition (HEBCAC), public housing replacement and other development efforts, about $15 million of annual CDBG funds will be needed to pay the debt service on these loans, seriously reducing the City's ability to carry out new programs.

In the Housing Authority, total capital needs to fix public housing units are $390 million, or about $29,000 per unit. These figures do not include costs for the redesign or improvement of project grounds, internal roads, and infrastructure. Given existing HUD formulas, HABC can expect to receive $160 million over the next five years'less than half of the amount needed simply to keep up with needed improvements. The portion of this amount available for actual repairs is considerably lower because a substantial portion of these HUD funds support HABC staffing. The project team estimates that at current spending patterns, only $5,300 per unit is available for actual repairs. The consequence is that unless staffing costs are reduced or additional HUD funds obtained, it is likely that public housing conditions in the city will decline over the next five years.

In FY2000, HABC faced a budget deficit of approximately $8 million. The newly appointed Commissioner and management team have successfully reduced the FY2000 deficit, but the agency faces another $8 million budget shortfall in FY 2001, necessitating further cost-cutting measures to balance the FY2001 budget.

It is clear that both HCD and HABC must institute greater financial control over their programs. HABC handles an annual budget of approximately $205 million without a chief financial officer. The agency lacks a regular financial reporting system and suffers from inadequate budget planning, as demonstrated by the projected $8 million FY2001 budget deficit. Within HCD, the situation is similar. Cost containment is difficult, and budgeting tends to be incremental.

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Looming Challenges: Internal Structures and Systems
Recommendations and Projected Results
Looming Challenges: Internal Structures and Systems

Duplicative and Ineffective Organizational Structures. The newly appointed management team inherited two almost completely unrelated entities. Little or no coordination has been occurring in areas where, to external observers, opportunities are abundant: both HCD and HABC operate social services programs (including day care), and both maintain separate personnel, housing development, and financial management operations. This compartmentalization inhibits opportunities for more effective and efficient management.

Limited Neighborhood Planning and Partnerships. One of the clear successes of the Schmoke Administration is the successful redevelopment of long-standing troubled public housing projects. In developing Pleasant View Gardens and other similar projects through the federal HOPE VI program the program has provided HABC with $200 million in redevelopment funds over the last seven years’ HCD has been able to change neighborhood dynamics and improve living conditions for low-income people, while creating places that are assets to their surrounding neighborhoods.

Beyond HOPE VI, neighborhood planning and the strategic placement of resources are notably absent. HCD and HABC development efforts (acquisition, disposition and demolition of smaller properties as well as larger-scale development projects), are largely performed piecemeal rather than as part of overall neighborhood improvement and recovery strategies. The corresponding result is that in very few instances have the use of the Department’s development funds resulted in significant impact on the surrounding neighborhood. This absence results in part from the paucity of neighborhood planners within HCD. The Department lacks the planning capacity to be good partners with neighborhoods in developing successful futures for Baltimore’s communities.

Absence of Performance Standards. In examining program performance, our overarching finding is that the Department is not performance-driven. Despite the fact that certain divisions and sections (HOPE VI and CDBG Compliance, for example) have performed quite strongly, their success is due more to the talents of the individuals involved than to a management system based on performance measures. The project team can find virtually no program or activity within the Department that is evaluated regularly on the basis of output measures. For example:

Although the Neighborhood Service Centers are responsible for handling citizen complaints and requests for service, no regular reports are generated describing the number of complaints received and those successfully handled.

Before the appointment of the new management team, there was no norm established for the number of inspections that should be completed daily, weekly, or monthly by housing inspectors.

The staff responsible for property acquisition and disposition—a critical function to see to it that new real estate development can occur in the city—are not held accountable for achieving any particular volume goals.

Property managers within HABC are handicapped in being held accountable for matters like building maintenance, turnover of vacant units, rent collections, etc. which are handled centrally by HABC rather than being given full responsibility for what is commonly understood to be property management.

Those operating the Section 8 leasing program are not held accountable for increasing the number of landlords participating in the program, or getting rent payments out on time.
Nonprofit contractors are not monitored closely enough or held accountable for their failure to meet desired outcomes.

Critical Management Information System Needs. The HABC management information system (MIS) is in crisis. According to an internal Inspector General Report, in 1994, HABC senior management determined that the mainframe computer system supporting all HABC and HCD business functions needed to be replaced, and that a new system needed to be put in place prior to the end of 1999 since the old mainframe was not Y2K compliant.

The deadline was not met. As it stands today, the following public housing applications are not part of the new computer system, and a manual system is being used: all tenant rent collections (TARS, for Tenants Accounts Receivable); payments to landlords under the Section 8 program; the tenant accounts data system (TADS); the Housing Authority Utilities Management System; and the Inventory/Procurement/Work Order system. Under a manual system, the Housing Authority cannot reliably count the number of occupied public housing units or utilized Section 8 vouchers and certificates.

The most serious failure caused by the system breakdown has been within the federally funded Section 8 leasing program (in which 13,000 rental certificates and vouchers are distributed to the elderly, families and persons with disabilities). While most other housing authorities run Section 8 at a ‘profit,’ HABC has incurred considerable additional costs due to the system breakdown. Landlords have threatened to evict tenants because the Authority is slow to pay the landlords their rent due, and the Authority has incurred extra costs in overtime for manual data entry (cashiers have had to manually type more than 1,000 court cases to pursue tenants delinquent on rent). In addition to resulting in extra costs, the manual system increases the potential for fraud.

HCD, which is serviced by HABC’s MIS division, also faces critical information technology needs. The Acquisitions and Disposition Division cannot make much-needed progress on the backlog of properties to be acquired and disposed of without the development of a central repository of information about the status of those properties. Housing inspectors need an automated system to record, store, retrieve and transmit housing code violation data in order to more quickly resolve code violations. Without these and other upgrades to the Department’s MIS system, HCD will be unable to implement many of the recommendations included in this report.

Personnel Systems Impede Effective Management. Despite the fact that the Department benefits from some very strong employees, the overall culture needs to be transformed to become far more results-oriented. Employees are not managed to performance goals, with the result that there is barely any basis to discipline poor performance or reward excellent performance. Consider that in an organization as large as the Department’2,200 employees’the project team heard of only half a dozen or so terminations for cause in recent years, and these were for blatantly inappropriate behavior such as drug use and frequent unexplained absences. There were no instances in which someone was terminated simply because they were not performing to management’s standards. To the extent legally possible, more management staff particularly at the division director level must be exempted from Civil Service regulations in order to provide the Commissioner and her deputies with more control over staffing decisions. In addition, improved management systems and training programs are needed so that these large organizations can be managed more effectively.

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Recommendations and Projected Results
Recommendations and Projected Results

This report contains a series of recommendations that can be viewed as a blueprint for improving the management of Baltimore housing-related functions. If implemented, some of the recommendations will yield savings by eliminating programs that are not adequately performing. Other recommendations are aimed at improving service without increasing costs. Still others call for some expansion in effort, on the sound assumption that paying more today will result in increased City revenues in the future. The project team’s key recommendations are summarized in the following statements:

– Reorganize and consolidate the Department to reduce management costs and provide more consistent service.
– Re-direct the Department’s MIS strategy to resolve the current crisis.
– Privatize the property management function of HABC to reduce costs and improve quality of service.
– Transform the Neighborhood Service Centers [‘NSC’] to improve service delivery at the neighborhood level.
– Overhaul the process of property acquisition and disposition to enhance neighborhood redevelopment.
– Eliminate the backlog of vacant buildings needing boarding and cleaning to reduce blight in the city’s neighborhoods.
– Streamline the code enforcement process to increase the number of inspections performed annually and to more efficiently enforce housing code violations.
– Privatize the Section 8 voucher program or overhaul the program’s management strategy to improve service to program participants and to de-concentrate Section 8 units in impacted neighborhoods.
– Evaluate and privatize the transfer of resident services programs to reduce management costs associated with non-housing related functions.

The implementation of these key recommendations would result in much-needed service improvement throughout the Department. The cost savings associated with the changes would range from low to high.

<table>
<thead>
<tr>
<th>Major Recommendation Areas</th>
<th>Cost Savings (to Agency) (low, moderate, high)</th>
<th>Service Improvement (low, mod., high)</th>
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<tbody>
<tr>
<td>Reorganize Department</td>
<td>moderate</td>
<td>high</td>
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<tr>
<td>Re-direct MIS strategy</td>
<td>low</td>
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<td>Privatize HABC</td>
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<td>high</td>
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<td>Transform NSCs</td>
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<td>Overhaul acquisitions process</td>
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<td>Eliminate boarding backlog</td>
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<td>Recommendation</td>
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<td>Streamline code enforcement</td>
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<td>Privatize and/or overhaul Section 8</td>
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<tr>
<td>Privatize and evaluate resident services</td>
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The Greater Baltimore Committee and Presidents' Roundtable is convinced that the implementation of these recommendations would not only make the Department more efficient, but that they would put the Department on the path of becoming one of the best housing departments in the country.

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: REORGANIZE THE DEPARTMENT

1-A – 1-E
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: REORGANIZE THE DEPARTMENT

Problem Identification:
The Department suffers from an organizational structure that promotes compartmentalization and works against movement towards a common mission or purpose. The current organizational structure is inefficient and interferes with effective communication. There appear to be numerous redundant and duplicative functions between HCD and HABC.

Recommended Action(s):
See organizational chart (link below).- Consolidate HCD/HABC support functions (Legal, Human Resources, Information Technology, Public Affairs, Quality Assurance/Inspector General, etc.) and departments of Inspections, Development, Housing Operations and Resident Services.- Consolidate HCD/HABC financial functions and accountability in centralized finance office. Create a new position of Chief Financial Officer to perform financial management and agency budgeting.- Create separate division for Section 8, with director reporting directly to the Commissioner.

Within HABC: (1) take Leased Housing out of Operations; (2) take Redevelopment out of Modernization; (3) combine Modernization with Housing Operations/Asset Management (include under Construction and Engineering).

In consolidating the legal functions, deputize more attorneys to meet the Department’s high volume of legal work.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
The increase in efficiency, morale, and service cannot be quantified at this time. (Private sector organizations that have completed successful reorganizations see cost savings or efficiency increases of 10 – 20 percent.) There will be savings associated with fewer managers if the new organizational structure reduces the number of managers and eliminates duplicative functions. Baseline performance measures and goals must be set to determine cost savings and efficiency increases.

Estimated Implementation Costs:
None

Barriers to Implementation:
Change is always difficult. A second reorganization so soon after the agency’s leadership changed may be met with skepticism and resistance in some circles. It will likely take time for some managers to be helped to function more effectively in their roles and to look beyond their division and work toward the overall goals of the organization.

Projected Implementation:
The complete reorganization process will likely take at least a year, from identification of the new structure
and implementation to the point at which employees feel comfortable and understand the direction in which the agency is headed.

**Next Steps:**
Involve managers and employees at all levels of the agency(ies) in establishing goals for the new organizational structure. Communicate the new structure throughout the organization. Ensure that the new organizational structure matches the goals identified for the agency (see Recommendation 2-A). Meet regularly and often with the management group to ensure more open communication and commitment to the goals within that group and to model the approach that should be taken throughout the agency.

**Analysis:**
Subcommittee members conducted approximately 40 interviews with all levels of staff. Most of the interviews concentrated on supervisory and management staff. These interviews impressed us with the level of professionalism in the agency. At the same time, there was a great deal of frustration and a sense of resignation that staff had to work around the organizational structure rather than within it if they wanted to get things done. We did not find common agreement about the role of the agency and its mission but there did seem to be consensus that communication is poor and that the organization could be more effective.
**Recommended Organization Structure for Integrating Baltimore HCD and HABC**

The divisions and departments on the attached organizational structure combine the functions in the current HCD and HABC organizations. The success of this organizational structure is dependent on effective implementation of the other Greater Baltimore Committee and Presidents’ Roundtable recommendations regarding management, communications, and the alignment of operations and processes with the mission and strategy of the agency. The commissioner may want to designate a Chief Operating Officer or Chief of Staff for a period of a year or so to help keep operations effective during the transition to a strong senior management team. **General Counsel/Legal Services:** While this function centralizes legal support, this department will need to work across divisions and functions, especially with contacts in Finance and Enforcement in Code Enforcement. **Development Team:** This division is organized along type of housing and service lines with the exception of HOPE VI. HOPE VI is a funding source with such a large and diverse program and sufficient HUD attention and involvement that a separate division is required. Further refinement of the sub-structure of the development division may be necessary.

**Public Housing Team:** Modernization is included within Construction and Engineering. **Code Enforcement Team:** This team consolidates inspections and permits for both HCD and HABC.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: ESTABLISH AGENCY GOALS AND OBJECTIVES

2-A
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:
ESTABLISH AGENCY GOALS AND OBJECTIVES

Problem Identification:
Key managers and supervisors in both organizations have some concept of the overall missions of each agency, but few have firm goals and measurable objectives.

Recommended Action:
Define organizational mission, establish agency goals and objectives, and meet with divisional directors to roll out objectives.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementation should lead to increased operational effectiveness in the long term, and improved staff morale in the short term.

Estimated Implementation Costs:
None

Barriers to Implementation:
The major barrier will be the resistance to change from some managers and supervisors. The current organization does not demand the proposed level of accountability.

Projected Implementation:
90 – 120 days

Next Steps:
The senior management team should frame goals and expectations for each division. Directors of each division break down goals into specific measures for their managers and supervisors. Directors and managers get feedback from employees on proposed goals and performance measures. Directors and division managers review and agree upon measures. The senior management team and division directors hold employee meetings at all levels to introduce goals, measures and the impact on the organization’s output.

Analysis:
The subcommittee interviews indicated that most supervisors and managers were aware of broad objectives for HCD/HABC (i.e. increase home ownership, improve public housing environment, help communities), but not all knew how these goals tied into their daily activities. The interviews also uncovered a lack of performance-related rewards and accountability. Rewards and accountability are not possible without clearly defined goals and measures.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: INCREASE THE NUMBER OF NON-CIVIL SERVICE MANAGERS

2-C

Problem Identification:
The current system to select HCD senior staff is driven by Civil Service regulations and a tradition of entitlement to position. These have severely limited the ability of the Commissioner to select senior staff members who share the vision of the executive.

Recommended Action:
Increase the number of managers exempt from Civil Service regulations. The Commissioner should have the ability to retain or release senior staff (down through the classification of Director) as deemed appropriate.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
The impact will be felt most strongly through increased accountability of Directors to executive staff, and through a more cohesive vision and mission of the organization. The resulting cohesion among staff leadership should result in increased staff understanding of the organizational mission and improved performance.

Estimated Implementation Costs:
None

Barriers to Implementation:
There may be legal or municipal hurdles to removing key leadership positions from Civil Service oversight and selection, as well as the need to negotiate these changes with the affected professional membership associations. There may also be the potential for politicizing these positions, or creating the perception of 'politics as usual.' The Mayor and Commissioner must make selections clearly grounded in professionalism and expertise to calm these fears.

Projected Implementation:
Further research is needed to determine the regulatory changes required to disassociate Civil Service from key leadership positions before a timeline can be projected.

Next Steps:
The Mayor and/or Commissioner should direct legal counsel to research legal and municipal hurdles involved in removing Civil Service involvement in selection and protection of department directors. The Commissioner should work in conjunction with Deputy Commissioners, Personnel and possibly outside consultants to determine the skills, professional experience, education and other professional requirements needed for the classification of Director for each division. The Commissioner should select the individuals who will form the management team.
Analysis:
Based upon interviews with staff from all levels throughout the organization, a common theme emerged of a lack of understanding and cohesion among staff. The project team believes that part of the problem, and therefore part of the solution, is the inability of the Commissioner to select senior staff who share her vision of the Department, and who can and will represent that mission throughout the organization at every level.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: ‘MAP’ WORK PROCESSES ACROSS THE AGENCY

Problem Identification:
Interviews have revealed that agency employees have little understanding of the primary work processes in the agency outside of their own jobs or divisions. This leads to redundancy and wasted cost (in which another division duplicates work already performed), delays in processing requests (when a division does not understand the urgency), and repetition/rework (when work needs to be redone because it does not meet the requirements of the next step in the process).

Recommended Action:
Achieve greater inter-divisional coordination and efficiency by “mapping” work processes and disseminating the information to managers/staff. Look for and eliminate redundant steps. Use these maps as communication tools for inter-divisional coordination.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Improved customer satisfaction through eliminating redundancy and repetition. Improvements in innovation through better communication.

Estimated Implementation Costs:
$30,000 is estimated for consulting assistance in mapping work processes and training staff on how to use them.

Barriers to Implementation:
A primary barrier to implementation will be the reluctance of managers and staff to share information about their jobs and intra-divisional processes and the potential desire to protect the work within each division.

Projected Implementation:
90 days

Next Steps:
The executive management team and senior-level managers should identify primary work processes for the agency(ies). Form cross-functional teams to develop work processes and redesign them where possible. Document primary work processes with flow charts and detailed output and inputs to each work process step. Conduct interdivisional meetings to communicate and discuss work processes. Track implementation. Train staff on work re-design and information mapping/flow charting.

Analysis:
During interviews most supervisors and managers indicated that they did not communicate well either within
their functions or outside their divisions. The interviews also uncovered that some of the problems in repetition of work and rework were caused by communication issues and lack of understanding of other divisions’ work processes.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: INSTITUTE A CONSOLIDATED BUDGET PROCESS

2-E
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: INSTITUTE A CONSOLIDATED BUDGET PROCESS

Problem Identification:
HABC does not prepare a comprehensive budget for board review that includes all funding sources and all programs. Without a comprehensive budget, it is extremely difficult to understand the true cost of any program or activity since such functions may be funded through multiple sources. In FY2000, HABC faced a budget deficit of $8 million, and HCD owed $15 million of borrowed Community Development Block Grant (federal) funds.

Recommended Action:
Establish an annual, consolidated budgeting process that examines all agency sources and uses.

Classification:
Organizational

Functional/Operational Area:
HABC/Financial Management

Estimated Annual Impact:
Improved financial accountability.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Conduct a series of ‘board workshops’ wherein the board can understand the different sources and uses of agency funds. Train staff where appropriate.

Analysis:
Consistent with this recommendation, HABC should prepare regular monthly income/expense reports, with accompanying narrative explanations of variances, for each major program/fund. This recommendation assumes the creation of a CFO position, without which the institution of a consolidated budget process would be difficult (see Recommendation 1A – 1-E).
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: DEVELOP A COST-ALLOCATION SYSTEM

2-F
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: DEVELOP A COST-ALLOCATION SYSTEM

Problem Identification:
HABC does not properly allocate general overhead and administrative costs across programs, greatly distorting actual program costs.

Recommended Action:
Develop a cost-allocation system that allocates overhead proportionately to each program.

Classification:
Organizational

Functional/Operational Area:
HABC/Financial Management.

Estimated Annual Impact:
Increased financial accountability.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Train staff where appropriate.

Analysis:
Presently, the operating budget absorbs a disproportionate share of the agency’s overhead. Little, if any, centralized costs are charged to capital (Comprehensive Grant Program, CGP, and HOPE VI), Section 8 and various resident programs.

As a general cost allocation strategy, overhead costs could be allocated based on each program’s percentage share of total direct personnel. For example, if there were 1,000 ‘direct’ HABC employees, and the Section 8 program employed 100 ‘direct’ employees, Section 8 would be allocated 10 percent of general overhead costs (100/1,000).
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: INSTITUTE PROPERTY-BASED BUDGETING

2-G
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: INSTITUTE PROPERTY-BASED BUDGETING

Problem Identification:
HABC does not have a sufficient system of project-based budgeting that allows it to track the true costs of operating each property. Without such a system, it cannot effectively monitor performance.

Recommended Action:
Develop a new project-based budgeting system.

Classification:
Organizational

Functional/Operational Area:
HABC/Financial management.

Estimated Annual Impact:
The benefits of developing a more realistic property-based budgeting system are: (1) each property will receive an equitable allocation of the agency’s operating funds; and (2) the agency will actually be able to measure the financial performance/operating costs of each property.

Estimated Implementation Costs:
Costs are included in the recommendation on developing an Asset Management System (see Recommendation 3-C).

Barriers to Implementation:
There are two main barriers to developing an effective project-based budgeting system. The first is the expertise to structure such a system. Essentially, HABC must develop a rational system for determining how much of its operating funds should go to specific properties (i.e. ‘Latrobe vis-à-vis Perkins). It must then make sure it prepares routine income and expense reports on these properties. The second, and more difficult, barrier is reducing overhead costs so that more operating funds are actually available to operate the properties. There is little value in developing an enhanced property-based budgeting system if significantly more funds are not made available for direct operating costs.

Another barrier to developing a project-based budgeting system is the fact that the current organizational structure is complex and has many different cost centers. Under the current system, the agency needs to assign each property the actual costs incurred for each centrally located function (i.e. the central HQS team, the central plumbing team, the centralized legal staff, etc.).

Projected Implementation:
90 days

Next Steps:
Decide what percentage of the total operating funds HABC receives will be assigned to the properties as a whole and what will be assigned to cover overhead. Devise an equitable allocation system among properties. This would normally be based on historical expenses per property, but since the agency has not had
property-based budgeting, such data is likely not available. Instead, create (and revise as necessary) a reasonable allocation system based on a number of factors, including: distressed/not distressed; modernized/not modernized; elderly/family; and high-rise/low-rise.

**Analysis:**
Unlike virtually any other real estate organization, public housing authorities are not assigned operating funds on a project-by-project basis. Rather, a housing authority receives its operating funds from HUD in the aggregate and is free to sub-assign funds to each property, as it best determines.

Property budgets are one of the most essential management tools in conventional real estate. They are central to knowing the performance of any property. At HABC, however, property-based operating budgets are virtually ignored and there is little knowledge of what it actually costs to operate any property. This is true for a number of reasons. First, a disproportionate share of funds is spent on overhead and other centralized costs and, as such, the amount that is available to the properties is quite modest. Second, there are great inequities in the assignment of budgets from one property to the next. Third, the agency does not prepare and distribute routine and timely financial statements. Fourth, even though managers are assigned budgets they are often prevented from actually spending those funds (frequently this happens covertly by ‘freezing’ personnel vacancies).

One of the first places to start in developing a new system of project-based budgeting is deciding what percentage of the total operating funds that the agency receives will be assigned to the properties and what will be assigned to cover overhead. Currently, there is no control over overhead costs. The properties are the last to be funded. The reverse should be true. At the start of every year, the board should determine the amount of each year's funds to be assigned to the properties, with a cap on central administrative costs.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE PROPERTY MANAGEMENT SERVICES

3-A
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE PROPERTY MANAGEMENT SERVICES

Problem Identification:
HABC operates its properties at substantially higher costs, and with substantially lower performance, than conventional operators of multifamily housing in the Baltimore area. In part, this can be traced to HABC's centralized structure, which also serves to stifle initiative, diffuse accountability, and limit responsiveness. At a number of properties – including, but not limited to, Westport, O'Donnell, and Scattered Sites – management has collapsed.

Recommended Action:
Privatize HABC property management services and the ownership and management of scattered site public housing.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
HABC property management

Estimated Annual Impact:
Cumulative ‘savings’ to HABC could be as high as $8-$10 million annually. These would result primarily from two sources. First, the agency could conservatively reduce its operating costs by some $25 per unit monthly (PUM) for the 12,500 units that the agency currently manages in-house ($25 x 12,500 units x 12 months) = $3.75 million. Second, the agency ‘subsidizes’ the operating budget with approximately $7.3 million annually from the Capital Fund, of which $5.2 million is targeted for ‘vacancy reduction.’ Under private management, the agency would no longer need to subsidize the operating budget, except possibly in the first year to clear the backlog of vacant units (but not ongoing, as the current plan anticipates).

These ‘savings’ could be used to fund extraordinary maintenance and capital improvement projects, for which there is great need. In other words, under privatization, more funds would be invested directly in the properties and would not be lost to unnecessary administrative costs (central crews, security, etc.).

Estimated Implementation Costs:
Between $500,000 and $1 million, which is estimated to be the cost for the 1 to 2 years of technical assistance required to develop appropriate asset management systems (see Recommendation 3-C).

Barriers to Implementation:
The single largest barrier to implementation is the impact on staff. The agency currently employs over 800 persons to operate its public housing program, from housing managers to building monitors to centralized purchasing staff. Under full privatization, a small percentage of these employees would be retained by the agency to provide monitoring and oversight functions. (Based on the experience in other cities, the vast majority of affected employees would be absorbed by the private firms.)

Another barrier to implementation is the need for the agency to develop accompanying ‘asset management’
systems (see Recommendation 3-C). The agency cannot privatize property management without, at the same time, developing appropriate oversight and monitoring systems.

**Projected Implementation:**
1 – 2 years: first year to privatize; second year to stabilize.

**Next Steps:**
The next step would be to determine which properties would first be put out to private management and over what period of time the remaining properties would be privatized. Once determined, the agency would need to develop and issue an RFP and prepare an orderly transition plan, especially with respect to staff reductions.

**Analysis:**
The agency currently operates in stark contrast to norms in the conventional market. Whereas private operators entrust significant authority to the manager of a housing development to manage that property on a day-to-day basis, the housing managers in HABC have little real control over their properties. This centralized structure not only raises costs but results in significantly reduced performance and loss of pride and initiative. It also has a significant impact on crime. The first defense against crime in multifamily housing is strong property management. This is essential in creating a sense of community and respect for property. Such community standards are nearly impossible to establish under the existing structure (when, for example, a manager can’t even get the grass cut on a regular basis because he/she must wait on the central crews).

To replicate the management systems (and supporting culture) found in private property management, the agency would need to radically decentralize its operations. Under such arrangements, HABC’s housing managers, among other matters, would:

– order goods and supplies directly from vendors (there would be no central warehouse);
– hire/fire their own staff (as opposed to centralized personnel decisions);
– be equipped with a proper complement of trained maintenance staff and, when needed, would procure specialized services ‘ plumbing, painting, electrical, lawn service, etc. ‘ from local contractors (as opposed to central maintenance);
– contract with local security firms for security guards in elderly buildings (as opposed to a central security office); etc.

At the same time, the agency would need to develop much stronger budgeting, accounting, and property management reporting systems.

The task of successfully engineering such a revolutionary change ‘ to move from a centralized organization to a decentralized one ‘ is a daunting one. It would take many years for the agency to develop the necessary infrastructure. Even then, there is no guarantee that the agency could accomplish the task; indeed, experience would indicate that reform would get bogged down and not be successful.

The goal ‘ improved property management services ‘ could be achieved much more quickly and much more efficiently if the agency instead contracted with professional property management companies for day-to-day property management services. There are an ample number of qualified property management organizations, nationally and locally, to provide this service.

Unlike national defense or public safety, there is no inherent justification for a public agency to manage real estate. There are no issues of public trust. Property management is a well-developed industry with a multitude of suppliers and with easily identifiable measures of performance (vacancies, rent collections, etc.).

Although the total number of jobs is not likely to change under privatization (only the source of employment) it is true that privatization will result in substantial HABC staff reductions. However, were the agency to decentralize its operations, it would also face significant staff reductions. For example, rather than obtaining supplies from the central warehouse the housing managers would obtain their goods directly from vendors and rather than rely on agency-employed building monitors the housing managers would hire contract
The Committee gave considerable thought to the notion of partial, as opposed to full, privatization, i.e., where the agency might privatize half of the stock and manage the rest. (The committee did not entertain any scenario where the agency continued to manage most of the stock.) In the end, the Committee rejected this option. The agency would need to radically decentralize its operations at the same time that it was also privatizing half of its stock. Managing both processes at the same time would be a massive organizational challenge. The Committee felt that the energies of the agency were best directed at managing the transition to private management than attempting to replicate what the private market already provides.

Other large public housing agencies that have privatized (full or partial) management services include: Chicago, Atlanta, Dade County (Miami), St. Louis, and Puerto Rico. Chicago recently privatized all of its properties (about 38,000 units) as did St. Louis (about 5,000 units).

HABC’s Poe Homes, a 298-unit family property, illustrates the costs and benefits of privatization. This property has been under private management for over a year (the developer for the adjoining HOPE VI project, the Terraces – the old Lexington Terrace high-rise — requested permission to manage Poe Homes with the hope of stabilizing neighborhood conditions). Unlike agency-operated properties, this is essentially a stand-alone operation. The management company does not rely on HABC support services for vacancy preparation, extermination, lawn service, etc. Exclusive of utilities, this property operates for about $220 PUM, which includes a pro-rata share of the agency’s insurance costs, but does not include any pro-rata share of the agency’s protective services expenditures or resident programs. In contrast, the agency receives about $315 PUM in operating funds. Of this amount, $4 PUM is spent on centralized resident programs and about $40 PUM on protective services (police, building monitors, and contract guards). Allowing $25 PUM for overhead costs under privatization, this would leave at least $246 PUM to operate the properties, which, based on Poe Homes, would result in a ‘savings’ of $25 PUM. Thus, the agency could put an additional $3.9 million annually (12,500 agency-managed units x $25 ‘savings’ x 12 months) directly into the properties, which would go a long way to funding much-needed deferred maintenance items. Additionally, the agency would no longer need to ‘subsidize’ the operating budget with capital funds, currently budgeted at $7.3 million annually. (Please note that the operating costs of Poe Homes appear, based on discussions with local operators, representative of comparable private housing in the Baltimore area.)

Privatization would eliminate a need for HABCO, which is the agency’s in-house construction unit. Presently, HABCO is used primarily for vacancy preparation work and is assigned about one-third of vacant units to prepare. Under privatization, the private firms would be entirely responsible for vacancy preparation and would accomplish this work for substantially less money (it costs HABCO an average of about $10,000 per unit).
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE SCATTERED SITE HOUSING

3-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE SCATTERED SITE HOUSING

Problem Identification:
HABC owns approximately 2,600 units of ‘scattered site’ housing. Nearly one-third of these units are vacant. The capital needs of these units exceed $63 million, or more than two years of total capital funding.

Recommended Action:
Privatize the management of all scattered sites and prepare a comprehensive capital plan, which could include the eventual disposition of more than 1,000 units.

Classification:
Service Improvement

Functional/Operational Area:
HABC/Capital Planning

Estimated Annual Impact:
Improved management of scattered site housing.

Estimated Implementation Costs:
While there are capital costs associated with improving the management of scattered sites, the cost of continuing to do nothing is perhaps greater in the long term. This long term cost is caused by further deterioration of the housing stock in the surrounding neighborhood.

Barriers to Implementation:
There are three items barring a more comprehensive and realistic plan for the future of scattered site housing. The first is better physical data on each scattered site unit. The agency has performed an inspection of a sample of units but not a complete census. The second is impact on staff from privatization (as is the case for all agency-operated units). The third is the reality that the agency does not have the funds to retain all of its scattered site units and, therefore, must make hard choices regarding which units to keep and which to rehabilitate.

Projected Implementation:
90 days to conduct physical inspections; an additional 180 days to develop a plan.

Next Steps:
Acquire the services of a firm(s) that will perform an independent physical inspection of each scattered site unit. Upon completion of the physical inspection, ‘triage’ these units based on: (a) cost of renovation; (b) potential for sale for homeownership; and (c) investment climate and larger redevelopment plans for the surrounding neighborhood.

One of the considerations for the long-term strategy for the scattered sites should be whether the ownership and management of some or all of these units should be transferred to qualified neighborhood non-profit housing development corporations and other such organizations.

Analysis:
A year ago, the agency submitted a request to HUD to dispose/demolish 1,000 scattered site units. HUD
rejected the request as too vague and without specificity. HUD was right to request more data. Since that
time, HABC has taken no further action.

Realistically, HABC cannot retain all of its scattered site units. It needs a plan of action and the first start in
that direction is a detailed physical needs assessment of each unit. From there, it can make begin to make
intelligent capital decisions.
Problem Identification:
Despite approximately 1,500 units under private management (mostly units in newer HOPE VI projects), HABC has no formal system for overseeing and monitoring the performance of the private managers. Such a system will become even more important ‘indeed, critical to success with expanded privatization.

Recommended Action:
Develop an asset management monitoring system.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
HABC/Asset Management

Estimated Annual Impact:
Increased control over and improved standards of privately managed properties.

Estimated Implementation Costs:
See recommendation on privatizing property management. Estimate to cost between $500,000 and $1 million (cost of technical assistance for one to two years ‘based on privatization efforts in Chicago and other cities).

Barriers to Implementation:
None

Projected Implementation:
90 – 180 days to build the basic system; 1 year to fine tune new system.

Next Steps:
One of the first steps is to hire the necessary staff. Assuming full privatization, the agency might need 8-10 asset management staff. This would consist of one asset manager for every 2,000-3,000 units, one supervisor, and various administrative staff. These costs are already factored into the $25 PUM overhead costs described in recommendation on privatizing property management (see Recommendation 3-A).

Analysis:
Over the past several years, HABC has placed approximately 1,500 units under private management. This includes all HOPE VI projects, various scattered sites, and Poe Homes (which, as indicated earlier, was privatized because of its proximity to a HOPE VI project).

Despite this recent growth in the program, there is no single individual or unit in the agency that has the responsibility for overseeing the performance of the private managers. Nor are there any standardized systems – management contracts, management plans, monthly reporting, etc. Not surprisingly, in many cases the relationship with the existing private firms is strained.

Because of the lack of focus or attention, the agency has also had difficulty in attracting participation from
qualified private management companies. In soliciting bids for one of its HOPE VI management contracts, the agency received only two bids; in soliciting firms for various scattered site units, the agency received only one bid. The agency has not done sufficient work to attract qualified firms and, quite to the contrary, has sent signals that have effectively discouraged firms from bidding. In essence, it has created the image of an adversarial relationship. For privatization to be successful, HABC must demonstrate its support, which, to date, it has not.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: TRANSFER HABC POLICE AND DEVELOP COMMUNITY POLICING

Problem Identification:
Altogether, the agency will have spent approximately $13 million on 'protective services' in FY2000, which includes $9 million for HABC Police, $2 million for contract guards, and $2 million for agency-employed 'building monitors.' The operating budget pays for two-thirds of these expenses, or around $40 PUM.

Recommended Action:
Transfer policing functions to the City and develop community policing programs at targeted properties and reimburse City for such 'extra' services.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
HABC/Police Department

Estimated Annual Impact:
Initially, this recommendation should save HABC (conservatively) $4 million a year (or just under half of current expenditures on police services of $9 million). More savings would be achieved in future years as properties stabilize and the need for dedicated officers is reduced. These savings are in addition to the savings anticipated from the recommendation on privatizing property management.

Estimated Implementation Costs:
Minimal. Mostly transition costs.

Barriers to Implementation:
Possible opposition within the Police Department to community policing; possible reticence among public housing residents to see a reduction in the size of the police force, even if the new system would be safer and more efficient. Unlike the privatization of property management, it is expected that all of the HABC police that do not become assigned to community policing at family properties would be absorbed by the City police, where there are significant vacancies.

Projected Implementation:
90 – 180 days

Next Steps:
A transition plan should be developed, detailing how many officers are needed at each family property for community policing and the schedule for implementation.

Analysis:
The HABC Police force was established in the early 1990s in response to extraordinary crime levels in public housing, especially at the four large family high-rise properties – Lexington Terrace, Lafayette Courts, Murphy Homes, and Flag House Courts. With the demolition of the family high rises (the last of which is to come down later this year), the agency no longer needs, nor can afford, a separate police department. While there
are still many properties with high crime rates, these problems can better be addressed through both community policing programs and much stronger property management/lease enforcement.

It is important to note that these recommended organizational changes do not diminish the fact that HABC police appear to be quite dedicated, trained professionals.

Nationally, there is mounting evidence on the effectiveness of ‘problem-oriented’ or ‘community’ policing. The HABC should be able to both substantially reduce expenditures on law enforcement and increase the effectiveness of law enforcement efforts by shifting more to a community policing model and away from a model of ‘incident-oriented’ policing.

Currently in Baltimore, of approximately 100 sworn law enforcement personnel, only 18 are assigned to community policing programs (however, many housing managers contend that such officers are less regularly assigned to specific properties and are frequently pulled for other assignments). Primarily, HABC police are assigned to vehicle patrols for the east and west sides (there is no vehicle patrol for the south side). With three shifts a day and two posts (east and west), the practical reality is that officers can spend little time at any one property.

Exclusive of ‘Scattered Site’ or ‘Rehabilitated Housing’, the agency maintains approximately 8,000 family units. At an initial ratio of about one community police officer for every 150 units, HABC would need approximately 53 officers. (There would be no need for community police officers in the elderly buildings since they have building monitors). Under this recommendation, the agency would contract with the City for these dedicated officers, since this is a service beyond what is normally expected. In turn, these officers would either be supervised by a separate public housing unit within the City Police Department or report directly to the local station commanders.

As an example, Perkins Homes (688 units) would have between four to five community police officers assigned to it (688 divided by 150). Having these dedicated officers would result in far greater ‘presence’ than the current vehicle patrols. Community police officers would work hand-in-hand with housing managers and identify effective crime prevention strategies (including making sure the property is clean, well maintained, and free of graffiti and vandalism).

Under this model, the agency would no longer need to operate its own quasi-‘911’ service (in fact, many of these calls are property management related). The staff not needed for these community policing assignments would be absorbed by the City Police Department, which has large vacancies.

It is anticipated that the staffing patterns suggested above would be reduced in future years as conditions at the properties stabilize.

It should be noted that some officers prefer ‘enforcement’ over ‘community policing’, and vice-versa, and assignments should take this into account.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: REDUCE NUMBER OF PUBLIC HOUSING BUILDING MONITORS

Problem Identification:
The agency spends about $2.0 million annually on approximately 125 ‘building monitors’ to maintain 24-hour security in buildings for the elderly (i.e., security guards, and related support staff). This amount is in excess of the $1 million – $1.25 million necessary to maintain good security at senior buildings.

Recommended Action:
Reduce coverage to two, and in most cases one, shift a day. Allow the private firms to hire their own security firms and then hold the private firms accountable for the performance of the guards/monitors. Additionally, the agency should invest in security equipment to further reduce the need for actual security personnel.

Classification:
Cost Savings

Functional/Operational Area:
HABC/Building Monitors

Estimated Annual Impact:
Assuming a per-shift cost of approximately $666,000 (three shifts at $2 million), savings to the agency would be between $600,000 and $1 million annually (depending on reduction to one or two shifts/day). More savings would accrue over the long-term after investment in appropriate security hardware.

Estimated Implementation Costs:
None

Barriers to Implementation:
Staff reductions.

Projected Implementation:
90 days for staff reductions; contracting timeline consistent with that for privatization (1 year).

Next Steps:
Reduce to one or two shifts (depending on property) immediately; phase out existing agency-supplied building monitors as properties are turned over to private managers. Commission a survey of security hardware needs in senior buildings.

Analysis:
Except in the rarest circumstances, the use of security monitors during daytime hours, particularly when management/maintenance personnel are available at the property, is excessive. Most properties need only one, and at most two, shifts a day, depending upon the special needs of the property.

Also, the housing managers should have an ‘arms-length’ relationship with the security guards. Once the agency privatizes property management, it should allow the private firms to contract with appropriate security firms.
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT: TRANSFORM THE NEIGHBORHOOD SERVICE CENTERS

4-A, 4-B, & 4-C

Problem Identification:
Neighborhood Service Centers (NSCs) were created to provide human and social services to the lowest income residents of the City, and to decentralize access to government services to all citizens of Baltimore. NSCs offer a single neighborhood location where a number of City functions from different departments are housed (see ‘Analysis’ section for a list of City departments). The NSCs are not operating effectively because:- Receiving complaints from residents in scattered locations is not nearly as efficient and effective as it would be if handled centrally; the management of the service centers has not resulted in clear, consistent approaches to problem-solving and there are virtually no measures of success being used in the centers;
– There is no clear coordination or lines of authority at the centers; - Administrative services and support for the centers is duplicative, resulting in a waste of financial resources for the agency overall;
– Local and central management lack human services training and certification (only one of nine current NSC directors is Community Action Agency (CAA)-certified) and capacity-building skills. As a result, the NSCs lack clear, consistent approaches to problem-solving.
– NSCs are serving as community organizers and providing ‘normal government functions’ and may be in violation of Community Service Block Grant (CSBG) and Community Development Block Grant (CDBG) objectives (CSBG and CDBG being the primary sources of (federal) funding for the NSCs); and
– CSBG and CDBG performance goals are not universally applied.

Recommended Action:
The Neighborhood Service Centers should be transformed as follows:
— Close NSCs in phases.
  a) Phase One: The satellite Human Services Administrative Office (at 2700 N. Charles Street) should be closed. All administrative functions for the division should be located at HCD headquarters.
  b) Phase Two: Close four of the nine NSCs.
  c) Phase Three: Close the remaining five NSCs.
– Eliminate the NSCs’ responsibility for taking resident complaints. Expand and reinvigorate the Mayor’s Office of Constituent Services and create within it a central intake center for complaints. (See Recommendation 4-C.)
– Retain human service delivery at the neighborhood level. Contract CSBG funds to new or existing community-based organizations (CBOs), community action agencies (CAAs), and/or faith-based institutions that have as a mandate to help low-income residents reach self-sufficiency. (In contrast to state and national trends, Baltimore City is only one of two jurisdictions in the state that still houses the CSBG function within municipal government.)
– Other department and agency staff currently co-located at the service centers should be transferred back to
the relevant agency.

- Retain both Crisis Centers, currently housed within two of the NSCs, which provide critical emergency housing assistance. Provide additional resources for tracking and case management at each Crisis Center, and reassess the best location for each center in light of the NSC closings.

- Retain existing NSC office space (or, in the case of NSC buildings in disrepair, seek new City office building) for housing and building inspectors. Keep current organization of inspectors (by police district) as is.

- Expand the Mayor’s Office of Community Organizing to include nine neighborhood ombudsmen (one per police district) to strengthen the Mayor’s community ties.

- Consolidate staff in the Planning Department with HCD staff devoted to neighborhood planning (in Neighborhood Project Coordination) in order to strengthen the agency’s capacity to assist neighborhoods in economic and community development and planning. A core staff of a minimum of nine planners within HCD is required (one per district). New hires should have a combination of community organizing and analytical skills.

- Launch a high-profile media and public education campaign about the changes listed above, clarifying whom to call with what type of problem (through the City’s website, brochures, flyers, etc.).

**Classification:**
Cost Savings, Organizational, Service Improvement

**Functional/Operational Area:**
All divisions with staff currently stationed at the NSCs, the Mayor’s Office.

**Estimated Annual Impact:**
Closing the nine neighborhood service centers and contracting the human services function to non-profit agencies would lead to a net savings to HCD of $5.7 million and a net savings to the City of $5.4 million. (The savings would primarily be in salary costs.) Creating a central complaint response center within the Mayor’s Office would reduce the net savings to the City to approximately $4.15 million.

**Estimated Implementation Costs:**
Minimal cost to agencies in undertaking a space planning process and issuing an RFP to non-profits for human services function. Other implementation costs would include $270,000 to HCD (primarily in salaries required to strengthen the Neighborhood Project Coordination function), $350,000 to the Mayor’s Office (in salaries required to add ombudsmen to the Office of Community Organizing), and roughly $1.25 million to the Mayor’s Office to create a central complaint response system.

**Barriers to Implementation:**
Bureaucratic and political resistance; source of funding for implementation ‘the restrictions on use of CSBG funds do not allow savings to fund a central complaint system.

**Projected Implementation:**
270 days to contract out the human services function. One year to completely phase out human services from the NSCs; 1 year to expand the Mayor’s Office of Community Organizing and the Neighborhood Project Coordination section.

**Next Steps:**
The Mayor and the HCD Commissioner should meet with other department heads to discuss the NSC closures. The Mayor, City Council, HCD Commissioner should meet with community groups within the various NSC districts to assure citizens that the recommended changes will not affect the level of service and commitment of the City to neighborhoods’ needs, but will rather facilitate their access to government services. The Commissioner should move forward on implementing the changes recommended above.
Analysis:
The NSCs are dysfunctional, in part, because they must serve multiple and often conflicting goals. Like non-profit Community Action Agencies, they provide the social and housing assistance services. At the same time, they serve as points of intake and referral/coordination for the regular municipal services. Their mission is customer service, but their funding is tied to human service provision. Inadequate information systems, multiple lines of authority, and lack of performance measurement compound the problem of this dual mission. The range of services delivered by most NSCs is shown below.

Health Services
Nurses’ Aid
Food Bank

Housing Assistance
Section 8 Rental Application/Information
Public Housing Application/Information
Eviction Prevention Assistance
Weatherization/Emergency Repair Assistance
Housing Counseling
Emergency Energy Assistance (MEAP)

Public Information and Planning
Complaint Intake and Referral
Neighborhood Project Coordination
Neighborhood Liaison Services

Public Safety
Fire Inspections
Police Services
Disaster Response
Housing Inspection
Code Enforcement

Public Works
Neighborhood Sanitation/Clean-up
Vacant Property Cleaning and Board-up

Social Services
Youth and Education Counseling
Literacy/GED Attainment
Employment Development and Training
Crisis Intervention and Counseling
Child Day Care/Head Start
Elderly Outreach/Activities

HCD is under increasing pressure from federal and state sources to reform its human service delivery. The federal Government Performance and Responsibilities Act (GPRA) was enacted in 1993. The rational behind its creation was that HUD (and its various programs such as CDBG and CSBG) was: (1) loaded with fat; (2) unaccountable; (3) immeasurable; and (4) unnecessary.

In response to GPRA, state governments were faced with devising measurement and accountability programs at the local levels to satisfy the conditions found within the GPRA. The state of Maryland devised a program called R.O.M.A., Result Oriented Management And Accountability, and March 2000 was established as the date by which the city must be fully compliant with the federal statute. As of May 2000, Baltimore City was still not in compliance. Given pending regulatory changes at the federal level, it would be wise to move
this function out of municipal authority before audit findings force the City to lose these valuable sources of funding.

### Analysis of Recommendation to Transform Neighborhood Service Centers

#### Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Additional cost to Mayor's Office of creating a central complaint center:</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>(see Recommendation 4-C)</td>
<td></td>
</tr>
<tr>
<td>II. Additional cost to HCD for Crisis Centers:</td>
<td>$20,000</td>
</tr>
<tr>
<td>$10,000 added to each center for two computers and one copy machine</td>
<td></td>
</tr>
<tr>
<td>III. Additional cost to Mayor's Office to expand Office of Community Organizing:</td>
<td>$350,000</td>
</tr>
<tr>
<td>$350,000 in salaries and benefits to add nine ombudsmen</td>
<td></td>
</tr>
<tr>
<td>IV. Additional cost to HCD for Neighborhood Project Coordination section:</td>
<td>$250,000</td>
</tr>
<tr>
<td>$250,000 in salaries and benefits to add five planners/organizers</td>
<td></td>
</tr>
<tr>
<td><strong>Total cost to HCD:</strong></td>
<td><strong>$270,000</strong></td>
</tr>
<tr>
<td><strong>Total cost to Mayor's Office:</strong></td>
<td><strong>$1,600,000</strong></td>
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</tbody>
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#### Benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Cost savings to HCD in closing nine NSCs:</td>
<td>$5,985,680</td>
</tr>
<tr>
<td>A. Salaries with benefits (management and human services only)</td>
<td>$5,244,989</td>
</tr>
<tr>
<td>Total salaries at nine NSCs = $5,586,123</td>
<td></td>
</tr>
<tr>
<td>Less salaries at two Crisis Centers ($341,134) = $5,244,989</td>
<td></td>
</tr>
<tr>
<td>B. Rent</td>
<td>$0</td>
</tr>
<tr>
<td>HCD does not cover rent for NSCs, as the centers are housed either in City offices covered by the General Fund or in space donated by non-Profit agencies.</td>
<td></td>
</tr>
<tr>
<td>C. Building Operations, Maintenance, and Security</td>
<td>$432,234</td>
</tr>
<tr>
<td>Data available only for five centers.</td>
<td></td>
</tr>
<tr>
<td>Assuming average per center cost of $240,130/5 = $48,026, total cost at Nine centers = $48,026 X 9 (number of centers) = $432,234</td>
<td></td>
</tr>
<tr>
<td>D. Supplies and Materials</td>
<td>$38,700</td>
</tr>
<tr>
<td>Budgeted per NSC = $4,300 X 9 (number of centers) = $38,700</td>
<td></td>
</tr>
<tr>
<td>E. Contractual Services (including telephone)</td>
<td>$269,757</td>
</tr>
<tr>
<td>Total annual cost at nine NSCs = $269,757</td>
<td></td>
</tr>
<tr>
<td><strong>Total benefits to HCD:</strong></td>
<td><strong>$5,985,680</strong></td>
</tr>
<tr>
<td><strong>Less total costs to HCD:</strong></td>
<td><strong>$270,000</strong></td>
</tr>
<tr>
<td><strong>Net Benefit to HCD:</strong></td>
<td><strong>$5,715,680</strong></td>
</tr>
<tr>
<td><strong>Total benefit to City:</strong></td>
<td><strong>$5,985,680</strong></td>
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<tr>
<td><strong>Less total cost to HCD:</strong></td>
<td><strong>$270,000</strong></td>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Less total cost to Mayor's Office</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>Net benefit to City</td>
<td>$4,115,680</td>
</tr>
</tbody>
</table>
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: CREATE A CENTRALIZED COMPLAINT RESPONSE SYSTEM

Problem Identification:
One of the original purposes in establishing neighborhood-based service centers was to make it easier for residents to file complaints or requests for service from the City. Experience has shown that this has led to a fragmented system of response to citizen complaints and requests for service. The complaint response system at the NSCs has few controls and no uniformity among centers; significant numbers of complaints go unanswered or are lost with no centralized record of requests made, and no opportunity for a generalized policy response from the City.

Recommended Action:
Create a centralized citizen complaint response system in the Mayor’s Office. The Mayor’s Office of Constituent Services currently accepts citizen phone calls, but it is small and not well-publicized. This office needs to be reinvigorated, with an influx of capital resources and personnel, in order to become a fully operational, effective complaint response center. Existing NSC personnel whose positions are eliminated might be primary candidates to staff the complaint response center in the Mayor’s Office (assuming 15 ‘operators’ would be required). Follow-through (with City agencies and neighborhood-based organizations) on each complaint would be critical, as would a major public education campaign to advertise the call center.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Move this function from HCD to the Mayor’s Office.

Estimated Annual Impact:
The volume of resolved complaints would likely increase substantially (and the time for resolution decrease) under a fully-integrated, centralized system. Change would result in dramatic improvement in customer satisfaction.

Estimated Implementation Costs:
An advanced central response system would require major capital costs: $50,000 or more to purchase and install (or enhance existing) call management system; unknown costs for computer software and to network system with other city departments; unknown costs to conduct an initial public advertising campaign; $25,000 + for new computer hardware; $450,000 in staff salaries with benefits (assume 15 ‘operators’); $62,000 in staff training costs; annual operating budget of $500,000-$750,000. Estimated total first-year costs would be approximately $1.25 million.

Barriers to Implementation:
Costs of significant technology improvements would be high, rendering private-sector support critical. Bureaucratic and political resistance.

Projected Implementation:
1 – 1.5 years
Next Steps:
An internal Mayoral task force, staffed with outside expertise, should be formed to design a centralized
complaint system, using a toll-free number, sophisticated customer-oriented software, and well-trained
personnel.

Analysis:
Costs:

1) Staff Salary Costs
   – Salary costs of new employees:
   – Estimate 15 additional ‘operators’ at $30,000 annual salary and benefits = $450,000.

2) Training Costs

Assumptions:
   – Each new employee hired to work in the centralized citizen complaint response system will attend 20 hours
     of training, delivered over a five-day period.
   – Assumes number of employees staffing the center will be 10-15.
   – Assumes all employees will attend the same training session.
   – Training development and delivery will be contracted out.
   – Average rate (fully loaded) per contractor employee: $100.

Development of training course on handling complaints includes:
   – Background research; and
   – Development of participants’ manual, exercises, overhead slides with instructor notes.
     — Development time: 3 people X 180 hours/person = 540 hours
     — Development cost: (3 people @ $100/hr.) X 180 hours/person = $54,000

Delivery of training course includes:
   – Trainer preparation;
   – Printing of participants’ manual, exercises, overhead slides (without instructor notes); and
   – Actual training time.
     — Trainer time: 16 hrs. preparation time and 20 hrs. training time = 36 hours
     — Trainer cost: 36 hrs. X $100/hr. = $3,600
     — Printing cost: $10 per course participant (roughly 20 participants or $10 X 15 = $150
     — Total delivery cost = $3,600 + $150 = $3,750

Training participation includes:
   – Attendance of employees of the centralized citizen complaint response system at one 5-day session
   – Number of employees: 15
   – Average fully loaded hourly salary of employees: $14/hour
   – Number of training hours: 20
   – Training participation costs: ($14/hour X 20 hrs) X 15 employees = $4,200

Total Training Costs:
$ 54,000 (course development)
$ 3,750 (1 course delivery)
$ 57,750

$57,750 + $4,200 = $61,950

Plus salary costs of $450,000:

Total costs = $511,950
In addition, several cities were contacted in an effort to gauge the effectiveness and costs of a centralized citizen complaint response system, as described below:

‘City Call’
City of Louisville, Kentucky (population: 300,000)

Initiated eleven years ago in the Department of Neighborhoods, Louisville’s City Call hotline was moved to the Department of Information Technology and Communication last year when the new Mayor took office. The hotline is staffed with 1 head administrator, 1 customer service representative supervisor, 1 administrative assistant, and 8 customer service representatives. Hours of operation are 8 a.m. to 5 p.m. weekdays. The hotline receives approximately 700 calls per day, 65% of which are requests for information. The remaining 35% are citizen complaints or requests for service, which customer service representatives enter into their computer system.

Customer service representatives (CSRs) initially received an extensive 10-week training course that included instruction by staff from each city agency, county government staff, the telephone company, utility companies, and non-governmental agencies in the area. The purpose of this training was to educate CSRs on the full extent of services available in the area and to identify the range of services within each office. In addition, CSRs attended a 2-day customer service telephone training seminar, conducted by the General Electric Answer Center. They also received significant instruction on the software used with City Call. Due to budget constraints, newly-hired CSRs now participate in approximately 2 months of in-house training, reading manuals and relying on other CSRs for hands-on instruction.

Annual staff salaries (11 FTE positions) include:
– Head Administrator: not available
– CSR Supervisor: $34,000
– CSRs: $28,000
– Admin Assistant: $30,000

Although plans are in progress to move to a Windows-based computer system, City Call currently uses Citizen Information System software developed by their Data Processing Division. This software is address-based (linking Census tract and congressional district information to each call), and is part of a network of computers in each city and county department. When a request for service comes in, the CSR will code it so that a work order is immediately sent to a printer in the appropriate department. It is the responsibility of each city department to follow up with their own work orders. However, if a citizen places a second request to City Call, CSRs will often use a contact person in the appropriate department to request follow-up. City Call has a good working relationship with all departments, and typically stays abreast of larger issues (major road work planned in city regions) and passes this information to citizens in affected areas. Using the address-based system, CSRs can advise citizens on their specific recycling, garbage, or yard-waste collection schedules, or direct them to their local councilperson.

In the event of a community emergency, City Call lines are open around the clock. During these times, work orders are sent directly to printers in the emergency operations center, where members from the Red Cross, Salvation Army, FEMA, and the fire and police departments meet.

Customer Service Hotline
Cincinnati, Ohio (population: 365,000)

The City’s Department of Public Works instituted a ‘one-number’ service in 1995 in order to accommodate the high volume of calls it received for a wide array of street repair, refuse service, and other information requests. In May 1998, the Cincinnati City Manager decided to utilize the DPW one-number service for all city service and information inquiries. The current hotline number (513) 591-6000 was instituted that month, and two months later, the City Hall operator was also folded into the hotline operations (though it is still a separate
All hotline personnel are currently housed in a single DPW facility located 12 miles from downtown.

The hotline operation remains a division of the Public Works department, and the hotline manager reports directly to the Director of Public Works. The annual operating budget totals $788,533, as follows:

- Staff (18 FTE positions): $595,500
- Fringe Benefits: $153,200
- General Overhead: $24,064
- Non-labor expenses: $15,769
- TOTAL: $788,533

In addition to the hotline manager, 2 administrative supervisors oversee a total of 5 hotline operators, 8 dispatchers, and the City Hall operator. Dispatchers are available 24 hours per day, 7 days per week to respond to emergencies. During normal weekday business hours, 3 dispatchers are working or available. (The hotline manager reported that additional staff are needed to handle the enormous volume of calls, many of which are for non-city services such as county questions, non-profit referrals, federal and state inquiries, etc.) Non-emergency calls are logged, and hotline operators inform the caller of which city department or agency would best handle their request, and what types of assistance are available. The hotline manager stated that operators try not to simply ‘transfer’ callers to other city departments.

The hotline operation continues to use the original DPW customer service software that has been in place since 1996. Calls are entered into an electronic system, but tracking remains problematic. Hotline personnel must still request paper-based reports from other city departments in order to determine whether calls have been resolved and how. The hotline manager reported that the need for superior customer service training is critical, as is a broad and deep knowledge of all city agencies and services. Maintaining the flow of information between the hotline personnel and other city staff has also been difficult.

The hotline operation is now examining new integrated computer software (called 'MAXIMO') that would allow for case input, work-order tracking, and quality control functions.

**Neighborhood Preservation Customer Service Line**

**Phoenix, Arizona (population: 1.2 million)**

The City’s Department of Neighborhood Services instituted a central citizen service line in the mid-1990s. The hotline (open 8am-5pm Monday-Friday) receives an average of 5,500 calls per month, most of which pertain to property maintenance and zoning issues in the neighborhoods. Citizens are also able to walk-in to the center, which is housed in the City Hall. One supervisor and 11 full-time ‘technicians’ staff the service. Technicians are trained in customer service and data entry, and receive orientation on the range of city departments and services in order to properly respond to requests. Technicians are bi-lingual in English and Spanish.

The system is a combination of automated greeting and live person assistance. Technicians ‘log-in’ to the system, which automatically routes new calls to the staff person(s) with the least volume of inquires that day (ensuring an equitable distribution of calls). Technicians also rotate into ‘lead duty,’ in which they help walk-in customers, provide technical support, conduct case research and follow-up, etc.

At present, the software is not truly integrated to allow full tracking of case disposition. Cases are logged and then referred to the appropriate city agency for action. For example, code violation calls are routed to housing inspection staff, most of whom later update records when the case has been resolved. The city is currently negotiating a contract for new integrated software that will enable better follow-up and case management capabilities. (The ‘Tidemark’ system is likely to be selected.) The telephone service operation is a division of the Neighborhood Services Department. The annual operating budget totals approximately $550,000, with technicians earning about $35,000 and the supervisor $45,000.

**CITY OF ST. LOUIS, MISSOURI (POPULATION: 380,000)**
Citizens Service Bureau (CSB)

The City’s Department of Neighborhood Stabilization was one of the first in the country to implement a ‘customer service’ hotline. In 1985, the new Mayor and his transition team studied the customer service operations of the local utility companies. Shortly thereafter, the Department implemented the current Citizens Service Bureau (CSB) system, which is focused primarily on recording, tracking, and resolving daily calls on pothole repair, sidewalk and tree maintenance, code violations, etc. The CSB handles approximately 10,000 calls per month, 85% of which are requests for city services; the remainder are general information requests. The hotline uses the 'DataFlex' computer software, licensed through Novell Corporation. The city’s MIS personnel customized the software to accommodate the specific fields and questions which were deemed most important. The automated call management system is from Perimeter Technology of New Hampshire. The call management system cost approximately $50,000 to purchase and install; annual maintenance runs $3,500 under a maintenance agreement with Perimeter. The cost of a computer workstation is approximately $2,000 for monitor, keyboard, CPU, etc. There are 10 workstations, plus 2 workstations for walk-in customers.

The Citizens Service Bureau is staffed with 1 management supervisor, 1 assistant, 1 lead operator, and 10 customer service representatives. CSRs receive a 2-month orientation to the array of city departments and agencies. CSRs average $23,000 per year, the manager’s salary is $60,000. In addition to the hotline, a City Hall operator utilizes a separate line to handle calls for general information; the City Hall line is advertised heavily in order to relieve call volume at CSB.

The hotline operation is a division of the Neighborhood Stabilization department. The annual operating budget totals over $400,000, as follows:

- Staff (13 FTE positions): $403,000 (including fringe benefits)
- Supplies: $ 3,000
- Contractual expenses: $ 8,000 (mainly maintenance agreements)

Customer service reps answer calls, and key in the complaint. Each city department has a numeric code, as does each general type of complaint. When a complaint is keyed in, the software automatically prompts the operator with specific information and questions to ask the caller. It also displays a typical timeframe for case resolution, which can be altered based on department workload. The telephone system is networked with most other city departments. The software also can generate a form letter to the citizen summarizing their call and its anticipated resolution. The system at this point becomes paper-based. Written work orders (on 3-part carbon paper) are sent to the appropriate department within 2 working days, and a work order number is assigned for tracking purposes. (Cases are held in the system for 4 years, then purged into an archive file.) Once a city department has resolved a case, staff from that department generate a written disposition report, which is sent back to the CSB and keyed electronically into the CSB system.

The CSB is staffed during regular business hours Monday- Friday; however, the city also has a 24-hour automated information line which citizens can use to help answer general information
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT: STRENGTHEN NEIGHBORHOOD PLANNING FUNCTION

4-E & 4-F
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT: STRENGTHEN NEIGHBORHOOD PLANNING FUNCTION

Problem Identification:
HCD’s neighborhood planning capacity was severely curtailed when the Neighborhood Project Coordination section was reduced to four staff members in 1996, and the rest were moved to the City’s Planning Department. In order to improve neighborhoods in Baltimore, HCD must have the capacity to be strategic about where it places funds, and how the funding of housing development and rehabilitation connects to a larger neighborhood recovery strategy. Additional planning capacity within the Department—people skilled in working with neighborhood groups and other City departments, as well as people skilled in analyzing trends in the housing market—is needed.

Recommended Action:
Expand HCD’s Neighborhood Project Coordination section to include more staff focused on neighborhood planning in areas where HCD is carrying out concentrated activities. Expand the Mayor’s Office of Community Organizing to include nine ombudsmen who would serve as neighborhood liaisons. The staff assigned to this function would pro-actively seek out input from neighborhood leadership on problems needing attention, and would work with all relevant City departments needed to respond to the issues raised. To the degree that the issues raised are planning issues, the Deputy Mayor for Neighborhoods and Economic Development should orchestrate responses from HCD, Planning and BDC as the situation warrants. Since the Mayor’s Office staff will be working on a broad range of issues, it is likely that City general funds, not federal funds, will be needed.

Classification:
Organizational, Service Improvement

Function/Operational Area:
HCD – Neighborhood Project Coordination; Mayor’s Office.

Estimated Annual Impact:
Difficult to quantify. In Seattle, 38 neighborhood plans have been formed since the Department of Neighborhoods was created in 1990. A $1.5 million Neighborhood Matching Fund was also created to support locally-based improvement and development projects, which has since grown to $3.75 million. This fund now channels resources to about 200 projects annually.

Estimated Implementation Costs:
$270,000 to expand Neighborhood Planning Coordination;
$350,000 to expand Mayor’s Office of Community Organizing.

Barriers to Implementation:
The neighborhood planning function needs considerable improvement, as indicated by the Mayor’s Transition Committee report. The chief barriers to implementation of this recommendation are enhanced neighborhood planning expertise in HCD and a successful system of coordination between the Mayor’s Office, HCD, and the Department of City Planning.
Projected Implementation:
180 days to expand NPC; 1 year to expand Mayor’s Office of Community Organizing.

Next Steps:
Hire additional organizers/planners in Neighborhood Project Coordination, and hire ombudsmen to work at the Mayor’s Office of Community Organizing.

Analysis:
Several cities were contacted to understand how they staff local neighborhood planning, and whether they have created neighborhood liaison capacity. Seattle is recognized as a civic leader in neighborhood planning. The Mayor’s Transition Team report included extensive background material from that city.

City of Nashville, Tennessee
Office of Neighborhoods, Mayor’s Office

This program, a highly-publicized initiative of the new Mayor, is still very new and in its planning stages. The goals of the newly-created Office of Neighborhoods are to help existing neighborhood organizations work together; and to help make government services more accessible to residents.

The Office is currently staffed with 3 neighborhood liaisons, overseen by 1 Director. Future plans call for more staff and volunteers.

The staff are currently employing mapping strategies with local neighborhood organizations to determine areas of need relative to location of services. The Office also works closely with the Planning Department. The working relationship between the Mayor’s Office of Neighborhoods and other city departments is meant to be cooperative, but also to hold them accountable for improving customer satisfaction, answering calls in a reasonable amount of time, etc.

According to the new Director, the Office of Neighborhoods will measure their success by:
– The degree to which they are making agencies accountable for services they provided or that should be provided; and
– Citizen satisfaction, as measured through participatory mechanisms such as the ‘Mayor’s Night In/ Mayor’s Night Out’ public meeting held once a month. Residents express needs to the mayor, and their case is written up in a database. The appropriate city department is given 3 weeks to resolve the issue. If the issue is not resolved in that timeframe by the agency, the Director intervenes.

Neighborhood Stabilization Program
City of St. Louis, Missouri

The goals of the Neighborhood Stabilization (NS) program are to provide services to neighborhoods and act as a liaison between city departments and local residents. There are 27 NS officers assigned to sections of the city to ensure that requests for service by residents are not overlooked by city staff. These NS officers work closely with neighborhood associations to help with planning, crime prevention strategies, and in organizing community beautification activities. Satellite offices have been established in 4 schools in the city, making their services more accessible to residents.

The program is meant to act as a communication/problem-solving mechanism for residents and local groups. They do not perform actual service delivery functions, but work with residents to inform them and coordinate their requests with various city offices. The program staff are the middlemen who communicate residents’ priorities and needs to city departments, so that the city can address the needs that are determined by residents. They also coordinate the needs expressed by residents with city plans, and encourage tackling problems that fit into both categories.

The NS project is housed in the Department of Public Safety. Staff are accountable to the Director; the
Director of Public Safety, and finally, the Mayor of St. Louis. The operating budget for the program is $1.9 million annually, with about half for salaries and benefits. The other 50% is for supplies, equipment, leasing expenses, and contractual items.

Staffing consists of a Director, 5 management/administrative staff, and 27 NS officers. Each NS officer is free to prioritize which projects to work on and what tactics they will use for each situation. There are usually 5-10 projects going on at once, and as long as officers are accountable, they are free to work without close supervision and to make their own decisions.

The Neighborhood Stabilization program has impacted the workload for employees in the city departments. By educating citizens and helping residents to submit requests for service, there is a lot more work for city departments. NS officers have had to learn to develop a strong rapport with city staff to avoid frictions created through their job.

They have started developing strategic plans, which will identify specific goals such as numbers of beautification projects undertaken, etc. They have not measured those outcomes as of this time.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: OVERHAUL THE PROCESS OF PROPERTY ACQUISITION AND DISPOSITION

Problem Identification:

– While the city has a database that tracks all property ownership and vacant buildings throughout the city (Real Property database), the accuracy of its content is uncertain. In addition, the database does not include information about properties being acquired, disposed or developed. Finally, the internal HCD/HABC operating system, HABNET, is not linked with the Real Property database. All of this makes it difficult for the agency to develop an accurate, reasonable acquisition/disposition strategy.

– The current backlog of parcels to be acquired by known interested buyers is 400 citywide; the total number of buildings known to be vacant and deteriorated is estimated to be 12,000; and the total number of unoccupied (not yet deteriorated) buildings is estimated at 40,000 (including the 12,000 vacant and deteriorated buildings). The City has no proactive strategy for acquiring and disposing of vacant buildings in middle-class neighborhoods.

– The acquisitions function is split among three departments (HCD, Department of Real Estate, City Solicitor’s Office). The three departments are not staffed adequately to address the backlog or ongoing demand of acquisitions and dispositions, nor do they coordinate their procedures to expedite the acquisitions process.

– Goals are not set for the parcels the city should acquire and dispose of annually and staff are not held accountable to performance standards.

– The acquisitions process includes unnecessary steps that slow down the speed at which properties can be acquired.

– Many title companies and appraisers refuse city assignments due to low fees and slow payment, thereby increasing delays in the acquisition process.

– The disposition process is lengthy and complicated and discourages people from attempting to buy city-owned residential and commercial properties. The process currently takes almost a year from receipt of a proposal from a potential buyer to the settlement date.

– No system exists for quickly disposing of small lots that are not part of a greater redevelopment strategy.

Recommended Action:

– Hire an MIS consultant to develop a central repository of information about all properties to be acquired and disposed of that will handle data collection, evaluation and mapping. This information must be easily accessible to all municipal agencies and the public. All other recommendations in this section depend upon dramatic improvement in the division’s Information Technology capability.

– Eliminate the current 400-unit backlog of properties to be acquired. Address ongoing staff shortage by hiring 5 professional real estate staff (3 in HCD, 2 in the Department of Real Estate) and 2
attorneys in the City Solicitor’s Office. Hire 2 additional real estate staff to handle disposition in HCD.

– Assign one staff person the responsibility of identifying vacant buildings in middle-class neighborhoods and proactively pursuing options for acquisition, rehabilitation and sale.

– Establish annual goals of number of parcels to be acquired and disposed of by the City. The number of parcels acquired should be tied to the demand for these properties. Assign teams of acquisition staff in HCD, Department of Real Estate and City Solicitor’s Office to work together to complete specified volume of acquisitions annually.

– Eliminate routine ordering of a second appraisal of property to be acquired.

– Improve City procurement process for title services by increasing fees for service and ensuring timely payment. Consider hiring in-house title and valuation staff.

– Decrease processing time for dispositions in half, to no more than 6 months, by eliminating the need for HCD to get approval from the Department of Public Works (DPW), the Planning Commission and the City Council when trying to convey a property to a potential buyer.

**Classification:**
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

**Function/Operational Area:**
HCD ‘ Neighborhood Revitalization, Department of Real Estate, City Solicitor’s Office, DPW.

**Estimated Annual Impact:**
Will generate $1,000 in tax revenues per year for every new property added to the tax rolls. Beginning in year two, this would be approximately $300,000 (see Analysis). Cumulative revenue would increase, and by the end of Year Five, the cumulative revenue generated would be $3 million. Factoring in cumulative additional salary expenditures, net revenue at the end of year six would be $425,000. Note: net revenue would benefit the city, while costs would be borne by HCD.

**Estimated Implementation Costs:**
$465,968 (see Analysis) + $81,000 for MIS consultant, making the total first year expense $546,968. By the end of Year Five, the cumulative expenditures for salaries would be $3 million (including the 1st year MIS consultant).

**Barriers to Implementation:**
HCD’s salaries are quite low. It may be difficult to find qualified professionals without making salary adjustments.

Improving the City’s procurement processes without adequate IT improvements and increases in fees for services may be a lengthy process.

**Projected Implementation:**
1.5 – 2 years

**Next Steps:**
Have stakeholders agree on method for having interdepartmental cooperation on acquisitions process. Each department must begin process of receiving approval for hiring additional staff. Study costs/benefits of in-house title and valuation services. Improve MIS systems.

**Analysis:**

**Estimated Annual Impact – Cost-Benefit Analysis of Recommended Staff Additions**

Cost of Year One MIS consultant: $60,000 salary + 35% benefits = $81,000.

At this time, it is not possible to estimate the capital costs required to develop an interactive database.
that will handle data collection, evaluation, and mapping.

**Estimated Annual Salaries and Related Costs**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries(3)</td>
<td>$370,000.00</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$95,968.00(4)</td>
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<tr>
<td>Total</td>
<td>$465,968.00</td>
</tr>
</tbody>
</table>

Current staffing level at HCD (professional staff only): 3
Requested additional staff: 5 in HCD, 2 in Real Estate, 2 in City Solicitor’s Office
Estimated volume of acquisitions per year per professional staff person: 150
Estimated additional acquisitions/ per year (**3 HCD acquisitions staff only**);(5) 150 X 3 = 450
Average property tax payment per single family dwelling: $1,000 per year
Average rate of new dwellings developed from acquired parcels: 2/3
Estimated number of new properties paying property taxes annually: 2/3 X 450 = 300
Annual return from new properties paying taxes (Year Two Only): 300 X $1,000 = $300,000

**Salaries Plus Benefits for Added Employees (Years 1 – 10)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Salaries Plus Benefits(6)</th>
<th>Cumulative</th>
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</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$465,968</td>
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<tr>
<td>Year 2</td>
<td>$489,266</td>
<td>$955,234</td>
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<tr>
<td>Year 3</td>
<td>$513,729</td>
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<tr>
<td>Year 4</td>
<td>$539,415</td>
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<td>Year 5</td>
<td>$566,386</td>
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<tr>
<td>Year 6</td>
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<td>Year 7</td>
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<td>Year 8</td>
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<td>Year 9</td>
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<tr>
<td>Year 10</td>
<td>$722,867</td>
<td>$5,860,883</td>
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**Estimated Property Tax Revenues, Years 2 through 10**(7)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Properties on Tax Rolls Generated by New Employee Acquisitions (cumulative)</th>
<th>Revenue per year</th>
<th>Cumulative Revenue</th>
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</thead>
<tbody>
<tr>
<td>Year 2</td>
<td>300</td>
<td>$300,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Year 3</td>
<td>600</td>
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<td>$900,000</td>
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<tr>
<td>Year 4</td>
<td>900</td>
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</tr>
<tr>
<td>Year</td>
<td>Amount</td>
<td>Revenue</td>
<td>Costs</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>Year 5</td>
<td>1,200</td>
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<tr>
<td>Year 6</td>
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<td>Year 7</td>
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<td>Year 9</td>
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<td>Year 10</td>
<td>2,700</td>
<td>$2,700,000</td>
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</table>

Total revenue to City at end of Year Five: $3.0 million
Total costs to HCD at end of Year Five: $2.574 million
Net revenue to the City at the end of Year Five: $425,236

(3) Includes salaries of 5 Real Estate level II employees (three for acquisitions and 2 for disposition at HCD, two in Real Estate), each at the maximum level in grade ($37,700 – $46,100 per year) and two contract attorneys at $70,000 per year each.

(4) Actual costs of fringe benefits and employer-paid payroll taxes for new municipal employees in HCD. Includes employer paid FICA (7.65% of salaries); retirement benefits (5.7% of salaries); health insurance ($5,000 per employee annually); prescription drug coverage ($1,452 per employee annually); vision care ($48 per employee annually); and survivor’s benefits (.29% of salaries). The City apparently does not compute overhead costs.

(5) This assumes that the other positions in Real Estate and the City Solicitor’s Office are filled and that the new staff are dedicated to acquisitions.

(6) Assumes total salary increase of 5% per year.

(7) Assumes new acquisitions remain constant at 150 transactions for each of the three employees per year and that from these new acquisitions, 300 dwellings will be added to the tax rolls.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: ELIMINATE BACKLOG OF VACANT BUILDINGS NEEDING BOARDING AND CLEANING

6-A – 6-E
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: ELIMINATE BACKLOG OF VACANT BUILDINGS NEEDING BOARDING AND CLEANING

Problem Identification:
The city currently has an estimated 3,500 unprocessed work orders for cleaning, boarding and property maintenance of vacant buildings. With current staffing levels in HCD (Property Management) and the performance of the six current non-profit contractors, the backlog of un-boarded vacant buildings is increasing.

Recommended Action:
Board the 3,500 un-boarded vacant buildings by contracting on pay-on-performance basis. - Standardize priorities for buildings to be boarded and cleaned based on: (a) the condition of the building; and (b) the location of the building (proximity to other vacant buildings ‘to achieve economies of scale).

- Review and revise written standards of performance to high level of detail (e.g., use screws rather than nails to discourage removal of boards, plywood thickness, etc.).

- Establish standard price(s) for successful completion of cleaning/boarding of each type of building based on written performance standards. Establish and budget performance premiums for quantity and timeliness, and offset HCD funding to subcontractor from other sources (e.g., job training grants). Seek additional, non-federal sources of funding for paying contractors.

- To increase the competitiveness and performance of contractors, re-bid the cleaning and boarding contract after re-writing the RFP to emphasize performance as well as cost minimization. Each contractor should also demonstrate good working relations with the assigned neighborhoods and have a written plan for community involvement.

- Negotiate volume purchase of materials for boarding (e.g., plywood, tools) using city purchasing power or seek donations from lumber yards in exchange for advertising on boarded building openings.

- Maintain existing HCD Property Management staff (currently responsible for boarding) to monitor work performed by contractors and to conduct emergency boarding as necessary. (As the quality and capacity of contractor work improves over time, they can perform emergency boarding, thereby allowing a further reduction in headquarters staff.)

- Assign a DPW truck and crew to each cleaning/boarding crew to increase productivity by eliminating the staging of trash in yard or alley. (For maximum efficiency, DPW would contract the hauling function to the same nonprofit contracted by HCD to perform the cleaning/boarding function.)

- Recycle materials to be discarded. (See Recommendation 7-F on recycling and demolition.)

Classification:
Cost Savings, Organizational, Service Improvement
Function/Operation Area:
HCD Housing Inspection – Property Management

Estimated Annual Impact:
$4.7 million in opportunity cost savings to the city (see analysis below).

Estimated Implementation Costs:
$1.77 million in Year One and $1.0 million per year thereafter.

Projected Implementation:
90 days

Next Steps:
Review written performance standards, including performance standards for incentive bonuses. Establish job cost, standard job price, premium price for incentive bonus. Negotiated contracts should include regular performance reviews and annual renewals based on performance.

Analysis:

Costs:
Incremental cost per building of cleaning and boarding
$612 (estimated job cost) – $408 (current blended subcontracted cost) = $204
Current Run Rate (5,200/yr.) X $204 = $1,060,800
Backlog (3,500) X $204 = $714,000
Total Costs $1,774,800

Benefits:
1) Reduce drag on real estate values in neighborhood.
2) Reduce cost of criminal activity in these buildings.
3) Reduce cost of police responses to criminal activity in vacant buildings. (8)
   (Anecdotal: 5% of police time devoted to responding to calls regarding vacant buildings)
   Average salary per police officer: $41,030/yr
   Fringe Benefits: $14,360 (9)
   Average cost of police cruiser: $13,000/yr (10)
   Number of officers on patrol: 1,826
   $41,030 + $14,360 + $13,000 = $68,390
   $68,390 X 1,826 = $124,880,140
   $124,880,140 X 5% $6,244,007
[NOTE: This figure does not represent actual cost savings but the amount of fully loaded labor costs that can be allocated to other productive law enforcement activities. It is the equivalent of having an additional 113 Police Officer FTEs]

4) Reduce cost of fire department responses to fires in vacant buildings
   Current average salaries of firefighters: $39,500/yr
Fringe benefits: $13,825/yr
Average no. of persons per call: 4
Fully loaded salary costs per response: \( (($39,500 + $13,825) \times 4 ) \times 780 = $273.46 \)
Average cost of fire engines: $209,000 (average cost of regular fire engine) + $494,000 (fire engine with hook and ladder) = $703,000 2 = $351,500
Straight-line amortization period for fire engines: 20 years
Annual amortization: $17,575/year
Cost of fire engine allocated on a per-response basis: $22.53
Average cost per response: $273.46 + $22.53 = $295.99
Assume current cost: 2.14 responses per day X 365 days = 780 responses per year X $295.99 $230,872

[NOTE: This figure does not represent actual cost savings but the amount of fully loaded labor costs that can be allocated to another purpose.]

TOTAL BENEFITS $6,474,879

Net Benefits to the City $4,700,079

*(fully loaded labor costs of personnel resources that can be allocated more strategically)*

(8) Information on police time spent responding to calls regarding vacant buildings, salaries, and annual police cruiser costs (including amortization rate) obtained directly from the Baltimore Police Department.
(9) Assumes fringe rate of 35%
(10) Although the cost of police cruisers is roughly $22,626 (including equipment, lights, etc.), the Department leases vehicles from the City at $.71/mi. which includes service, repairs, fuel, and replacement costs. This generally works out to approximately $13,000 per year.
(11) Average responses to calls regarding vacant buildings, salaries and actual costs for fire engines and amortization rates obtained directly from the Baltimore Fire Department.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: OVERHAUL THE DEPARTMENT’S DEMOLITION STRATEGY

7-A – 7-F
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: OVERHAUL THE DEPARTMENT’S DEMOLITION STRATEGY

Problem Identification:
– The City does not have a demolition strategy tied to an overall redevelopment plan or individual neighborhood plans. In 1995, there were 228 demolitions; in 1996, 552; in 1997, 1,087; in 1998, 1,754; and in 1999, 996. (There is currently a moratorium on demolitions due to a lack of funding and the need to reevaluate the decision making process for demolitions.) The current backlog of demolitions is unknown, but the estimated number of vacant buildings citywide is in excess of 12,000.- The current demolition contracting process creates a lengthy bid process, and results in cost overruns and inconsistent workmanship. City contracts for both demolition and site preparation services for redevelopment are combined at a substantially higher cost than if these two services were bid separately. The City takes months to award a contract after the bid is submitted.
– The current practice of requiring minority participation statements a week after bids are submitted leads to price comparison among contractors. The lowest bidders then disqualify themselves, leading to unnecessarily high costs to the City.
– The City does not place a high priority on recycling building materials. DPW routinely disposes of building materials from demolished buildings at expensive and irreplaceable landfills rather than recycling the materials.

Recommended Action:
– The City should develop and adopt a formal demolition strategy that is based on:
  1) demand for available land for redevelopment;
  2) individual neighborhood strategies.
– The City should develop an emergency demolition standard. If individual neighborhood plans do not include a demolition component or if there is no redevelopment plan, buildings should not be demolished unless their continued presence poses a health and safety danger to the community.
– The City should establish an annual demolition target. In order to increase the cost effectiveness of demolition, buildings should be demolished in groups, such as whole blocks (or ‘assemblages’) at one time.
– The City should award separate contracts for demolition and site preparation for redevelopment.
– In FY 2001, HCD should consider implementing a Job Order Contracting (JOC) program similar to that successfully used by HABC ($91 million), based on recommendations of the Gordian Group, a consulting group hired by HABC (and approved by HCD) to develop and implement its JOC program. The JOC process expands the number of competitive bidders and reduces the amount of time (and money) spent administering the bidding process.
– Contracts for demolitions should be awarded within 30 days of bid submittal.
– Institute recycling for all City demolition work, including emergency work.

**Classification:**
Cost Savings, Organizational, Service Improvement

**Function/Operational Area:**
HCD-Neighborhood Revitalization, Acquisitions and Disposition and Construction and Building Inspection

**Estimated Annual Impact:**
Savings of 6 – 20 percent per year on demolition costs if JOC program implemented. Savings of 75 percent for disposal costs. (See attached analysis.)

**Estimated Implementation Costs:**
None

**Barriers to Implementation:**
Possible resistance from existing demolition contractors (including minority business enterprises) and elected officials who support them.

**Projected Implementation:**
90 – 180 days

**Next Steps:**
In concert with the acquisitions/disposition recommendation, determine areas of the City where there are vacant buildings in demand. Complete the acquisitions process in those areas. Determine source of funds for demolition.

**Analysis:**

**Costs:**
The costs to implement the proposed recommendations would be negligible.

**Benefits:**

1) Through Job Order Contracting (JOC), HCD would save an average of 13% (6% to 20%) of current demolition costs.

\[
\$10,000 \text{ per demolition} \times 0.13 = \$1,300 \text{ per demolition}
\]

To demolish 1,000 units, the savings would be:

\[
1,000 \times \$1,300 = \$1,300,000
\]

2) Currently, demolitions can take between 6 to 12 months because of contractor delays. These delays often result in increased costs to the City due to vandalism and damage to neighboring structures. Instituting Job Order Contracting would enable the City to hire contractors who would adhere to a set schedule for the most reasonable price, which could decrease average demolition time to 3 to 6 weeks. At this time, it is impossible to quantify the amount of monetary savings that implementing this system would generate, but savings would probably be considerable.

3) To implement Job Order Contracting (JOC), the city would decrease the number of Notices of Letting (NOLs) it would have to issue. Under the current system, the city must issue a NOL incrementally, or every time it wishes to do a small block of demolitions. Thus, if the city wanted to demolish a block of 50 units at a time, it would have to issue an NOL every time it wanted to demolish a group of units. Over an annual period, the City might have to issue 30 NOLs for 1,500 demolitions.
Under JOC, the City could issue one NOL for all of its future work in one particular area. For instance, the City could issue one NOL for all of its demolition work, one for all of the debris removal, and one for repairs or stabilization of neighboring structures.

Cost of issuing an NOL: $5,000

Cost of issuing NOLs under current system for 1,000 demolitions:

\[(1,000 \times 50) \times 5,000 = 100,000\]

Cost of issuing NOLs (one each for demolition, debris removal, and repairs/stabilization) under JOC system for 1,000 demolitions:

\[3 \times 5,000 = 15,000\]

Potential savings: $100,000 – $15,000 $85,000

4) The cost of disposing of waste generated through demolition at sanitary landfills is currently $40 per ton. By recycling the materials at $10 per ton, the savings on 1,000 demolitions would be as follows:

Average price for disposing of waste in sanitary landfill
(based on average cost demolition after JOC is implemented)

- Recycling:
  10% of demolition price =
  
  \[10,000 \times 13\% = 8,700 \times 10\% = 870\]

- Landfill:
  Demolition price using sanitary landfill =
  
  \[870 \times 4 = 3,480\]

- Savings per demolition =
  
  \[3,480 \times 870 = 2,610 \times 1,000 \text{ demolitions} = 2,610,000\]

**Potential net benefits to HCD (per 1,000 demolitions)**$3,995,000
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: STREAMLINE CODE ENFORCEMENT PROCESS

8-A – 8-H
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: STREAMLINE CODE ENFORCEMENT PROCESS

**Problem Identification:**
When compared to housing inspections in other cities, the number of housing code inspections performed by HCD’s 115 inspectors is low, resulting in inefficiency and inadequate service.

**Recommended Action:**
The following actions are recommended:

1. Establish objective and realistic performance standards which promote HCD’s annual objectives. (The Deputy Commissioner has established preliminary performance standards for the housing inspectors.)
2. Institute regular and formal training of inspectors on code enforcement. Training should focus on the housing code itself, HCD procedures, technology changes, how to locate property owners and make available to them the tools to remedy violations.
3. Tie compensation and regular performance evaluations to the objective performance standards established for each inspector.
4. Identify a workable bonus system.
5. Assign inspectors by block which will reduce non-productive travel time and will facilitate follow-up on violation notices.
6. Establish case management approach to violations, in which an inspector monitors the case until the violation is addressed. Continue aggressive judicial enforcement of the housing code.
7. Require that all future inspectors have their own transportation (currently some inspectors must use public transportation which reduces their productivity)
8. Create one Inspections Division with one standardized classification system and pay scale for all inspectors at levels I, II and III. Do this by hiring new inspectors and training existing inspectors to perform multiple inspections, including interior, exterior, trash and other environmental inspections. (Currently inspectors are generally trained to perform only one type of inspection.)
9. Transfer the supervision of the Environmental Control Board inspectors from DPW to HCD.
10. Deploy properly programmed hand-held devices to record, store, retrieve and transmit housing code violation data. Deploy only after HCD has developed an in-house IT capability and plan and has completed reorganization of the inspection functions. Programming and training must be part of the deployment of these devices. (This initiative could be funded by state training grants to implement the SMART Code when adopted by Baltimore City ‘ see Recommendation #12-B).
11. Provide voice mail and call forwarding to all supervisors to facilitate internal and external communication. If in the field more than 15 percent of their time, they should be provided with mobile telephones.
Classification:
Organizational, Service Improvement

Function/Operation Area:
HCD Housing Inspection

Estimated Annual Impact:
Double inspector productivity and improve quality of inspections and case management (opportunity cost savings to HCD of $3.9 million).

Estimated Implementation Costs:
$560,676

Barriers to Implementation:
The following barriers are perceived to exist:
– Inspector resistance to change and higher standards of performance
– Union resistance
– Identifying non-profit sources for funding performance bonuses
– Finding funding for other implementation costs (e.g., training costs)
– DPW resistance to reassigning inspectors

Projected Implementation:
3-4 months

Next Steps:
Implement performance standards. Tie performance standards to performance evaluations Identify training needs

Analysis:

Costs

1) Providing Adequate Training for Inspectors

Assumptions:
– Two week training for new inspectors and/or inspectors moving from Level I to Level II (one-time training).
– Annual training, one week, on changes to laws/codes, changes in departmental procedure, and a refresher course on technical aspects of inspections.
– Training development and delivery will be contracted out.
– 40 hours of classroom time and 40 hours on-the-job training.
– Average rate (fully loaded) per contractor employee: $100.

Development of two-week training includes:
– Background research; and
– Development of participants’ manual, exercises, overhead slides with instructor notes.
   — Development time: 4 people X 240 hours/person= 960 hours
   — Development cost: (4 people @ $100/hr) X 240 hours/person = $96,000
   — Development cost will not be incurred in subsequent years except for small amounts to modify curriculum.

Delivery of training includes:
– Trainer preparation;
– Printing of participants’ manual, exercises, overhead slides (without instructor notes); and
– Actual training time.
— Trainer time: 10 hours preparation time and 40 hours training time = 50 hours (assumes on-the job training portion will be provided by senior inspectors).
— Trainer cost: 50 hours X 100/hr = $5,000
— Printing cost: $10 per course participant or $200 (assumes 20 participants per course)
$5,000 + $200 = $5,200 per delivery
— Assumes course will be given twice in year one, once annually thereafter.
— **Year One delivery cost:** $5,200 X 2 = **$10,400**
— **Year Two delivery cost:** $5,200 X 1 = $5,200

**Training participation includes:**
— Year one, attendance of 40 employees (new and level I)
— (20 employees X 2 deliveries) X 80 hours (classroom and on-the-job training) @ $18.53/hr. (fully loaded) = $59,296
— Thereafter, attendance of 20 employees per year.
— 20 employees X 80 hours @ $19.46/hr. = $31,136
— Development of one-week training includes:
— Background research; and
— Development of participants’ manual, exercises, overhead slides with instructor notes.
— Development time: 3 people X 240 hours/person = 720 hours
— Development cost: (3 people @ $100/hr.) X 240 hours/person $72,000
— Development cost will be incurred annually because curriculum will change.

**Delivery of training includes:**
— Trainer preparation;
— Printing of participants’ manual, exercises, overhead slides (without instructor notes); and
— Actual training time.
— Trainer time: 10 hrs. preparation time and 40 hrs. training time = 50 hours
— Trainer cost: 50 hrs. X $100/hr. = $5,000
— Printing cost: $10 per course participant or $1,150 (assumes 115 participants per course)
$5,000 + $1,150 = $6,150 per delivery (assumes 1 delivery per year)

**Training participation includes:**
— Year one, at 100 percent attendance
— 115 employees X 40 hrs. @ $18.53/hr. = $85,238
— Year two, at 100 percent attendance
— 115 employees X 40 hrs. @ 19.46/hr. = $89,516

**Year One**
$96,000 (training development, 2-week course)
10,400 (training delivery, 2-week course)
59,296 (training participation, 2-week course)
72,000 (training development, refresher course)
6,150 (training delivery, refresher course)
83,238 (training participation, refresher course)

**Total Year One costs $327,084**

1) **Cost of Upgrading all Level I Inspectors to Level II**

- Number of Level I Inspectors: 34
- Average Salaries of Level I Inspectors: $24,911
- Fringe benefits of Level I Inspectors @ 35%: $8,719
- Average Salaries of Level II Inspectors: $27,770
Fringe benefits of Level II Inspectors @ 35%: $9,720

Salary Cost of Upgrading Level I Inspectors:

$27,770 + $9,720 = $37,490 (Average burdened salary, Level II)
($24,911 + $8,719) = ($33,630) (Average burdened salary, Level I)
$3,860 (salary increase per employee) X 34 (employees) **$131,240**

2) Travel Reimbursements to Inspectors

Assumes that if additional costs would be incurred by the City to reimburse inspectors for mileage rather than bus fare, that the additional costs would be minimal.

3) Training of inspectors and clerical staff in use of computer staff to research notices, etc.

Assumes that this training would be part of the refresher course training costed in item #1 above.

4) Providing hand-held devices to inspectors to manage data.

(Estimates based on ChannelTECH in Houston, TX which sells the Punch Caddy hand-held device):

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>To connect host office:</td>
<td>$600 license fee per host</td>
</tr>
<tr>
<td></td>
<td>$150 support fee per host</td>
</tr>
<tr>
<td></td>
<td><strong>$750 total per host</strong></td>
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<tr>
<td></td>
<td><strong>$3,750 total for 5 hosts</strong></td>
</tr>
<tr>
<td>For palm device:</td>
<td>$600 license fee per unit</td>
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<tr>
<td></td>
<td>$100 support fee per unit</td>
</tr>
<tr>
<td></td>
<td><strong>$700 total per unit</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$87,500 total for 115 inspectors + 10 extra</strong></td>
</tr>
<tr>
<td>For training:</td>
<td>Assumes training costs mostly absorbed by general inspector training listed above.</td>
</tr>
<tr>
<td><strong>Total cost (at minimum) of hand-held devices for 115 inspectors</strong></td>
<td><strong>$91,250</strong></td>
</tr>
</tbody>
</table>

5) Providing voice mail, call forwarding and mobile phones to supervisors.

Housing Inspection: 10 supervisors
Construction and Building Inspection: 3 supervisors
(Headquarters: 4 supervisors)

Total number supervisors needing voice mail, call forwarding and mobile phones: 13
At $50 per phone (minimum), hardware costs = 13 x $50 = $650
With monthly costs of $50 per phone (minimum), annual cost = 13 x ($50/month x 12 months) = $7,800

Total costs (at minimum) for mobile phones Year One: **$8,450**

Voice mail = $2 per month per line
Call forwarding (variable) = $15 per month per line

Total annual per line costs = $17/mo. X 12 mos. X 13 supervisors = **$2,652**

**Total costs to add mobile phones, voice mail, call forwarding for**
Inspection supervisors (Year One): $11,102

Total Cost of Recommendations (Year One only) $560,676

Benefits

Assumes increase of inspections from 20 to 40 per week per inspector

Current inspections: 115 inspectors X 20 inspections per week = 119,600 inspections per year
Projected inspections: 115 inspectors X 40 inspections per week = 239,200 inspections per year
Projected additional inspections: 239,200 – 119,600 = 119,600

Average annual salary per inspector: $ 28,542
Fringe benefits: $ 9,990
Total weekly salary plus fringe benefits: $ 38,532
X 115

Total Annual Payroll Costs (fully loaded) $4,431,180

At the current level of productivity (20 inspections per week per inspector), to double the number of inspections, the City would have to double its payroll.

Total opportunity cost savings to HCD $4,431,180

Net opportunity cost benefit to HCD (Year One) $3,870,504

(13) Assumes 5 percent increase in salaries/fringe in year two (and each subsequent year).

Year two costs would be lower because the orientation training would only have to be developed once and the number of participants would be fewer than in year 1. Year two training costs would be as follows:

(14) $ 5,200 (training delivery, 2-week course)
31,136 (14) (training participation, 2-week course)
43,200 (14) (training development, refresher course)
6,150 (14) (training delivery, refresher course)
89,516 (14) (training participation, refresher course)

$175,202 (total year two costs)
Problem Identification:
The permitting process for building and construction permits is not uniformly administered and is unnecessarily difficult and time-consuming for permit applicants.

Recommended Action:
The following actions are recommended:

- Integrate and coordinate the permitting approval process of other city agencies (e.g., Fire Dept, Health Dept, etc.) with that of HCD through inter-agency group meetings (enhanced over time by data links) to: (a) establish deadlines for permit approvals; (b) review procedural problems and opportunities; and (c) review and resolve the list of unresolved permit applications. If cost-justified, the City should consider moving toward a single permitting department and location similar to that used in Baltimore County.

- Develop written procedures for permit application review and approval, and monitor through a process that includes random audits to ensure consistent implementation. (The current process of waiver approvals by the Deputy Commissioner should be streamlined or eliminated.)

- Require Building and Housing Inspectors to proactively ‘police’ non-permitted construction projects when they are performing their core functions. While inspectors were visiting their assigned sites, they should:
  1. Visit construction sites in the surrounding area and record the addresses of these sites;
  2. When back at HCD, check to determine if permits were pulled for the work at these sites;
  3. Issue citations as necessary for work being done without permits; and
  4. Conduct follow-up activities as needed.

This initiative could generate a significant amount of currently uncollected permit fees and avoid faulty construction work.

- Train inspectors and clerks on the permitting process. Focus training on: (a) written codes and procedures; (b) customer responsiveness; and (c) use of existing data network system to approve permit applications ‘on line.’

- For increased customer satisfaction, develop clear and simple brochures to inform citizens of required permits (e.g. home improvements, pet licenses, electrician’s licenses, etc.), the permit process, the responsible agency, its location and telephone number, licensing or permitting requirements, fees, time for approval, customer service telephone number, etc. Link these in electronic format to the City’s website.

- Randomly poll permit applicants about their experience in order to flag process problems. Provide each applicant with a questionnaire asking them to evaluate the process and how it could be improved. Tabulate responses and establish goals through regular review by HCD leadership.

- Deploy hand-held devices and install voice mail and call forwarding for building inspectors. (See recommendation 8-A ‘ 8-H.)

- In the future, consider locating all City permitting at one location. Baltimore County provides a good model.
**Classification:**
Organizational, Revenue Enhancement, Service Improvement

**Function/Operation Area:**
HCD – Construction & Building Inspections Department

**Estimated Annual Impact:**
$1,375,000 in net revenue to HCD from construction permit fees.

**Estimated Implementation Costs:**
$125,000 (staff training)

**Barriers to Implementation:**
Inspector resistance to change and autonomy; union resistance; and finding funding for other implementation costs (e.g., training costs).

**Projected Implementation:**
180 days

**Next Steps:**
Develop written procedures for permit processing and approvals. Tie performance standards to performance evaluations. Identify training needs and contract a trainer. Assign person to call permit applicants to identify areas for improvement and report findings regularly to Deputy Commissioner.

**Analysis:**

**Costs**

Regular inter-agency group meetings to review procedural problems and opportunities and a list of unresolved permit applications would serve to integrate the approval process could be accomplished during normal business hours and integrated into regular duties for existing staff. Thus, there should be no cost associated with this activity.

Developing written procedures for permit application review and approval could also be integrated into regular duties of existing staff. Thus, there should be no cost associated with this activity.

Proactive ‘policing’ of construction projects without permits could be done by building and housing inspectors as part of their regular duties and would, therefore, not have any cost impact.

Developing performance standards should be a normal supervisory responsibility and should not have any cost impact.

*Training of inspectors and clerks*

**Assumptions:**
– Annual training, one week, on changes to laws/codes, changes in departmental procedure, and a refresher course on technical aspects of inspections.
– Training development and delivery will be contracted out.
– 40 hours of classroom time (in aggregate over a year).
– Average rate (fully loaded) per contractor employee: $100.

Development of one-week training includes:
– Background research; and
– Development of participants’ manual, exercises, overhead slides with instructor notes.
— Development time: 3 people X 240 hours/person = 720 hours
— Development cost: (3 people @ $100/hr.) X 240 hours/person = $72,000
— Development cost will be incurred annually because curriculum will change.

Delivery of training includes:
— Trainer preparation;
— Printing of participants’ manual, exercises, overhead slides (without instructor notes); and
— Actual training time.
— Trainer time: 10 hrs. preparation time and 40 hrs. training time = 50 hours
— Trainer cost: 50 hrs. X $100/hr. = $5,000
— Printing cost: $10 per course participant or $600 (assumes 60 participants per course)
$5,000 + $600 = $5,600 per delivery

Training participation includes:
— Year one, at 100 percent attendance
— 20 employees X 40 hrs. @ $27/hr. (15) = $21,600
— 20 employees X 40 hrs. @ $16.20/hr (16) = $12,960

Total training participation costs $34,560 (17)

**Total training costs for development, delivery, and staff time**
(Year one) $112,160

Publishing brochures explaining the permitting process $10,000

Surveying customer satisfaction could be done as part of existing staff’s regular duties and should not have any cost impact. Installing a ‘hotline’ so that the public could call with questions or problems would have a nominal cost, and existing staff could incorporate responding to hotline calls into their regular duties. $1,000

**Total Year One Costs $123,610**

**Benefits:**

Currently, the City of Baltimore receives approximately $3,000,000 per year in revenue generated from construction permits. It is estimated that of all of the construction occurring in Baltimore, permits are only pulled for 50% of the work. Of this 50%, permits are probably required for roughly half of the projects.

If HCD streamlined its permitting process, processed unresolved permits in a timely manner, and made sure that its staff were adequately trained, it would be able to generate permit fee revenue for the construction that is currently occurring without the requisite permits.

The amount of additional permit revenue the City should be able to collect is as follows:
$3,000,000 X 1.00 = $3,000,000 X 50% = $1,500,000

**Total Benefits to HCD $1,500,000**

(15) There are currently 20 building inspectors, 11 electrical inspectors, and 9 mechanical inspectors, each making an average of $20/hr. Fringe benefits are approximately 35%, or $7/hr. Average hourly burdened cost per inspector is $27.
(16) There are currently 20 administrative staff, ten who are relatively new, and ten who have worked in the department for many years. Average hourly wage for administrative staff is $12. Fringe benefits are approximately 35%, or $4.20. Average hourly burdened cost per administrative staff person is $16.20.
(17) Estimate a 5% escalation in salaries and fringe benefits for each additional year. Therefore, training participation costs in year two would equal $34,560 X 1.05 = $36,288.
Net Benefits to the City $1,376,390
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE THE SECTION 8 LEASED HOUSING PROGRAM OR OVERHAUL THE PROGRAM’S MANAGEMENT STRATEGY

10-A

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE THE SECTION 8 LEASED HOUSING PROGRAM OR OVERHAUL THE PROGRAM’S MANAGEMENT STRATEGY

**Problem Identification:**
The Section 8 program is perceived by its participants, its partners, and the broader community as inefficient, inflexible, and uncooperative. If this perception is to change, either the program needs to be privatized or the culture of the Section 8 division must be changed, the staff trained in the fundamentals of customer service, and their performance judged in accordance with quantifiable goals established by HABC.

**Recommended Actions:**
Privatize Section 8 if a qualified private company can be identified. (The Committee’s analysis is that there are few, if any, private companies that would be qualified and interested.) If the program is not privatized, hire senior leadership with demonstrated commitment and capacity to work effectively with administration, staff, other agencies, and the broader community to:- operate the Section 8 program efficiently and effectively;
– utilize available resources to provide broader opportunities for participant mobility; and
– optimize the potential of rental assistance for encouraging and supporting the preservation and revitalization of neighborhoods.

Implementing this recommendation would necessitate instituting performance-based management requiring the establishment of quantifiable goals in the following areas:

– customer service
– program utilization
– quality control
– mobility
– neighborhood support

**Classification:**
Organizational, Service Improvement

**Function/Operational Area:**
HABC/Section 8

**Estimated Annual Impact:**
While the immediate financial impact cannot be estimated, implementation should result in improved relationships with clients, partners, broader community and measurable improvements in program performance.
**Estimated Implementation Costs:**
$25,000 for a severance package for senior leadership ($15,000) and executive staff recruitment ($10,000).

**Barriers to implementation:**
None

**Projected Implementation:**
180 days

**Next Steps:**
Identify available staff that can oversee operation until replacements are found. Conduct a nationwide search to identify candidates to manage the program.

**Analysis:**
This recommendation is based on a consensus viewpoint that the culture of the Section 8 division must undergo a radical change to become:

– more pro-active;
– more service oriented; and
– more performance-driven.

Replacing senior leadership who may not be performing adequately will give HABC the opportunity to hire senior managers with the necessary expertise and commitment to providing an improved level of service. It will also send a message to the remaining Section 8 staff that poor customer service and lackluster performance will not be tolerated. The adoption of a performance-based management strategy, the communication of quantifiable performance goals to all staff, and the monitoring of staff performance will provide the basis for sound personnel decisions in the future.
Problem Identification:
Without a fully functional management information system, the Section 8 program cannot operate effectively and other Section 8-related recommendations for improvement cannot be successfully implemented. The computer system previously used by HABC to track applicant and participant data and to make Housing Assistance Payments (HAP payments) was not made Y2K compliant, and the Section 8 application module in HABC’s new system has not been fully developed or implemented. Since January 1, 2000, most functions have been performed manually, resulting in inefficiency, frequent errors, and inadequate controls over the payment process. The Section 8 department lacks the internal capacity to adequately represent its interests in discussions with HABC’s Information Technology (IT) department, and to take the steps that are necessary to install, test, load, and bring up the new applications.

Recommended Actions:
Implement a functional Section 8 management information system. This will necessitate:- Contracting for the services of a full-time Program Analyst to assist the Section 8 department in installing, testing, loading, and ‘bringing up’ the new computer system;- Appointing a ‘Key Users’ Committee of Section 8 staff members to work with the Program Analyst for successful implementation of eligibility, voucher issuance, inspections, rent reasonableness, HAP payment, re-certification, program monitoring, HUD reporting and quality control functions;
– Negotiating a new forbearance agreement with HUD on Multifamily Tenant Characteristics System (MTCS) reporting to preclude fee sanctions. Incorporate monthly and cumulative reporting goals into agreement; and
– Adding graphic interface capability to computer system to facilitate monitoring of spatial concentration/de-concentration of Section 8 participants.

Classification:
Organizational, Service Improvement

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementation of a function system would limit further expenditures on ineffective system implementations, reduce temporary staff expenses, and help avoid HUD imposition of financial sanctions for non-reporting. Additionally, a functional system would provide the automated data systems needed to support program activities and satisfy recordkeeping and external reporting requirements.

Estimated Implementation Costs:
$84,000 for a system analyst for six months ($60,000 salary plus 35% benefits) and purchase of the
MapInfo/Maryland MapMarker software package ($3,500).

**Barriers to Implementation:**
None

**Function/Operational Area:**
HABC/Section 8

**Projected Implementation:**
180 days

**Next Steps:**
Develop and issue Request for Qualifications to local management consulting/information technology firms.

**Analysis:**
The failure of HABC’s computer system has been especially hard on the Section 8 program, which is primarily a paper program. For any reasonable level of efficiency to be achieved, the functions that must be performed on a single integrated system include:

- Applications
- Waiting list management
- Generating form letters
- Eligibility
- Voucher tracking
- HQS inspections
- Leasing
- MTCS reporting
- Check issuance
- Annual re-certifications and re-inspections
- Terminations
- Program reporting

The Section 8 subcommittee discussed the notion of privatizing the operation of the Section 8 program at some length. One of the more attractive aspects of privatization was certainly the opportunity to have a contractor install and implement a standard Section 8 computer application. There are several commercially available packages on the market. While arguably none are perfect, they do perform routine program functions, generate necessary letters and forms, submit required data to HUD, and provide standard and ad hoc internal reports. These packages could easily be brought up in a period of three to six months. Further, because they are not developed internally, an outside contractor bears the responsibility for updating these software programs when Federal requirements change.

To privatize the program at this time, or to allow contractors to bring in their own software, would require that the HABC abandon the system currently in development, and absorb the costs of software acquisition and modifications expended to date. The subcommittee was not willing to make that recommendation at this time. However, recognizing the high staffing costs of continued manual operation of the Section 8 program, the absence of effective program controls during periods of manual operation, and the likelihood that HUD will impose financial sanctions on the program if an acceptable level of reporting is not reached, HABC should:

- establish tight time frames for full implementation of the new system;
- make the necessary resources, including a full time, dedicated program analyst who would work with staff and consultants to implement the new system available to the Section 8 department; and
- reevaluate the privatization and/or standard software acquisition options if time frames cannot be met.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 CUSTOMER SERVICE

10-C
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 CUSTOMER SERVICE

Problem Identification:
Section 8 has low credibility with program applicants and participants, rental property owners, and the broader Baltimore community. Telephones are routinely not answered, voice-mail messages often cannot be left because staff mailboxes are full, and calls are not returned promptly, if at all. Documents are routinely lost, and routine program activities are not completed in a timely fashion.

Recommended Actions:
Improve Section 8 customer service by establishing specific customer service goals, extending customer service hours and developing informational materials for participants and owners. Specific steps should include:
- Auditing telephone response in key areas (waiting list, housing counselors, inspections, owner checks, general administration), collect baseline data, and develop plan for improving response time and adequacy of information provided;
- Establishing service goals, and monitor timely conduct of initial and follow-up inspections, monthly HAP payments, annual re-certifications, and Section 8 Housing Quality Standards (HQS) compliance/abatement activities;
- Pro-rating initial HAP payments to allow unit leasing throughout month;
- Extending customer service hours consistent with employee schedules;
- Providing indoor waiting area for participants, and a secure process for accepting participant documents, between 8:00 and 9:00 AM;
- Developing informational materials for participants and owners on new program requirements.

Priorities in this area include:
1. Merger of certificate and voucher programs (effective 10/01/00).
2. Revised procedures for lead-based paint (effective 9/15/00).
3. Mobility options under the Section 8 program.

- Expanding Section 8 coverage on HABC website to include basic program information, contact names and telephone numbers.

Classification:
Organizational, Service Improvement

Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
$10,000 – $12,000 for customer service training and associated printing costs.

**Barriers to Implementation:**
None

**Projected Implementation:**
180 days – 1 year

**Next Steps:**
Issue request for proposals (RFP) for customer service training. Appoint a staff task force to participate in development of evaluation criteria and selection of trainer. Develop effective procedures for receipt of hand-carried leasing documents between 8:00 and 9:00 AM.

**Analysis:**
This recommendation is based on widespread community concerns about low levels of service and responsiveness within the Section 8 division, as expressed to, and by, project team members and on the March 2000 findings of HUD’s review team.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 STAFF SKILLS; DEVELOP STAFF TRAINING PLAN

10-D
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 STAFF SKILLS; DEVELOP STAFF TRAINING PLAN

Problem Identification:
Developing a customer-service orientation is critical to improving the image and the credibility of the Section 8 program among its participants and in the broader community. Because this will be a new focus for the Section 8 program, customer service training should be required for all Section 8 staff. Section 8 staff also lack basic and advanced computer skills. While numerous training opportunities and tuition reimbursement plan are available, HABC has not been proactive in helping staff identify training needed for full performance of current duties or for career development.

Recommended Actions:
Require development of individual annual training plans for all Section 8 staff. This should include using the upcoming training for inspections staff required by new lead paint regulations (effective 9/15/2000) as an opportunity to provide more general training for inspectors. Additionally, consideration should be given to enhancing incentives to staff to participate in more advanced computer training. Tie evaluations and performance bonuses to acquisition of computer skills.

Classification:
Organizational, Service Improvement

Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Cost, but implementation can be tailored to prioritization of needs and availability of resources.

Projected Implementation:
1 year

Next Steps:
Survey Section 8 staff to identify self-perceived training needs and preferences in these areas:

– Computer skills
– Program skills
– Career skills
Analysis:
The annual development of individual staff training plans requires that supervisory staff meet annually with all staff members to identify training needs, identify appropriate training opportunities, and encourage employees to pursue training opportunities that will help them achieve short-term and long-term career goals. In several Section 8 program turn-arounds elsewhere in the country, the development and implementation of training plans has proved to be a valuable tool both for improving employee skills and motivating employees to accept the agency’s improvement efforts.
Problem Identification:
HABC claims high program utilization, but accurate data on the number of units leased is not available, and the data that is available does not include: (1) tenant- and project-based mobility vouchers, for which leasing and development have fallen far short of goals; and (2) special-use vouchers targeted for family unification, welfare-to-work, and persons with disabilities. In April 2000, HUD’s review of HABC indicated that the agency had funding for 11,482 certificates and vouchers. The Section 8 Director claims that only 7,700–8,300 units are under lease. Funding for an estimated 1,988 additional units targeted for tenant- and project-based assistance under the 1996 Thompson v. HUD consent decree is also not being utilized. In addition, FY99 funding for 450 of HABC’s 750 Family Unification and Welfare to Work vouchers is not yet scheduled to be utilized under its 12-month leasing schedule. HABC’s effective utilization rate for its 9,082 available units — excluding these 2,400 units — appears to be no higher than 85 percent to 91 percent. This does not meet HUD’s 95 percent standard for full performance, and may subject HABC to a recapture of unit certificates and vouchers. Also, underutilized are HABC’s three court-ordered mobility programs (Thompson v. HUD, 1996). These programs have been very slow in getting started, due in large part to delays by HABC in procurement and contracting with the non-profit organizations that are managing the programs. In the project-based program, 646 vouchers have not been utilized since 1996, while the costs of development have been increasing. (See also Recommendation #10-F.)

Recommended Actions:
Confirm total number of funded units available, and the number of units currently under lease. Disaggregate units in the following categories:

1. fair share
2. family unification
3. mainstream housing for persons with disabilities
4. welfare-to-work
5. relocation caused by demolition
6. Thompson v. HUD consent decree ‘ tenant-based
7. Thompson v. HUD consent decree ‘ project based

Additional steps to achieve implementation should include:

– Establishing leasing schedule that includes monthly leasing goals for all categories consistent with HUD requirements and local objectives, and enforce its use by staff;
– Implementing reliable internal reporting system for monthly progress reports on leasing performance;
– Developing plans to address lack of progress in leasing targeted and non-targeted units including
accelerating issuance of vouchers, reducing mismanagement and loss of leasing documents, improving the ratio of number of vouchers issued to the number leased ('failure rate'), reducing time lapsed between request and initial inspection, and improving the monitoring of contracted mobility programs to identify barriers that can be addressed by HABC; and

– Coordinating oversight and accountability for adherence to court-ordered requirements and schedules under a single high-level HABC executive reporting directly to the Commissioner. These duties should include working strategically with contracted mobility agencies to identify barriers that the Department can address.

Note:
It should be noted that efforts to improve utilization should emphasize quality control and oversight of applicant selection and leasing to ensure that program standards are not compromised. Efforts to improve utilization should not be implemented until new leadership is in place and staff is trained.

Classification:
Organizational, Revenue Enhancement, Service Improvement

Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
Utilization of 780 – 1382 unutilized units would generate $4,155,840 – $7,363,296 in HAP payments (payments to landlords on behalf of voucher holders) annually (average monthly HAP is $444). These utilization rates would also generate $425,000 – $753,000 in increased fee revenues annually (average monthly administrative fee per unit paid to HABC is $45.41). Ultimately the most important impact would be providing housing assistance to more needy families.

Estimated Implementation Cost:
None

Barriers to Implementation:
Given the current culture within the Section 8 program, there may be resistance to instituting more rigorous management techniques.

Projected Implementation:
1 year

Next Steps:
Reconcile number of units available with HUD baseline numbers per Federal Register notice dated 4/19/2000. Collect reliable data on number of units currently under lease.

Analysis:
This is arguably the worst time in years for a Public Housing Authority (PHA) not to know exactly how many Section 8 units it has under lease. HUD has recently revised its procedures for determining baseline Section 8 allocations (the number of Section 8 vouchers for which the PHA is funded) and for renewing expiring contract authority. Under the new procedures (Federal Register April 19, 2000), HUD will assess HABC’s leasing rate and its use of budget authority annually when it processes the authority’s year-end statement.

HABC’s baseline allocation figures should be available now through the HUD field office. Reconciliation of these figures with the authority’s records must be done within 90 days of receiving that notification, or HUD’s figures, which may be lower, will be carried forward.

At the end of the fiscal year (June 30), HUD will issue a warning that if HABC’s leasing rate is less than 90% of the units allocated or if it has expended less than 90% of its annual budget authority.
Unutilized relocation units and/or litigation units will be excluded from this count. Units received less than eight months prior to the close of the fiscal year will also be excluded. HABC received 700 Welfare to Work vouchers in November 1999 and 50 Family Unification vouchers in December 1999. These will not be counted this year, but will be counted next year, so it is important to know that leasing is proceeding on schedule.

If HUD determines at the end of this or any subsequent fiscal year that HABC is underutilized, it may reduce HABC’s baseline allocation and recapture annual budget authority.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE THE PROCESS FOR SETTING SECTION 8 PROGRAM RENTS

10-F
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE THE PROCESS FOR SETTING SECTION 8 PROGRAM RENTS

Problem Identification:
Although HABC has made some efforts to improve its process for setting program rents, it still appears that excessively high rents are being paid for marginal units in concentrated areas, which encourages landlords to accept Section 8 tenants in lieu of unassisted tenants. This results in increasing concentrations of Section 8 families in impacted neighborhoods. Historically, HABC’s use of low payment standards for the program has made it difficult for families to move to areas with lower concentrations of Section 8 families. Recently, HABC increased the payment standard for Baltimore City to 110 percent of the HUD-published Fair Market Rents (FMR) the maximum a public housing authority can allow. HUD exception rents amounting to 115–120 percent of the FMR have been approved for a few high rent areas. The challenge to HABC is to let landlords in areas of lower concentration know about the availability of higher rents, while curbing the rents paid for marginal units in concentrated areas.

Recommended Actions:
Revise the process for setting Section 8 program rents to more accurately reflect the condition of the rental units and to encourage program acceptance in non-impacted areas. Implementation requires:

– Reviewing rental market data and current payment standards, and re-setting payment standards in defined market areas at 90 percent, 100 percent, or 110 percent of FMR as appropriate;

– Expanding rental database to include rent data available from city records;

– Adjusting approved rent levels upward or downward to reflect the condition of the rental unit. Provide incentives for landlords to upgrade units; and

– Using higher rents to encourage program acceptance in non-impacted areas.

Classification:
Organizational, Service Improvement

Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementation should make program rents more reflective of unassisted market rents. Additionally, property concentration would be discouraged, while property de-concentration and unit improvements would be encouraged.

Estimated Implementation Costs:
None
Projected Implementation:
1 year

Next Steps:
Assign responsibility for review of rents and payment standards, to be completed during the first quarter of FY2001. Implement 90 percent/100 percent/110 percent (or exception) payment standards for defined sub-market areas. Collect data and request HUD approval of additional exception fair market rent (FMR) areas, including the use of HUD’s new authority to approve exception FMRs above 120 percent in defined sub-markets.

Analysis:
Rents paid for units leased under the Section 8 program are subject to several limitations. First, the housing authority is required to ensure that rents for assisted units are no higher than rents paid for comparable unassisted units in the market area. The authority does this by:

– Comparing requested rents against a current data base of market rents, by sub-market area, which provides sufficient information about the location, size, age, condition, utilities, services, and amenities to determine that the units are comparable; or

– Verifying that requested rents are the same as those charged for identical units on the same premises.

Even if the requested rent is determined to be reasonable, it may not be affordable to a particular participant family. Program regulations also require that a family’s monthly payment for rent and utilities not exceed 40 percent of their adjusted monthly income. At rents at or below the authority’s payment standard, the family pays 30 percent of its adjusted monthly income. Although voucher program regulations allow families to lease units that rent for more than the payment standard, they are required to pay any additional cost themselves. Therefore, the additional costs cannot exceed 10 percent of their adjusted income. This is a fairly narrow margin for families with extremely low incomes (at or below 30 percent of the area median — the same families HUD is requiring to constitute at least 75 percent of the authorities’ new admissions).

The challenge to the authority is to evaluate market conditions and set its payment standards at appropriate levels. HABC is required to set its payment standards between 90 percent and 110 percent of HUD’s published Fair Market Rent limit. HUD may approve some higher (or lower) percentage based on the authority’s demonstration that higher standards are required in order to, among other things, promote mobility. HABC has the option to set different payment standards for different areas, although it currently sets the payment standard at 110 percent for all areas not covered by HUD exception rents. In concentrated areas, the payment standard should be kept low to discourage landlords from requesting inflated rents. In mobility areas, the payment standard should be as high as possible so that families with vouchers can afford to lease units.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 INTERNAL QUALITY CONTROL

Problem Identification:
Limited quality control reviews conducted by HABC as part of the HUD-mandated Section 8 Management Assessment Program (SEMAP) certification process indicated high error rates in verification and calculation of adjusted income (19.76 percent), Housing Quality Standards (HQS) inspections (91.3 percent), and documentation of rent reasonableness (20.11 percent). Formal supervisory quality control reviews are not conducted on an ongoing basis.

Recommended Actions:
Improve Section 8 internal quality control by setting specific quality control goals and performing monthly supervisory quality control reviews on ten percent of all transactions. Ensure that the Commissioner signs off on any new Section 8 units and that all new units meet lead paint requirements.

Classification:
Organizational, Service Improvement

Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
1 year

Next Steps:
Assign internal auditor to work with supervisory staff to design effective quality control forms and procedures for income calculation, inspections, and rent reasonableness.

Analysis:
As a standard business practice, HUD recommends that housing authorities conduct quality control (QC) reviews on at least 5 percent of the cases they process on a regular basis. ‘Quality control reviews’ are reviews conducted by a supervisory or designated senior staff person, according to a standard protocol. Cases sampled are selected at random, although ideally they represent the work of all staff members. The results are recorded by the reviewer, communicated to the staff member.
responsible for any errors, corrected, tabulated, and used as a basis for staff training and evaluations.

HABC conducted QC reviews of calculations of adjusted income, housing quality standards inspections, and the documentation (not the substance) of rent reasonableness determinations, as part of its SEMAP self-evaluation process. The failure rates for income calculations and rent reasonableness (which has been a particular focus for HABC) were approximately 20 percent, suggesting that work needs to be done to reduce errors to an acceptable level — 5 percent or less. The failure rate for inspections was over 90 percent — completely unacceptable. Protocols must be developed, staff trained, and review results monitored until the failure rates are reduced to an acceptable level. Until then, at least 10 percent of the division’s transactions in these areas should be reviewed.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: ENHANCE ORGANIZATIONAL EXPERTISE IN PROMOTING PARTICIPANT MOBILITY

Problem Identification:
HABC was an early participant in HUD's Moving to Opportunity (MTO) demonstration, and is currently involved in four mobility initiatives in an effort to help families move to areas of lower poverty concentration. The four initiatives include:- an internal program operated within HABC for new admissions to the Section 8 program, including families relocating from projects slated for demolition;- a HUD-funded Regional Opportunity Counseling program for current participants (contracted by HABC to the Community Assistance Network);

– a court-ordered mobility program for public housing residents and applicants (contracted by HABC to Baltimore Neighborhoods Inc.); and

– the court-ordered development of project-based voucher units in non-impacted areas throughout the region (management contracted by HABC to the Innovative Housing Institute).

The activities of these programs are poorly coordinated, leading to duplication of services.

The effectiveness of the internal mobility program operated by HABC is difficult to determine, as HABC has not adopted performance standards or measures, and does not monitor concentrations of Section 8 utilization. Moreover, the mobility program operates independently of both Section 8 and relocation program staff. As a result, services are not provided to all voucher recipients and are not coordinated with relocation activities. For example, HABC proceeded with simultaneous relocation activities at two HOPE VI sites before filling critical mobility staff positions, making it impossible to provide promised services to the displaced residents and slowing demolition activities. At the same time, the Regional Opportunity Counseling Program has been underutilized due to a lack of referrals from HABC.

Recommended Actions:
Implement actions, in conjunction with internal and contracted mobility programs, to overcome barriers to the use of vouchers in non-impacted areas, including:

– Reviewing the extent of duplication among mobility programs, and determine where efficiency and effectiveness could be improved by coordination and/or consolidation of programs;

– Monitoring spatial patterns of Section 8 utilization through the use of a graphic computer application and set performance goals for internal mobility staff;

– Integrating internal mobility counseling with all Section 8 and relocation activities, and provide housing search and mobility counseling to all relocating families and all households receiving vouchers;

– Identifying funding sources to support a free-market landlord incentive program that will actively
recruit owners in non-impacted areas, provide tenant counseling and support, and establish a credit guarantee fund that will offset losses sustained by owners and guarantee full payment of security deposits for families paying them on an installment basis;

– Implementing a program of owner outreach, especially in areas of job growth, with a focus on faith-based organizations and the business community;

– Coordinating mobility activities with city and regional transportation plans in order to reduce the impediment to mobility created by inadequate transportation; and

– In conjunction with the Innovative Housing Institute (developer for the Section 8 project-based units), the Flag House HOPE VI mixed-income developer, and the Homeownership Institute (HCD), design and implement a Section 8 homeownership program to support mobility.

Classification:
Organizational, Service Improvement

Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementation should lead to expanded housing opportunities for Section 8 participants and reduced negative impact of Section 8 on impacted neighborhoods.

Estimated Implementation Costs:
$1.1 million for a three-year free-market initiative and evaluation (No cost to HABC)

Barriers to Implementation:
Locating funding source for free-market initiative.
No other barriers to improving the quality of HABC’s mobility efforts. However, discrimination based on race and class, the lack of affordable housing and transportation in surrounding suburban communities, and participants’ own locational preferences will continue to present barriers to participant mobility.

Projected Implementation:
2 years

Next Steps:
Focus recruitment efforts for Section 8 senior leadership on candidates with strong experience in the successful operation of mobility programs. Evaluate cost and results of mobility programs (internal and contracted) and the extent of duplication of services.

Analysis:
If HABC is going to be one of the ‘ten best housing authorities in the country’, it will have to be regarded as the very best in some aspect of housing. The length and breadth of HABC’s voluntary and court-ordered mobility efforts would appear to present the opportunity for HABC not only to achieve some level of expertise in this area, but also to provide insight and leadership to PHAs across the country that are grappling with the implementation of HUD’s recent focus on mobility and de-concentration. Currently, this opportunity is precluded by ineffective program administration, undocumented results, and an absence of objective evaluation of its efforts.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 WAITING LIST MANAGEMENT; DEVELOP AND IMPLEMENT LOCAL PREFERENCES

10-I
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: IMPROVE SECTION 8 WAITING LIST MANAGEMENT; DEVELOP AND IMPLEMENT LOCAL PREFERENCES

Problem Identification:
The Section 8 program has a waiting list of approximately 21,000 families. The list is continuously open, and new families apply every day. HABC has elected to use no applicant selection preferences; selection from the waiting list is based on the date and time of application. Applicants who are currently being admitted to the program applied in 1991. HUD regulations encourage the adoption of selection preferences that reflect local needs and priorities. These preferences allow localities to target scarce resources to families that are most in need of housing assistance. HUD studies of the success or failure of eligible families to lease suitable housing under the nationwide program suggest strongly that the shorter the time between a family’s application and the receipt of a voucher, the more likely the family is to remain interested in the program and to succeed in finding a unit. By reducing the time that selected families wait to receive assistance, HABC should also achieve administrative efficiencies in the Section 8 admissions process.

Recommended Actions:
Improve Section 8 waiting list management by developing and implementing local preferences, and by closing the waiting list to new applicants who do not claim a preference.

Adopt local preferences for:
– Families with members who have jobs or job offers and seek to live closer to work; and
– Families that indicate a willingness to consider a mobility move, and/or a move to an area where their race does not predominate, and are willing to attend mobility counseling prior to receiving a voucher.

Evaluate the adoption of local preferences for:
– Families with children, especially children with elevated blood lead levels and/or living in housing with lead hazards;
– Families requiring relocation under witness protection;
– Families that are victims of domestic violence;
– Families living in distressed and/or substandard public housing; and
– Families with rent burdens in excess of 50 percent of income, who are at risk of homelessness.

When preferences are adopted, close the Section 8 waiting list to new applicants who do not claim a preference. Accept applications on a continuing basis from applicants who do claim a preference.

Classification:
Organizational, Service Improvement
Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementation should lead to faster service for neediest families, higher leasing success rates for voucher holders, and greater efficiencies in management of waiting list.

Estimated Implementation Costs:
None

Barriers to Implementation:
Public policy issues regarding which groups will be designated for preference. Public resistance to closing of waiting list, largely offset by keeping list open for families with preference.

Projected Implementation:
180 days – 1 year

Next Steps:
Assess Administration support for designation of selection preferences.

Analysis:
Although the adoption of specific selection preferences is clearly a policy issue, the use of preferences consistent with local priorities to shorten the wait for the neediest families is also an issue of management efficiency and, therefore, determined to be an appropriate concern for this committee.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: EXPAND THE AREA IN WHICH HABC DIRECTLY ADMINISTERS SECTION 8 UNITS

10-J
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: EXPAND THE AREA IN WHICH HABC DIRECTLY ADMINISTERS SECTION 8 UNITS

Problem Identification:
Although HABC has a policy of encouraging participants to consider housing in areas outside the City of Baltimore which have low concentrations of poor and minority families, participants who find units outside the City are required to transfer their City vouchers to county vouchers, requiring a second eligibility review, including a re-determination of their financial eligibility and a second criminal background check. From an efficiency perspective, this political/ bureaucratic arrangement is a significant impediment to the successful implementation of mobility programs, to full utilization of Section 8 vouchers, and to the operation of free-market forces within the Baltimore area.

Recommended Actions:
Expand the area in which HABC directly administers Section 8 units to include surrounding counties.

Classification:
Organizational, Service Improvement

Function/Operational Area:
HABC/Section 8

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementation should lead to the removal of artificial barriers to participant portability, allow free market forces to work, and increase program efficiency.

Estimated Implementation Costs:
None

Barriers to Implementation:
Higher cost of conducting inspections over broader area. May be offset by contracting with local inspectors. Generalized local resistance to outside administration of units. Problematic reputation of HABC Section 8 in surrounding localities.

Projected Implementation:
1 year

Next Steps:
Based on experience with portability moves, project the number of voucher holders moving to localities in surrounding counties on an annual basis. Based on travel times and the anticipated demand by HABC voucher holders, identify areas suitable for direct administration. Develop briefing paper for Commissioner. Assess Mayoral support for expanding area of direct administration.

Analysis:
This approach to removing bureaucratic barriers to mobility has been implemented successfully in localities across the country. For example, the housing authorities of the City of Las Vegas and those of its surrounding counties, have used direct administration for several years to support participant mobility. This effort and others around the country should be analyzed further to identify how such programs are managed, what problems have arisen, and how those problems have been addressed.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE HCD DAY CARE PROGRAMS

11-A
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: PRIVATIZE HCD DAY CARE PROGRAMS

Problem Identification:
Program costs at the three HCD day care sites are significantly higher than the private sector.

Recommended Action:
Privatize HCD’s three day care sites. Offer current employees the right of first refusal for jobs at the new private sites. Reduce headquarters staff from two (director and office supervisor) to one employee who would monitor contracts.

Classification:
Cost Savings, Organizational

Function/Operational Area:
HCD Day Care Program

Estimated Annual Impact:
$500,000

Estimated Implementation Costs:
Minimal. Costs would include staff time required to draft a request for proposals (RFP) and award the contract(s), as well as moving expenses for remaining city supplies and equipment.

Barriers to Implementation:
Possible opposition by the City’s teachers’ union.

Projected Implementation:
Three months would be required to award the contract. Change should be timed such that: (1) children would attend new classes in September, at the beginning of the school year; and (2) day care supervisors/teachers would be given sufficient notice to apply for positions that would begin the following September.

Next Steps:
Issue an RFP.

Analysis:
See charts
– Chart 1
– Chart 2
– Chart 3
## Chart 1

### Analysis of Recommendation to Privatize HCD Day Care: Chart I

#### I. Average per child cost of 3 HCD day care sites:

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<thead>
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<th>BUDGET ITEM</th>
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<th>CHILD DEVELOPMENT</th>
<th>FEDERAL HILL</th>
<th>TOTAL (average)</th>
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<td>$115,454</td>
<td>$755,651</td>
</tr>
<tr>
<td>Per FTE (average)</td>
<td>$27,227</td>
<td>$25,097</td>
<td>$28,864</td>
<td>$26,057</td>
</tr>
<tr>
<td>Per child</td>
<td>$3,476</td>
<td>$3,725</td>
<td>$4,123</td>
<td>$3,722</td>
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<tr>
<td>II. Benefits</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$50,388</td>
<td>$128,700</td>
<td>$37,080</td>
<td>$216,168</td>
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<tr>
<td>Per FTE (average)</td>
<td>$8,398</td>
<td>$6,774</td>
<td>$9,270</td>
<td>$7,454</td>
</tr>
<tr>
<td>Per child</td>
<td>$1,072</td>
<td>$1,005</td>
<td>$1,324</td>
<td>$1,065</td>
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<tr>
<td>III. Rent (subsidized by the City's General Fund)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>IV. Utilities</td>
<td>—</td>
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<td>—</td>
</tr>
<tr>
<td>Total</td>
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<td>$27,270</td>
<td>N/A</td>
<td>$27,270</td>
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<tr>
<td>Per Child</td>
<td>—</td>
<td>$213</td>
<td>—</td>
<td>$213</td>
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<tr>
<td>V. Communications</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Total</td>
<td>$1,748</td>
<td>$1,894</td>
<td>$486</td>
<td>$4,128</td>
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<tr>
<td>Per Child</td>
<td>$37</td>
<td>$15</td>
<td>$17</td>
<td>$20</td>
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<tr>
<td>VI. Materials and Supplies</td>
<td>—</td>
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<tr>
<td>Total</td>
<td>$4,009</td>
<td>$109,651</td>
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<td>Per Child</td>
<td>$85</td>
<td>$857</td>
<td>$579</td>
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<td>VII. Contractual Services</td>
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<td>$6,277</td>
<td>$28,590</td>
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<td>Per Child</td>
<td>$134</td>
<td>$223</td>
<td>$121</td>
<td>$189</td>
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<tr>
<td>----------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>VIII. Insurance</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(indirect coverage)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX. Administration</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(at headquarters)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$123,684</td>
</tr>
<tr>
<td>Per Child</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$609</td>
</tr>
<tr>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total Budget</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
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</tr>
<tr>
<td>Per Child</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$6,380</td>
</tr>
</tbody>
</table>
Chart 2

Analysis of Recommendation to Privatize HCD Day Care: Chart II

II. Average per child cost of private day care in Maryland: $3,912
(Information received from Maryland Committee for Children, Inc., May 2000. Sample operations budget — figures reflect mid-range of expenses incurred by a variety of programs in Maryland over the last few years.)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>Per Child</th>
<th>Per FTE (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Salaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$242,459</td>
<td>$2,500</td>
<td></td>
</tr>
<tr>
<td>Per Child</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>II. Benefits</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>$45,373</td>
<td>$468</td>
<td>$2,927</td>
</tr>
<tr>
<td>Per Child</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per FTE (average)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III. Rent (often subsidized by non-profit sponsor, such as a church)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV. Utilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$6,720</td>
<td>$69</td>
<td></td>
</tr>
<tr>
<td>Per Child</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V. Communications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$3,360</td>
<td>$35</td>
<td></td>
</tr>
<tr>
<td>Per Child</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI. Materials and Supplies</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$37,682</td>
<td>$388</td>
<td></td>
</tr>
<tr>
<td>Per Child</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VII. Contractual Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$25,090</td>
<td>$259</td>
<td></td>
</tr>
<tr>
<td>Per Child</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIII. Insurance</td>
<td></td>
<td></td>
<td>$3,783</td>
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</table>
### IX. Administration

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>$15,065</td>
</tr>
<tr>
<td>Per Child</td>
<td>$155</td>
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### Total Budget

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>$379,532</td>
</tr>
<tr>
<td>Per Child</td>
<td>$3,913</td>
</tr>
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</table>
Chart 3

Analysis of Recommendation to Privatize HCD Day Care: Chart III

<table>
<thead>
<tr>
<th>III. Differences in Child Per Cost</th>
<th>$2,468</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV. TOTAL SAVINGS RESULTING FROM PRIVATIZATION (IN YEAR 1)</td>
<td>$501,004</td>
</tr>
<tr>
<td>V. Difference in per child fees charged:</td>
<td>$8</td>
</tr>
<tr>
<td>HCD Day Care sites = $64-$94/week, depending upon income: (assume 79)</td>
<td>$79</td>
</tr>
<tr>
<td>Private centers = $95-$164/week, depending upon age</td>
<td>$87</td>
</tr>
<tr>
<td>441542</td>
<td>4551.979</td>
</tr>
<tr>
<td>VI. ADDITIONAL COST TO CHILD WITH PRIVATIZATION (without further subsidy)</td>
<td>$8</td>
</tr>
<tr>
<td>VII. TOTAL SAVINGS TO HCD WITH PRIVATIZATION (assuming additional fee subsidy: $2,468-8 = $2,460 per child X 203 children)</td>
<td>$499,380</td>
</tr>
</tbody>
</table>
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: EVALUATE TRANSFER OF HEAD START OUT OF HCD

11-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: EVALUATE TRANSFER OF HEAD START OUT OF HCD

Problem Identification:
The mission of the Head Start program (providing quality pre-school opportunities for the city's 2- to 4-year-olds) does not conform with the mission of the Department of Housing and Community Development (increasing the supply of and access to various types of housing and maintaining the general well-being of the city's neighborhoods). The Head Start program diverts management resources from fulfillment of the agency's primary mission, and management is not necessarily trained or equipped to determine whether Head Start provides an ideal or appropriate program for pre-school age children.

Recommended Action:
Create a task force out of the Mayor's Office to assess the costs and benefits of transferring the Head Start program to the Baltimore City Public School System (BCPSS). The task force should also assess the general status of city services offered to children aged 0 to 5. The assessment should include:

– an examination of services available to children not eligible for existing programs;

– a review of day care, Head Start and BCPSS-provided pre-school curricula and an assessment of kindergarten preparedness among Head Start and day care recipients;

– the development of a leadership succession plan for Head Start's founder and long-time director, who is on the verge of retirement; and

– an assessment of the existing liaison function within the Mayor's Office of Children and Youth and the level of communication among city service providers.

Classification:

HCD Head Start division

Function/Operational Area:
Organizational

Estimated Annual Impact:
A transfer of Head Start out of HCD would result in improved HCD service delivery, as it would free up senior management time currently directed toward the $32 million Head Start program. In addition, a thorough examination of Head Start's mission and a possible transfer to BCPSS might result in an improved Head Start program with better resulting outcomes for participants.

Estimated Implementation Costs:
Minimal.

Barriers to Implementation:
Resistance from staff within the HCD Head Start division, and possible capacity shortfall within the
Department of Education.

**Projected Implementation:**
1 – 1.5 years: 6 months for task force analysis, 6 months to a year for implementation.

**Next Steps:**
Create a Mayoral task force consisting of representatives from the local and national Head Start programs, HCD and Department of Education leadership, and Head Start program participants, among others. Clearly define the mission of the Baltimore Head Start program. Determine whether proposed consolidation of Head Start with BCPSS pre-kindergarten and day care programs provides additional benefits through resource-sharing and/or program oversight and development by managers with professional backgrounds in early childhood education.

**Analysis:**
See The Abell Foundation draft report, ‘The Untapped Potential of Baltimore City Public Schools’ (April 2000) for a review of the city’s Head Start program.
HOUSING AND COMMUNITY DEVELOPMENT: REVIEW AND MODIFY OR TERMINATE OUTDATED REDEVELOPMENT STANDARDS

12-A
HOUSING AND COMMUNITY DEVELOPMENT: REVIEW AND MODIFY OR TERMINATE OUTDATED REDEVELOPMENT STANDARDS

Problem Identification:
HCD’s commercial redevelopment efforts are hampered by outdated standards and controls. The City has not reviewed or updated the 60 or 70 existing neighborhood renewal plans in at least the past 10 or 12 years. In many cases, the plans are outdated. HCD, therefore, is placed in the awkward position of trying to stimulate new retail opportunities on commercial strips while having to enforce outdated, sometimes irrelevant plans. The result can be that businesses which would have located in commercial districts are not permitted to do so, thereby thwarting neighborhood improvement and forcing the City to lose potential tax revenue.

Recommendation:
Develop a prioritized schedule for reviewing the City’s neighborhood renewal plans. Priorities should include: (1) those plans that are about to expire; and (2) areas of (commercial) opportunity in which the City is already planning a redevelopment initiative. In the long term, the City should establish a schedule of reviewing neighborhood plans every four to five years.

Classification:
Revenue Enhancement

Function/Operational Area:
HCD — Commercial Revitalization, Neighborhood Project Coordination; City Department of Planning

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Staff time to establish schedule and eventually to review and modify plans.

Barriers to Implementation:
The modification and/or termination of redevelopment standards and controls requires careful analysis. A prioritized schedule to review neighborhood plans could be quite controversial. As per regulations established by the Urban Renewal Authority, the work to modify neighborhood plans must be undertaken in conjunction with the business and neighborhood leadership and presented to City Council. Without broad support these changes ‘and even the schedule to analyze the status of the plans’ could become quite controversial. (It is important to note that not all standards and controls are outdated and inappropriate, and that modification or termination of these standards does not mean the elimination of all controls. Zoning requirements and building codes would still be enforced, as they are elsewhere in the city.)

Projected Implementation:
Six months to develop a prioritized schedule of reviews.
Next Steps:
The Planning Department should take the lead on developing a prioritized schedule of reviews, but should do so in close cooperation with HCD, and with the direct input of the Commissioner.

Analysis:
None.
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: DEVELOP AND ADOPT STATE SMART CODE

12-B
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: DEVELOP AND ADOPT STATE SMART CODE

Problem Identification:
If HCD does not participate in the development and adoption of the state-wide SMART code for building rehabilitation, HCD will impede capital investment for building rehabilitation in Baltimore City and lose state monetary incentives. HCD currently uses and enforces the BOCA Code (a national building code) with amendments peculiar to Baltimore City. The Code is designed for new construction and is not as germane for rehabilitation of older urban structures. The SMART Code (modeled after the New Jersey building code for rehabilitation) is intended to create a building rehabilitation code which is more sensible and which will encourage rehabilitation of older buildings. There are no sanctions if Baltimore does not adopt the SMART Code, but if the City adopts the Code without amendment, it could benefit from significant financial incentives.

Recommended Action:
Develop and adopt SMART Code:
– Participate in the development of the state-wide SMART building rehabilitation code to ensure that the city’s peculiar code interests are met without requiring amendments to the Code.
– Adopt code (without amendments if possible) in order to encourage capital investment in the rehabilitation of City buildings and to qualify for state monetary incentives.

Classification:
Revenue Enhancement

Function/Operation Area:
HCD Housing Inspection, Construction & Building Inspection, and Permitting

Estimated Annual Impact:
$3,250,000 in net revenue to HCD (see analysis).

Estimated Implementation Costs:
Cost of publishing new code, cost of training inspectors (paid by State), cost of administering 2 codes (building and rehabilitation codes)

Barriers to Implementation:
Possible HCD staff resistance.

Projected Implementation:
1 year

Next Steps:
Appoint senior HCD or other qualified City official to lead effort to draft SMART code. Negotiate amount and use of incentive grants with state. Adopt code without modification, if possible. Lobby
Maryland DHCD to fund grants to program hand-held devices with new SMART code and link data to HCD databases.

**Analysis:**

**Costs:**

- Adoption & publishing of new Code $ 20,000
- **Total Costs $ 20,000**

**Benefits:**

Increase rehabilitation ('rehab') investment in Baltimore City by 30% (a conservative estimate ' rehab investment in Newark, Jersey City and Camden, New Jersey increased by 40%-80% as a result of adopting codes similar to those anticipated by the MD SMART code enabling legislation).

Increased Building Permit Fees (to HCD) $ 1,470,000 [1]

Training funds from State to train inspectors $300,000 (to HCD)

Incentive grants from State (DHCD Mortgage Financing program, Maryland Department of Transportation (MDOT), Neighborhood Conservation program, MDOT Transportation Enhancement program) $ 1,500,000

[1] Although permit fees are paid at an average rate of 10% of construction costs, the costs on permit applications are normally understated and not all construction is permitted. As a consequence, we have assumed that construction costs for the purposes of calculating permit fees are 50% less than actual rehab construction costs. Assuming a 30% increase of rehab investment of $29 million ($89 million X 30%) X 50% reported rehab construction costs for permit fee purposes X 10% permit fee rate = $1.5 million.

**Total increased revenue to HCD $ 3,270,000**

**Net Benefits to HCD $ 3,250,000**
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: FACILITATE PROCESS OF PROVIDING HOMEOWNERSHIP ASSISTANCE FUNDS

12-C
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: FACILITATE PROCESS OF PROVIDING HOMEOWNERSHIP ASSISTANCE FUNDS

Problem Identification:
The process required to issue homeowner assistance checks within HCD’s Homeownership Institute is unnecessarily cumbersome. The City’s Department of Finance requires that four or five people sign off on each check request, and that the title company involved retrieve the check in person. The entire process (from the time the homeowner’s request is submitted until the check is deposited in the bank) takes 10 to 15 days on average.

Recommended Action:
Replace the current check-based system with a system based on wire transfers.

Classification:
Cost Savings, Service Improvement

Function/Operational Area:
HCD Homeownership Institute, Department of Finance

Estimated Annual Impact:
The process would take one to two days if the money were wired, rather than the current 10 to 15 days, which would free up staff resources (a minimum of $32,500 per year) and would greatly improve customer satisfaction.

Estimated Implementation Costs:
Each wire transfer would cost approximately $15. With 1,400 check requests per year, the Homeownership Institute would be spending $21,000 on wire transfers each year, resulting in a net cost savings of at least $11,500 in staff time.

Barriers to Implementation:
Possible bureaucratic resistance from the Department of Finance.

Projected Implementation:
One month

Next Steps:
Study the wire transfer system currently used in HCD’s Settlement Expense Loan Program. Initiate senior-level discussions with the Department of Finance.

Analysis:
Costs:

At $15 per check request, wiring all checks through the banking system would cost a total of $21,000 per year (at 1,400 check requests per year). Additional costs, though minimal, would be incurred by
the Institute in training staff and educating title companies and contractors about the new system.

Benefits:

The Homeownership Institute currently devotes the equivalent of 1 FTE (secretary) to the processing of check requests. At $25,000 annual salary with 30 percent benefits, the total salary applied to the process within the Homeownership Institute is $32,500 per year. Additional staff time is devoted to responding to multiple phone calls from customers, title companies and contractors who call on a continuous basis to ask about the status of their checks. These phone calls would be minimized, if not eliminated, if all customers knew the process would take 24 to 48 hours.

Additional salary costs could be saved within the Department of Finance, as the number of people required to review each check requests is reduced; the Department currently requires four or five people to review each request.

Net benefits:

$32,500 less $21,000 = $11,500 per year in staff resources (secretarial support) would be saved, at a minimum. The staff time saved would be directed towards the Homeownership Institute’s new comprehensive customer service initiative.

Customer satisfaction would improve dramatically with a wire-based system, as check processing time would decrease by 8 to 14 days.
V. Department of Public Works

Executive Summary

**Recommendation Categories:**

Create new management structures to improve resource coordination, better manage operational costs, and improve the quality of services provided.

Align interdependent functions to achieve economies of scale and improve management coordination.

Improve the management of the City’s automotive assets.

Improve the management of the City’s real estate assets.

Reduce the City’s utility-related costs through improved management and energy conservation efforts.

Align the frequency of the City’s sanitation collection services with communities needs.

Utilize competition and outsourcing as a catalyst.

Identify new sources of revenue.

Better align staffing patterns with the Department’s operational and functional priorities.

Critically evaluate the necessity and organizational placement of DPW’s uniformed personnel.

Ease administrative processes.

Utilize scheduling practices that maximize workforce productivity.

Make better use of technology to improve the effectiveness and efficiency of City services.

Develop a comprehensive service measurement program for all facets of Departmental operations.

Make Baltimore a cleaner, safer, and more environmentally-friendly city be developing new and expanding existing initiatives.
Executive Summary

Introduction: DEPARTMENT OF PUBLIC WORKS

At the request of Mayor Martin O’Malley, the Greater Baltimore Committee and the Presidents’ Roundtable were asked to review the operations of the City of Baltimore’s Department of Public Works (DPW). The DPW project team was led by Greater Baltimore Committee board members Donald A. Manekin, Senior Vice President/Partner, Manekin Corporation and Peter M. Martin, Chairman, President and CEO of Provident Bankshares Corporation and Presidents’ Roundtable members Tyrone Taborn, President, Career Communications Group, Inc. and Garland O. Williamson, President, Information Control Systems Corporation. The project team was divided into five subcommittees that focused on the following areas: fleet management, general services, solid waste, transportation, and water and wastewater.

As part of the review process, members of the project team met several times with DPW’s senior management team, interviewed staff, conducted site visits, and studied the public works practices of other large cities. The project team leaders and the five subcommittees attempted to keep the review effort focused on identifying opportunities to improve the quality, effectiveness, and efficiency of the services that DPW provides.

The project team’s recommendations can be encapsulated within the following five overarching themes. These themes form the basis for the recommendations designed to improve the Department’s ability to respond to Baltimore’s public works needs and to act on the O’Malley Administration’s service priorities in the most cost efficient and effective fashion:

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Create new management structures to improve resource coordination, better manage operational costs, and improve the quality of services provided

Department of Public Works, Section 1

<table>
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<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-A DEPARTMENT OF PUBLIC WORKS: DIVESTITURE OF ORGANIZATIONAL RESPONSIBILITY FOR THE DELIVERY OF INTERNAL SERVICES</td>
<td>Study</td>
<td>FY2002</td>
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<tr>
<td>1-B DEPARTMENT OF PUBLIC WORKS: IMPROVED PROJECT MANAGEMENT</td>
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<td>FY2002</td>
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<tr>
<td>1-C DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED PARKING MANAGEMENT</td>
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### Align interdependent functions to achieve economies of scale and improve management coordination

#### Department of Public Works, Section 2

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<td>2-A DEPARTMENT OF PUBLIC WORKS: EVALUATING APPROPRIATE DIVISION OF OPERATIONAL RESPONSIBILITIES WITH DEPARTMENT OF RECREATION AND PARKS</td>
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<tr>
<td>2-B DEPARTMENT OF PUBLIC WORKS: SANITATION ENFORCEMENT UNIT RELOCATION</td>
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<tr>
<td>2-C DEPARTMENT OF PUBLIC WORKS: BUILDING SECURITY RELOCATION</td>
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<tr>
<td>2-D DEPARTMENT OF PUBLIC WORKS: TRANSFER WATERSHED POLICE FUNCTION</td>
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<tr>
<td>2-E DEPARTMENT OF PUBLIC WORKS: TRAFFIC AND SIGNAL ENGINEERING CONSOLIDATION</td>
</tr>
<tr>
<td>2-F DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED METER READING, BILLING, AND MAINTENANCE FUNCTIONS</td>
</tr>
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## Improve the management of the City’s automotive assets

### Department of Public Works, Section 3

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<th>Implementation Time</th>
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<tr>
<td>3-A DEPARTMENT OF PUBLIC WORKS: REDUCE THE SIZE OF THE MUNICIPAL FLEET</td>
<td>Accept</td>
<td>Partially Implemented; Ongoing</td>
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<tr>
<td>3-B DEPARTMENT OF PUBLIC WORKS: FLEET MANAGEMENT COORDINATORS</td>
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<td>IMPLEMENTED</td>
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<tr>
<td>3-C DEPARTMENT OF PUBLIC WORKS: REPLACE THE CITY’S VEHICLE CLASSIFICATION SYSTEM</td>
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<td>90 Days</td>
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<tr>
<td>3-D DEPARTMENT OF PUBLIC WORKS: ACQUISITION AND REPLACEMENT SCHEDULE</td>
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<tr>
<td>3-E DEPARTMENT OF PUBLIC WORKS: OPTIMIZE VEHICLE ACQUISITION PROCESSES</td>
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<td>60 Days</td>
</tr>
<tr>
<td>3-F DEPARTMENT OF PUBLIC WORKS: FUEL MANAGEMENT PLANNING</td>
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<td>90 Days</td>
</tr>
<tr>
<td>3-G DEPARTMENT OF PUBLIC WORKS: OPTIMIZE VEHICLE ACQUISITION PROCESSES</td>
<td>Accept</td>
<td>60 Days</td>
</tr>
<tr>
<td>3-H DEPARTMENT OF PUBLIC WORKS: FUEL MANAGEMENT PLANNING</td>
<td>Accept</td>
<td>90 Days</td>
</tr>
<tr>
<td>3-I DEPARTMENT OF PUBLIC WORKS: VEHICLE REMARKETING</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>3-J</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>DEPARTMENT OF PUBLIC WORKS: ACCIDENT MANAGEMENT FUNCTION</td>
<td></td>
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</table>
# Improve the management of the City’s real estate assets

## Department of Public Works, Section 4

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<thead>
<tr>
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<tbody>
<tr>
<td>4-A DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED RESPONSIBILITIES AND CENTRALIZED SPACE PLANNING</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>4-B DEPARTMENT OF PUBLIC WORKS: COMPREHENSIVE PROPERTY DATABASE</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
<tr>
<td>4-C DEPARTMENT OF PUBLIC WORKS: MECHANISM TO ESTABLISH ALLOWABLE AND APPROPRIATE FACILITY USE</td>
<td>Accept</td>
<td>Ongoing</td>
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</table>
Reduce the City’s utility-related costs through improved management and energy conservation efforts

Department of Public Works, Section 5

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<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
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<tbody>
<tr>
<td>5-A – 5-E</td>
<td>(All) Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>DEPARTMENT OF PUBLIC WORKS: MANAGING ENERGY COSTS</td>
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Align the frequency of the City’s sanitation collection services with communities needs

Department of Public Works, Section 6

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<tr>
<td>6-A DEPARTMENT OF PUBLIC WORKS: 1+1 MIXED REFUSE COLLECTION</td>
<td>Study (Pending results of Bureau of Solid Waste Reorganization)</td>
<td>FY2002</td>
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</table>
Utilize competition and outsourcing as a catalyst

Department of Public Works, Section 7

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<tr>
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<tr>
<td>7-A DEPARTMENT OF PUBLIC WORKS: NORTHWEST TRANSFER STATION</td>
<td>Accept (Lease)</td>
<td>FY2002</td>
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<tr>
<td>7-B DEPARTMENT OF PUBLIC WORKS: MANAGED COMPETITION OPPORTUNITIES</td>
<td>Accept</td>
<td>90-120 Days</td>
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<tr>
<td>7-C DEPARTMENT OF PUBLIC WORKS: MANAGED COMPETITION OPPORTUNITIES</td>
<td>Modify (Labor/management cooperation has already produced necessary savings)</td>
<td>N/A</td>
</tr>
<tr>
<td>7-D DEPARTMENT OF PUBLIC WORKS: MANAGED COMPETITION OPPORTUNITIES</td>
<td>Accept</td>
<td>90-120 Days</td>
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<tr>
<td>7-E DEPARTMENT OF PUBLIC WORKS: MANAGED COMPETITION OPPORTUNITIES</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>7-F DEPARTMENT OF PUBLIC WORKS: MANAGED COMPETITION OPPORTUNITIES</td>
<td>Accept</td>
<td>90-120 Days</td>
</tr>
<tr>
<td>7-G DEPARTMENT OF PUBLIC WORKS: EXAMINE CONTRACT MANAGEMENT OPPORTUNITIES FOR WATER AND WASTEWATER UTILITIES</td>
<td>Study</td>
<td>90-120 Days</td>
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# Identify new sources of revenue

## Department of Public Works, Section 8

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<thead>
<tr>
<th>Recommendation</th>
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</table>
| **8-A**
DEPARTMENT OF PUBLIC WORKS: UPDATING CONDUIT ACCESS CHARGES
Executive Summary of Preliminary Revenue Projections
Schedule A – Percent of Gross Receipts
– Franchise Fee Survey of Selected U.S. Cities
Schedule B – Rights-of-Way/Franchise Fee Revenue Estimates | Accept | Ongoing |
| **8-B**
DEPARTMENT OF PUBLIC WORKS: EXAMINE WATER UTILITY CHARGES | Reject | N/A |
| **8-C**
DEPARTMENT OF PUBLIC WORKS: RECONSIDER BAN ON DISCONTINUING WATER SERVICE | Accept | 60 Days |
| **8-D**
DEPARTMENT OF PUBLIC WORKS: REVISE SMALL HAULERS GUIDELINES | Accept | 60 Days |
| **8-E**
DEPARTMENT OF PUBLIC WORKS: REDUCE THE LEVEL OF UNBILLED WATER | Accept | Ongoing |
| **8-F**
DEPARTMENT OF PUBLIC WORKS: PURSUE QUARTERLY BILLING OPTIONS | Study | FY2003 |
Better align staffing patterns with the Department’s operational and functional priorities

### Department of Public Works, Section 9

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<tr>
<td>9-A&lt;br&gt;DEPARTMENT OF PUBLIC WORKS: CRITICALLY EVALUATE STAFFING PATTERNS</td>
<td>Accept</td>
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</tr>
<tr>
<td>9-B&lt;br&gt;DEPARTMENT OF PUBLIC WORKS: ADDRESSING ENGINEERING SHORTAGES</td>
<td>Accept</td>
<td>Ongoing</td>
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</table>
Critically evaluate the necessity and organizational placement of DPW’s uniformed personnel

### Department of Public Works, Section 10

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<tr>
<td>10-A DEPARTMENT OF PUBLIC WORKS: MANAGEMENT OF TRAFFIC CONTROL FUNCTIONS</td>
<td>Study</td>
<td>90-120 Days</td>
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Ease administrative processes

Department of Public Works, Section 11

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<tr>
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<tr>
<td>11-A, 11-B DEPARTMENT OF PUBLIC WORKS: STREAMLINE PROCESSING OF CONSULTANT PROCUREMENT</td>
<td>Accept</td>
<td>60 Days</td>
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<tr>
<td>11-C DEPARTMENT OF PUBLIC WORKS: CONTRACT AND CHANGE ORDER APPROVAL AND INVOICE APPROVAL</td>
<td>Accept</td>
<td>FY2002</td>
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<tr>
<td>11-D DEPARTMENT OF PUBLIC WORKS: BUREAU OF TRANSPORTATION TRANSPORTATION ENGINEERING DIVISION HIGHWAY DESIGN SECTION – DESIGN CONTRACT PROCESSING</td>
<td>Study</td>
<td>120 Days</td>
</tr>
<tr>
<td>11-E DEPARTMENT OF PUBLIC WORKS: CHANGE ORDER MANAGEMENT</td>
<td>Accept</td>
<td>90-120 Days</td>
</tr>
<tr>
<td>11-F DEPARTMENT OF PUBLIC WORKS: TASK ORDER MANAGEMENT-OPEN END CONTRACTS</td>
<td>Accept</td>
<td>90-120 Days</td>
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Utilize scheduling practices that maximize workforce productivity

Department of Public Works, Section 12

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<tr>
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<tr>
<td>12-A DEPARTMENT OF PUBLIC WORKS: STAGGERED COLLECTION SHIFTS</td>
<td>Hold (Pending results of Bureau of Solid Waste reorganization)</td>
<td>FY2002</td>
</tr>
<tr>
<td>12-B DEPARTMENT OF PUBLIC WORKS: SHIFT WORK</td>
<td>Accept</td>
<td>60 Days</td>
</tr>
<tr>
<td>12-C DEPARTMENT OF PUBLIC WORKS: FLEXIBLE WORKING HOURS</td>
<td>Accept</td>
<td>60 Days</td>
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Make better use of technology to improve the effectiveness and efficiency of City services

Department of Public Works, Section 13

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<tr>
<th>Recommendation</th>
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<tr>
<td>13-A DEPARTMENT OF PUBLIC WORKS: CONSOLIDATE COLLECTION ROUTES THROUGH THE USE</td>
<td>Accept</td>
<td>60 Days</td>
</tr>
<tr>
<td>OF GEOGRAPHIC INFORMATION SYSTEMS (GIS) TECHNOLOGY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-B DEPARTMENT OF PUBLIC WORKS: UPGRADE WATER METER-READING TECHNOLOGIES</td>
<td>Accept</td>
<td>Ongoing</td>
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Develop a comprehensive service measurement program for all facets of Departmental operations

Department of Recreation and Parks, Section 8

<table>
<thead>
<tr>
<th>Recommendation</th>
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<th>Implementation Time</th>
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<tbody>
<tr>
<td>8-A&lt;br&gt;DEPARTMENT OF RECREATION AND PARKS: COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>8-B&lt;br&gt;LIST OF PROPOSED INDICATORS</td>
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Make Baltimore a cleaner, safer, and more environmentally-friendly city be developing new and expanding existing initiatives

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<thead>
<tr>
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<th>Recommended Action</th>
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</table>
| **15-A**
DEPARTMENT OF PUBLIC WORKS, BUREAU OF SOLID WASTE: PUBLIC EDUCATION/PROMOTION PROGRAM | Accept | IMPLEMENTED |
| **15-B**
DEPARTMENT OF PUBLIC WORKS: PUBLIC/PRIVATE INITIATIVES | Accept | Ongoing |
| **15-C**
DEPARTMENT OF PUBLIC WORKS: INCREASE RECYCLING & SOURCE REDUCTION | Accept | FY2002 |
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures

With an annual level of funding that approaches half a billion dollars and nearly 5,600 budgeted positions, the Department of Public Works represents a municipal conglomerate that provides an almost unimaginable range of services that impact daily on the lives of every person that lives in, works or visits Baltimore. Given DPW's tremendous size, members of the project team expended a considerable amount of effort reviewing the range and scope of services currently provided, the distribution of functions across the Department's four bureaus, and the service impacts that result from vesting one organizational entity with such a breadth of financial, operational, and service responsibilities. As a provider of services to both Baltimore’s citizens and its municipal government, DPW is currently required to divide its service and management efforts between two vastly different sets of clientele. The inclusion of internal service functions such as fleet management and building services constrains efforts to reduce the costs of providing these services and prevents DPW from achieving singular focus on the public’s service needs. While DPW’s sheer organizational size dictates that it consumes the most internal services, it dual role as a provider and a consumer of services creates a situation where the service needs of other City departments’ departments no less reliant on these internal services than DPW can be shortchanged. By extracting critical internal service functions from DPW and reconstituting these functions in a newly formed Department of General Services, the City can better focus its efforts to reduce costs and improve the effectiveness of internally provided services. An ancillary benefit of divesting internal service responsibilities from DPW is that DPW can then focus its undivided attentions on the management and delivery of services consumed by the public (solid waste and recycling collections, street cleaning, water and wastewater management, highway repairs, snow removal, etc.).

Additional strategies for improving the management of critical functions and services include integrating the management of the City’s parking-related functions and construction-related processes. The Administration’s already advancing efforts to consolidate parking-related functions within one organizational entity should improve the City’s ability to better manage Baltimore’s ever-demanding parking needs.

DPW counts among its numerous responsibilities the construction, reconstruction, and maintenance of public streets, bridges, and highways in addition to the inspection and management of City construction projects. While this report includes recommendations designed to address some of the problems described above through the alignment or consolidation of complementary functions, the augmentation of staffing capacities, and the easing of administrative processes, the project team concluded that systemic problems exist in DPW’s approach to the management of construction-related processes and projects.

Currently, there is little integrated management of the construction-related process. Exchanges between Departmental units involved in the various processes are transactional rather than collaborative. Aside from causing unnecessary time delays, the lack of coordination and information sharing ultimately results in costly change orders that might have been avoided.

DPW needs to take a more consolidated approach to the financial management and project oversight responsibilities for construction projects. Ultimately, efforts should be geared toward the formation of interdisciplinary project management teams consisting of architects, engineers, construction
managers, and contract administrators to administer projects from planning through implementation. This would result in more precise and accurate drawings, value engineering, and minimal change orders.

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Aligning Complementary Functions

A critical element of the project team’s review of DPW involved evaluating the effectiveness of its current organizational structure. Efforts were focused on ensuring that management responsibilities for complementary functions were strategically aligned and that existing organizational structures were in place to promote effective and efficient management. The project team and its subcommittees identified a number of organizational units where fragmented management and functional responsibilities impede efforts to manage costs and coordinate the quality and effectiveness of delivered services. The report contains recommendations specifically designed to optimize the division of building and parks maintenance responsibilities between DPW and the Department of Recreation and Parks, to establish direct links between management of solid waste collection activities and the management of sanitation enforcement; to establish direct links between building and watershed security and the DPW entities actually responsible for managing these areas, and to consolidate specific complimentary and interdependent functional responsibilities in areas such as transportation-related engineering and billing-related functions within the water and wastewater operations.

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
DPW is tasked with operating and maintaining a portfolio of more than 400 buildings and upwards of 6,000 vehicles. Many of these assets are underutilized, while others are in various conditions of disrepair. The financial and operational demands associated with trying to maintain these assets have become increasingly difficult as the Department struggles to stretch its limited resources. In the face of current and foreseeable City budgetary deficits, these trends seem destined to continue. Strategies to reverse these trends, within current budgetary constraints, are needed, as significant increases in available financial resources are unlikely.

City buildings and the municipal fleet need to be more effectively managed. This necessitates not only the achievement of productivity improvements, but requires reductions manifest in less need for building space, vehicles, and the support costs associated with providing those services. Improving the management of the City’s automotive fleet and real estate assets are two of the overarching core recommendations of this report. In addition to the establishment of a new management paradigm to promote the more efficient and effective management of these internally managed assets and related services, the report contains a number of specific recommendations designed to achieve improvements in these areas.
Utilizing Managed Competition to Reduce Costs

Increasingly, public sector entities are looking to private and non-profit service providers to replace or augment the delivery of traditional public sector services. Cities such as Indianapolis and Philadelphia have received considerable attention for their efforts in this area. During the course of the DPW project team’s and subcommittees’ work, the experiences of these cities were reviewed for insight into the possible beneficial application of a similar approach in Baltimore.

Managed competition (and other catch phrases such as ‘competitive reengineering’, ‘privatization’, and ‘outsourcing’) is admittedly a tremendously controversial issue due to concerns regarding the potential for job loss. When the topic is broached, most attention turns to targeting the largest of municipal functions.

While the project team and its subcommittees explored the concept of applying managed competition to wholesale operations such as the City’s water and wastewater utility, the determination was made that such initiatives required considerably more investigation before an informed decision could be made. The project team did conclude, however, that there exists a number of smaller, discrete functions currently being performed by DPW where an abundance of private and non-profit sector providers might be able to provide similar or enhanced service at a reduced cost. These areas included custodial services, security-related functions, tree trimming and turf maintenance, and laboratory functions performed by the City’s water and wastewater operations.

By focusing the application of managed competition principles on discrete services, DPW can still achieve operational cost savings and the potential displacement of municipal workers can be minimized. In Philadelphia, where between FY92 and FY99 nearly 50 municipal functions were eventually contracted out to third party providers, only four instances resulted in the elimination of more than 100 employees. Given the relatively modest scope of the initiatives undertaken, not one of its displaced workers was involuntarily separated from City employment without being offered employment with the new service provider. Additionally, some employees were shifted to other opportunities in the municipal government—the majority at equal or increased pay levels. This approach to managed competition seems a reasonable method of balancing the City’s fiduciary responsibility to ensure that its taxpayers receive the most effective and efficient services at the lowest possible costs while managing the associated impacts on existing workforces.
Measuring to Manage

The collection and analysis of performance and service data must become an increased priority for DPW. By focusing attention on the services that DPW provides and how well those services are provided through the regular collection and review of performance and service data, innumerable opportunities for improving City operations can be realized. Equipping managers with the information necessary to make informed decisions regarding the allocation of resources is a critical step in this process. Additionally, enhanced efforts in this area will provide policymakers, managers, and the public with the information necessary to evaluate the efficiency and effectiveness of DPW’s services. The report contains a number of specific recommendations, including proposed performance indicators and service measures for each of DPW's bureaus, that will enable the achievement of operational efficiencies and economies of scale as well as improvements in areas such as asset management, revenue collection, and workforce productivity.

The members of the Greater Baltimore Committee and Presidents’ Roundtable Department of Public Works project team would like to acknowledge the tremendous level of cooperation received from DPW personnel during the conducting of this effort.

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
1-A

DEPARTMENT OF PUBLIC WORKS: DIVESTITURE OF ORGANIZATIONAL RESPONSIBILITY FOR THE DELIVERY OF INTERNAL SERVICES

Problem Identification:
As a provider of services to both Baltimore’s citizens and its municipal government, the Department of Public Works (DPW) is currently required to divide its service and management efforts between two vastly different sets of clientele. The inclusion of internal service functions such as fleet management and building services within the current organization of DPW constrains efforts to reduce the costs of providing these services and prevents the DPW from achieving singular focus on the public’s service needs.

Recommended Action:
Extract the Bureau of General Services from DPW and reconstitute its internal service functions in a newly formed Department of General Services.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
Bureau of General Services

Estimated Annual Impact:
$6,000,000 – $9,000,000 (this estimated impact is inclusive of the subsidiary recommendations found under core Recommendations 3, 4, and 5)

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
180 days – 1 year given the size and scope of the recommended reorganization of functions

Next Steps:
Take the necessary administrative steps to create a new department, transfer appropriate budgetary resources and operational responsibilities, and establish formal service agreements with client departments that consume internally provided services.

Analysis:
With an annual level of funding that approaches a half a billion dollars and nearly 5,600 budgeted positions, the Department of Public Works represents a municipal conglomerate that provides an almost unimaginable range of services that have a daily impact on the lives of every person that lives in, works or visits Baltimore.

Given DPW’s tremendous size, members of the project team expended a considerable amount of effort reviewing the range and scope of services currently provided, the distribution of functions across the
Department's four bureaus, and the service impacts that result from vesting one organizational entity with such a breadth of financial, operational, and service responsibilities.

DPW's Bureau of General Services is tasked with operating and maintaining a portfolio of more than 400 buildings and upwards of 6,000 vehicles. Many of these assets are underutilized, while others are in various conditions of disrepair. The financial and operational demands associated with trying to maintain these assets have become increasingly difficult as the Department struggles to stretch its limited resources.

In the face of current and foreseeable City budgetary deficits, these trends seem destined to continue. A method of reversing these trends, within current budgetary constraints, is needed, as significant increases in available financial resources are unlikely. To address these issues, there exists a need to adopt new paradigms to promote the more efficient and effective management of these internally managed assets and related services.

City buildings and the municipal fleet need to be more effectively managed. This necessitates not only the achievement of productivity improvements, but requires reductions manifest in less need for building space, vehicles, and the support costs associated with providing those services. Improving the management of the City’s automotive fleet and real estate assets are two of the overarching core recommendations of this report. Recommendations 3-A through 3-J and 4-A through 4-C address specific strategies to achieve improvements in these areas, but the implementation of those recommendations could be best accomplished with a new organizational entity that is singularly focused on providing high quality internal services at the lowest possible cost.

While DPW’s sheer organizational size dictates that it consumes the most internal services, it dual role as a provider and a consumer of services creates a situation where the service needs of other City departments no less reliant on these internal services than DPW can be shortchanged. An ancillary benefit of divesting internal service responsibilities from DPW is that DPW can then focus its undivided attentions on the management and delivery of services consumed by the public (solid waste and recycling collections, street cleaning, water and wastewater management, highway repairs, snow removal, etc.).
DEPARTMENT OF PUBLIC WORKS: IMPROVED PROJECT MANAGEMENT

**Problem Identification:**
Responsibility for architectural design, engineering, construction management, and overall project financial management is diffused throughout DPW. The lack of an integrated approach to managing these functions leads to project development, approval, and completion delays, as well as a large number of change orders that lead to project cost overruns.

**Recommended Action:**
Consolidate financial management and project oversight responsibilities for construction projects in a new organizational entity.

**Classification:**
Cost Savings, Organizational, Service Improvement

**Functional/Operational Area:**
All Departmental Operations with Construction-Related Responsibilities

**Estimated Annual Impact:**
Cannot be Estimated

**Estimated Implementation Costs:**
Not Determined

**Barriers to Implementation:**
None

**Projected Implementation:**
180 days – 1 year

**Next Steps:**
Map all construction-related processes. Identify areas where integrated reviews (e.g. architects, engineers, construction managers, contract administrators) can expedite workflows. Consolidate the management of necessary functions within a new or revised organizational entity.

**Analysis:**
DPW counts among its numerous responsibilities the construction, reconstruction, and maintenance of public streets, bridges, and highways in addition to the inspection and management of City construction projects. While this report includes recommendations designed to address some of the problems described above through the alignment or consolidation of complementary functions, the augmentation of staffing capacities, and the easing of administrative processes, the project team concluded that systemic problems exist in DPW's approach to the management of construction-related processes and projects.

Currently, there is little integrated management of construction-related processes. Exchanges between Departmental units involved in the various processes are transactional rather than collaborative. Aside from causing unnecessary time delays, the lack of coordination and information sharing ultimately results in
costly change orders that might have been avoided.

There exists a need to develop comprehensive workflow maps for all construction-related processes. These maps should help identify areas where integrated reviews (e.g. architects, engineers, construction managers, contract administrators) can expedite workflows. Additionally, the mapped workflows will represent an important first step to reengineering the entire project management process.

Ultimately, efforts should be geared toward the formation of interdisciplinary project management teams consisting of architects, engineers, construction managers, and contract administrators to administer projects from planning through implementation. This would result in more precise and accurate drawings, value engineering, and minimal change orders.
DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED PARKING MANAGEMENT

1-C
DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED PARKING MANAGEMENT

Problem Identification:
The fragmentation of parking-related functions within the Department of Public Work impedes the
development of comprehensive parking management planning and initiatives.

Recommended Action:
Consolidate Parking Management, Enforcement, and Enterprise Facilities in a Baltimore City Parking
Authority.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
All Department Parking Operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the consolidation of parking-related functions
within one organizational entity should improve the City’s ability to better manage Baltimore’s ever-changing
parking management needs.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 – 120 days

Next Steps:
Recruit and hire an executive director. Create an organizational structure to manage the newly created
entity after it becomes operational in October 2000.

Analysis:
A critical element of the project team’s review of DPW involved evaluating the effectiveness of its current
organizational structure. Efforts were focused on ensuring that management responsibilities for
complementary functions were strategically aligned and that existing organizational structures were in place
to promote effective and efficient management. The City’s management of parking-related functions is an
area that could benefit from an organizational restructuring. Organizations such as the Downtown
Partnership, particularly through their work on the ‘Gateways to Growth’ report, should be applauded for
their efforts to address this issue. The DPW project team is supportive of the Administration’s plan to create
a Parking Authority to consolidate the City’s management of parking-related functions.
DEPARTMENT OF PUBLIC WORKS: EVALUATING APPROPRIATE DIVISION OF OPERATIONAL RESPONSIBILITIES WITH DEPARTMENT OF RECREATION AND PARKS

Problem Identification:
The Department of Public Works is considering whether the transfer of operational responsibilities from the Department of Recreation and Parks to the Department of Public Works in FY98 and FY99 has produced positive service benefits and represents the most appropriate division of operational responsibilities.

Recommended Action:
Explore the feasibility of restoring building and park maintenance functions to the Department of Recreation and Parks.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Departments of Public Works and Recreation and Parks

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days to evaluate the most appropriate division of operational responsibilities; an additional 180 ' 270 days to accomplish necessary management, operational, and budgetary transfers should the evaluation result in a decision to transfer responsibilities.

Next Steps:
Revisit the decision to transfer building and parks maintenance function from the Department of Recreation and Parks to the Department of Public Works. Evaluate the financial and service results of the transfer to date and make an informed decision as to the most appropriate division of operational responsibilities.

Analysis:
Between FY98 and FY99, a number of functional responsibilities were transferred from the Department of Recreation and Parks to the Department of Public Works. These functions included: building maintenance operations, trash collection, park cleaning, grass mowing, and tree maintenance. The rationale for the transfer of these functions was to allow the Department of Recreation and Parks to focus its efforts on...
programming and to achieve costs savings through operational economies-of-scale that DPW’s Bureaus of
General Services, Solid Waste, and Transportation could provide.

Whether or not this transfer produced the desired effect remains an open issue. While the transfer produced
a positive budgetary effect, Department of Recreation and Parks personnel and stakeholders familiar with
the conditions of the City’s recreation centers and park facilities maintain that it has contributed to a further
deterioration in conditions as the Department has little input in setting service priorities.

The Administration has begun to take steps to restore some functions, including construction for
playgrounds, to the Department of Recreation and Parks. The Administration should revisit the balance of
the transferred functions and make determinations as to whether their existing or former organizational
placements are the most appropriate given the missions of both departments.
DEPARTMENT OF PUBLIC WORKS: SANITATION ENFORCEMENT UNIT RELOCATION

Problem Identification:
The Sanitation Enforcement Unit is currently located within the Safety Division of the Bureau of Transportation. This unit is concerned with Solid Waste not transportation related issues. The Sanitation Enforcement Unit should coordinate enforcement activities with clean-up programs of the Bureau of Solid Waste.

Recommended Action:
Transfer the Sanitation Enforcement Unit from the Bureau of Transportation to the Bureau of Solid Waste.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Bureaus of Transportation and Solid Waste

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
The administrative staff of the Bureau of Solid Waste should meet with the Supervisor of the Sanitation Enforcement Unit to discuss program needs, management and space requirements. Budget and Personnel responsibilities should be shifted to the Bureau of Solid Waste.

Analysis:
Solid waste collection and enforcement are complementary activities that, should they remain within DPW (see Recommendation 10-C), would be more appropriately managed within the same bureau. Given the Bureau of Solid Waste’s familiarity with the City collection routes and areas of the City that are most susceptible to illegal dumping, it is better positioned than the Bureau of Transportation to manage solid waste-related enforcement activities.
DEPARTMENT OF PUBLIC WORKS: BUILDING SECURITY RELOCATION

2-C
DEPARTMENT OF PUBLIC WORKS: BUILDING SECURITY RELOCATION

Problem Identification:
Building security guards are administered under the Safety Division of the Bureau of Transportation. This unit is concerned with building-related services which generally falls within the purview of the Bureau of General Services not the Bureau of Transportation.

Recommended Action:
Transfer the City’s building security function from the Bureau of Transportation to the Bureau of General Services.

Classification:
Organizational

Functional/Operational Area:
Building Security

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
The administrative staff of the Bureau of General Services should meet with the Supervisor of the Building Security Program to discuss program needs and management. Budget and personnel responsibilities should be shifted to the Bureau of General Services.

Analysis:
DPW’s Bureau of General Services is responsible for the operations and maintenance of City-owned and certain leased buildings. Responsibility for building security, however, is currently vested with the Bureau of Transportation. Shifting responsibility for the management of the City’s building security functions to the Bureau of General Services would consolidate all building services within the most appropriate bureau.

It should be noted that all of DPW’s security-related functions are judged to be attractive candidates for the application of managed competition principles (see Recommendations 7-C and 7-D).
2-D
DEPARTMENT OF PUBLIC WORKS:
TRANSFER WATERSHED POLICE FUNCTION

Problem Identification:
The Watershed Police is currently located within the Safety Division of the Bureau of Transportation. This unit is charged with responsibility to provide security for Baltimore City watersheds located outside of city limits and not transportation related issues.

Recommended Action:
Transfer the watershed police function from the Bureau of Transportation to the Bureau of Water and Wastewater.

Classification:
Organizational

Functional/Operational Area:
Bureaus of Transportation and Water and Wastewater

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
The administrative staff of the Bureau of Water and Wastewater should meet with the supervisor of the Watershed Police to discuss program needs and management. Budget and personnel responsibilities should be shifted to Bureau of Water and Wastewater.

Analysis:
This change will not materially effect finances or operations, but merely places an enforcement functional unit within the bureau that is responsible for Baltimore’s watersheds. As was noted in the previous recommendation, strong consideration should be given to applying managed competition principles for the provision of this service (see Recommendation 7-D).
Problem Identification:
Traffic and Signal Engineering functions are now spread over four divisions, both inside and outside of the Bureau of Transportation. This causes confusion among City management, outside agencies, and the public.

Recommended Action:
Consolidate Traffic and Signal Engineering functions within the Bureau of Transportation’s Engineering Division.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Bureau of Transportation

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementation should lead to improvements in internal management and constituent services.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Project Implementation:
90 days

Next Steps:
Space would have to be identified for the two aforementioned sections and their relocation implemented.

Analysis:
The Traffic and Signal Engineering functions and their locations are shown below:

<table>
<thead>
<tr>
<th>DIVISION</th>
<th>FUNCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>Review of maintenance of traffic plans, proposed developments and proposed legislation, signals and pavement markings design, map preparation, permit approval, consultant studies and other traffic and safety studies.</td>
</tr>
<tr>
<td>Engineering Division</td>
<td></td>
</tr>
<tr>
<td>Safety Division</td>
<td>Truck and bus issues including permitting and escorting of oversize loads.</td>
</tr>
<tr>
<td>Transportation</td>
<td>Traffic and signal warrant studies, sign investigations, traffic counts, accident data</td>
</tr>
<tr>
<td>Maintenance Division</td>
<td>collection, signal timing, and permit investigations.</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------------------------------------</td>
</tr>
<tr>
<td>Director's Office</td>
<td>Traffic signal computer and dispatching.</td>
</tr>
<tr>
<td>Parking</td>
<td>Parking and Loading Zone signs.</td>
</tr>
</tbody>
</table>

**Note:** Maintenance functions such as sign installation or signal maintenance are not shown and are not proposed for reorganization.

City managers and the public have difficulty determining the appropriate responsible contacts when several seemingly related traffic or signal questions fall in different units. For example, City staff are frequently called upon to attend community meetings, at which concerns relating to truck traffic, missing signs, speed bumps, and signal timing issues are common. Currently, five different Departmental units are assigned responsibility to these types of issues. The proposed change would allow a single organizational unit to address all of these related issues.
DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED METER READING, BILLING, AND MAINTENANCE FUNCTIONS

2-F
DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED METER READING, BILLING, AND MAINTENANCE FUNCTIONS

Problem Identification:
There are currently three different groups who have a need to communicate with one another. They include the Bureau's meter reading, utility billing, and meter shop (maintenance) operations. These duties are under three different chiefs and there is a need for each to communicate with one another.

Recommended Action:
Consolidate the Bureau of Water and Wastewater’s meter reading, maintenance, and utility billing functions.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Bureau of Water and Wastewater

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
Immediate

Next Steps:
Accomplish the necessary reorganization.

Analysis:
The consolidated management of these functions will align complementary operational areas and should enable the new unit to maximize water and wastewater-related revenues while better managing associated operational costs. This consolidated unit, which was reported to have been put in place by the Bureau in May, will also be instrumental for managing the possible implementation of a number of recommendations included in this report (see Recommendations 7-G, 8-B, 8-C, 8-E, 8-F, and 13-B).
DEPARTMENT OF PUBLIC WORKS: REDUCE THE SIZE OF THE MUNICIPAL FLEET

3-A
DEPARTMENT OF PUBLIC WORKS:
REDUCE THE SIZE OF THE MUNICIPAL FLEET

Problem Identification:
The City’s fleet of vehicles is larger than necessary to ensure the delivery of municipal services to the public.

Recommended Action:
Reduce the size of the City’s automotive fleet by minimizing vehicle ‘take-home’ privileges, creating departmental and interdepartmental vehicle pools, and promoting the use of personal vehicles.

Classification:
Cost Savings

Functional/Operational Area:
All departments with vehicle fleets.

Estimated Annual Impact:
$500,000 operating costs; possible $1,000,000 one-time gain on the sale of excess vehicles

Estimated Implementation Costs:
None

Barriers to Implementation:
Strong reluctance by departments to relinquish fleet assets.

Next Steps:
Starting with the largest departmental fleets, systematically audit operational needs and current vehicle usage patterns. Identify underutilized assets, establish guidelines governing the granting of vehicle ‘take-home’ privileges, create departmental and interdepartmental motor pools, and encourage the expanded use of personal vehicles.

Analysis:
The City has limited ability to report the total number of vehicles in the municipal fleet. Estimates place the number at approximately 6,000. Both City personnel and members of the project team believe that between 500 – 1,000 vehicles could be removed from the existing fleet without negative operational impacts. There is also strong sentiment that this constitutes a conservative range that could be expanded once data related to the total number of vehicles, their age, condition, and mileage is gathered and analyzed.

In addition to taking old and poorly maintained vehicles out of service, further reductions could be achieved by evaluating the necessity of vehicle ‘take-home’ privileges for City personnel and the instituting of shared motor pools.
DEPARTMENT OF PUBLIC WORKS: FLEET MANAGEMENT COORDINATORS

3-B
DEPARTMENT OF PUBLIC WORKS: FLEET MANAGEMENT COORDINATORS

**Problem Identification:**
Vehicle requirements vary dramatically across departments with little ability to effectively evaluate the needs of each. Much of this process is done within the vacuum of each department. There is little ability to provide information that would greatly improve decision making across departments regarding replacement, use, maintenance, and fueling.

**Recommended Action:**
Designate a fleet management coordinator within each City department that is accountable for all departmental fleet activity. The fleet management coordinator must report and be held accountable for the cost of the department’s fleet. There should also be a ‘dotted line’ reporting structure to the centralized fleet management function.

**Classification:**
Cost Savings, Organizational, Service Improvement

**Functional/Operational Area:**
All departments with substantial fleet-related activities.

**Estimated Annual Impact:**
Cannot be Estimated

**Estimated Implementation Costs:**
None

**Barriers to Implementation:**
Departmental accountability has been largely lacking in this area. This must be mandated and managed on an on-going basis to be effective.

**Projected Implementation:**
60 days

**Next Steps:**
Select departmental coordinators, specify responsibilities in formal position descriptions, and establish appropriate reporting relationships and mechanisms.

**Analysis:**
Today, various people in each department independently handle fleet management issues. It is very difficult to identify anyone who has clear responsibility for any or all fleet management functions. If a comprehensive effort to improve the management of the City’s fleet assets is to succeed, each department needs a designated interface with the City’s centralized fleet management entity.
DEPARTMENT OF PUBLIC WORKS: REPLACE THE CITY’S VEHICLE CLASSIFICATION SYSTEM

Problem Identification:
Tracking the size and condition of all segments of the City’s fleet is impossible because of an existing vehicle classification system that fragments the management of vehicles between departments and the City’s fleet management operation. Consequently, there is no precise count of total vehicles, age, condition, mileage, etc.

Recommended Action:
Replace the City’s vehicle classification system. First, all vehicles must be identically coded (there are currently two codes in place) and records for all vehicles must be maintained by a central authority.

Classification:
Organizational

Functional/Operational Area:
All departments with fleet-related activities.

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, replacing the City’s vehicle classification system is one of the most important initial steps required to regain operational and financial control of the management of the City’s fleet.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
120 – 180 days

Next Steps:
Each department’s actual vehicle count and related vehicle data must be initially established. Departmental decisions have to be made and the Mayor’s Office will likely be required to make the final decisions.

Analysis:
The City’s fleet assets are presently classified as either ‘Code 1’ or ‘Code 2.’ ‘Code 1’ vehicles are not formally tracked in the City’s systems. Instead, vehicles are usually managed by the departments that possess the vehicles. Some of these vehicles are taken out of the seized and abandoned vehicle lot and others are placed in this category as new vehicles. Without a consistent approach to tracking and managing all vehicles, there will never be a method of clearly identifying the City’s fleet management needs.
Problem Identification:
The replacement of City vehicles is not consistent and results in higher expenses, most notably increased downtime and higher maintenance costs.

Recommended Action:
Develop a long-term vehicle acquisition and replacement schedule for financial planning purposes.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Centralized Fleet Management Entity

Estimated Annual Impact:
A significant reduction of unscheduled maintenance will be achieved if vehicles are cycled out of the fleet at optimal times. A very rough estimate of potential savings is $500,000.

Estimated Implementation Costs:
None

Barriers to Implementation:
A high level of interdepartmental cooperation will be necessary to gather the data necessary to develop a useful acquisition and replacement schedule.

Projected Implementation:
90 – 120 days

Next Steps:
Begin collecting and analyzing relevant vehicle usage data. Given the manual nature of this task, it will require a concerted effort by a small team of people dedicated to this task. An approval process must be established that takes into account the budget cycle. Another key consideration is optimizing the seasonal advantages for buying and selling vehicles.

Analysis:
Although replacement schedules exist for some departments, these schedules are not current, nor are they followed due to fiscal constraints and limited coordination. Once developed, replacement policies should dictate the City’s vehicle budgeting, purchasing, and disposition processes.
**DEPARTMENT OF PUBLIC WORKS: OPTIMIZE VEHICLE ACQUISITION PROCESSES**

### 3-E
**DEPARTMENT OF PUBLIC WORKS: OPTIMIZE VEHICLE ACQUISITION PROCESSES**

#### Problem Identification:
The City incurs unnecessary expenditures through the existing vehicle acquisition process.

#### Recommended Action:
Evaluate and optimize the acquisition process for all City vehicles.

#### Classification:
Cost Savings

**Functional/Operational Area:**
Centralized Fleet Management Entity, Bureau of Purchasing

#### Estimated Annual Impact:
$100,000; to be achieved through improved timing of vehicle cycling and reduced costs for unnecessary or 'missing' optional equipment.

#### Estimated Implementation Costs:
None

#### Barriers to Implementation:
None

#### Projected Implementation:
120 – 180 days

#### Next Steps:
Centralization of Fleet Management; putting replacement schedules and 'job-rated vehicle' descriptions in place.

#### Analysis:
The City’s vehicle acquisition process is fragmented and bureaucratic. A more streamlined process involving only those necessary to create the necessary specifications and to order the vehicles will result in significant administrative savings, improved timing of new purchases and the resale of retired assets.

Buying vehicles for municipalities requires specialized knowledge and understanding. This expertise may already exist in the City’s centralized purchasing group and fleet management personnel, but there is only limited interaction between these groups.
DEPARTMENT OF PUBLIC WORKS: FUEL MANAGEMENT PLANNING

3-F
DEPARTMENT OF PUBLIC WORKS: FUEL MANAGEMENT PLANNING

Problem Identification:
Fuel management is in desperate need of a comprehensive operational plan.

Recommended Action:
Create an operational plan for fuel management. The use of centralized fueling stations, fuel cards and other options must be evaluated and an implementation plan must be developed to ensure a smooth transition.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Centralized Fleet Management Entity.

Estimated Annual Impact:
Although it is likely that some of the City’s central fueling sites may become obsolete with the implementation of a fuel card system, it is too early to make that determination. However, a fuel card system will decrease time spent fueling. In addition, record keeping for fuel bought via the fuel card will be conducted by the fuel card vendor, thereby reducing associated administrative work.

Estimated Implementation Costs:
Insignificant, mostly born by the fuel card vendor.

Barriers to Implementation:
None

Projected Implementation:
The implementation of a fuel card system is underway. However, no consensus exists regarding their use combined with the use of centralized sites. Plan development and implementation should take no more than 120 days.

Next Steps:
Departments with high vehicle usage should provide a representative to participate in the planning process. The City’s centralized fleet management entity should then be charged with implementing the final plan.

Analysis:
It is extremely expensive to maintain and operate the City’s network of fueling sites. If the fuel card can displace a few sites, significant savings can be achieved.
DEPARTMENT OF PUBLIC WORKS: VEHICLE REMARKETING

Problem Identification:
The vehicle resale process is not taking full advantage of the broad market for used vehicles.

Recommended Action:
Revise the current process used to remarket used vehicles and equipment to ensure that the highest resale price is obtained. This includes evaluating seasonal opportunities that exist in the used vehicle marketplace.

Classification:
Revenue Enhancement

Functional/Operational Area:
Centralized Fleet Management Entity

Estimated Annual Impact:
$500,000

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days to evaluate and revise current practices

Next Steps:
Examine vehicle disposal and resale practices in other peer cities. Direct efforts to expand the list of potential bidders through targeted marketing efforts.

Analysis:
Vehicles are currently being sold in ‘lots’ (i.e.- several at a time). There are a limited number of bidders for any given lot. It appears that the same markets have been used for many years for the sale of used vehicles. The market has changed dramatically over the past five years necessitating a thorough analysis of the City’s resale/disposal function.

Approximately 300 to 400 vehicles are sold each year. This number does not include vehicles in the abandoned and seized vehicle lot. If vehicle resale proceeds can be improved by a modest $100 per vehicle, the expected annual increase in resale proceeds will approach $500,000.
DEPARTMENT OF PUBLIC WORKS: ACCIDENT MANAGEMENT FUNCTION

Problem Identification:
No process, formal or informal, exists to track accidents or driver’s records.

Recommended Action:
Develop and implement an accident management and vehicle/driver safety function.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
Centralized Fleet Management Entity

Estimated Annual Impact:
With no historical data available, it is virtually impossible to estimate the financial impact. However, given no prior management of this asset and liability risk, the savings could be significant.

Estimated Implementation Costs:
Cannot be Estimated

Barriers to Implementation:
None

Projected Implementation:
120 – 150 days

Next Steps:
Initiate and enforce procedures for the tracking of data related to vehicle accidents.

Analysis:
This is a critical area of liability for the City. It is also an area that will generate cost savings once some discipline has been added to the system of tracking accidents and the drivers responsible for them.
DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED RESPONSIBILITIES AND CENTRALIZED SPACE PLANNING

4-A
DEPARTMENT OF PUBLIC WORKS: CONSOLIDATED RESPONSIBILITIES AND CENTRALIZED SPACE PLANNING

Problem Identification:
Dispersed responsibility for ownership and operation of capital assets limits accountability for their overall economic performance. Presently, these responsibilities are divided between the Bureau of General Services (DPW) and the Bureau of Real Estate Management (City Comptroller).

Recommended Action:
Form an intergovernmental space planning committee and charge it with reducing the City’s portfolio of unused and underused facilities through space consolidation and asset sales.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Bureau of General Services

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, this action is central to realizing economies in the City’s real estate ownership. Areas for savings include: reduced space usage, more efficient space use, and sale of excess properties which would enhance the tax base.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Project Implementation:
30 days to form space planning committee; the work of the committee would be ongoing

Next Steps:
Form committee. Set a goal’possibly a 5 to 15 percent reduction in the size of the Bureau’s portfolio of properties’toward which the committee can work.

Analysis:
There are opportunities for the Bureau of General Services and the Department of Real Estate to cooperate to reduce the inventory of properties owned and managed by the City. The present approach divides real estate property management responsibilities. While the two agencies have a good working relationship in place, the structure has the following failings:
– Does not directly attach costs to services rendered.
– Provides no incentive for economy in use of space or services on the user/lessee.
– Places General Services in the position of being the repository for an increasing portfolio of properties while budget and personnel resources are static or shrinking.
– Does not encourage the recycling of excess inventory back into the private sector where it would augment the tax base.

Significant economies in space utilization would be achieved by a centralized space planning approach. Advantages would include:

– Minimizing unnecessary moves;
– Matching properties to functional requirements;
– Consolidating operations; and
– Aggregating excess space for disposal.
DEPARTMENT OF PUBLIC WORKS: COMPREHENSIVE PROPERTY DATABASE

4-B
DEPARTMENT OF PUBLIC WORKS: COMPREHENSIVE PROPERTY DATABASE

Problem Identification:
There is presently no computerized information system to manage the property assets of the City of Baltimore.

Recommended Action:
Establish a database of City managed properties for the purpose of optimizing occupancy, planning maintenance and replacement of systems, and identification of properties for possible disposal.

Classification:
Cost Savings

Functional/Operational Area:
Bureau of General Services

Estimated Annual Impact:
$500,000 annual saving in operating expenses initially with additional improvements as appropriate preventive maintenance programs are implemented for major building components.

Estimated Implementation Costs:
Funding for this initiative has already been identified.

Barriers to Implementation:
None

Projected Implementation:
1 year

Next Steps:
Begin collecting all necessary information for inclusion in the database.

Analysis:
General Services provides services to 404 buildings and properties. Effective management of this large portfolio requires the information be accurately maintained and available to management to allow cost effective asset management decisions to be made. Industry standard database programs designed for the real estate property management business are commercially available. The database should include detailed floor plans; space occupancy/lease information; building systems information (condition, useful life expectancy, maintenance requirements, and capital improvement needs). Once this tool is functional, General Services will be able to:
Identify non-performing assets which can be sold, abandoned or otherwise disposed of thereby reducing the number of facilities requiring operation and maintenance resources and augmenting the City tax base.

Identify properties not used directly by City agencies; determine cost to provide operation and maintenance services to those facilities and recommend appropriate charges for the organizations using the buildings/space.
DEPARTMENT OF PUBLIC WORKS: MECHANISM TO ESTABLISH ALLOWABLE AND APPROPRIATE FACILITY USE

Problem Identification:
Costs that relate to facility management are not directly charged to properties serviced. There is no clear accountability for effective and efficient management of real property assets.

Recommended Action:
Utilize mechanisms such as service level agreements and BOMA standards to establish allowable and appropriate costs for occupying City owned or leased facilities.

Classification:
Cost Savings, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Bureau of General Services

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, applying and developing these standards will enable the City to accomplish a reduction in its real estate portfolio and better manage its remaining assets.

Estimated Implementation Costs:
None

Barriers to Implementation:
While the proposed database of City properties (see Recommendation 4-B) should enhance this process, this change should be implemented using historic or market-based cost allocations without the database being completed.

Projected Implementation:
Ongoing

Next Steps:
Develop service level agreements with entities occupying City owned or managed space; benchmark service charges against industry standards such as those reported by BOMA.

Analysis:
Experience in the private sector indicates that significant economies occur in space utilization when tenants are directly impacted by their space utilization choices. All occupants of City owned or leased facilities should be assessed a flat charge per square foot for all occupied space. The amount charged should be sufficient to cover all operational costs, overhead, and capital.

Uniform and enforced standards would help determine tenants’ true cost of occupancy. The availability of this information is critical to identifying facilities that are particularly costly to operate. This information can then be utilized to pursue facility consolidation opportunities.
DEPARTMENT OF PUBLIC WORKS: MANAGING ENERGY COSTS

5-A – 5-E
DEPARTMENT OF PUBLIC WORKS: MANAGING ENERGY COSTS

Problem Identification:
While energy-related costs might represent a relatively insignificant portion of a facility’s total operational costs, the City’s aggregated energy costs represent a large operating expense for which there exists no comprehensive approach to managing this cost center.

Recommended Action:
– Reduce the City’s utility-related costs through improved management and energy conservation efforts.
Potential strategies include:
– Inventory all utility accounts and regularly monitor for billing inaccuracies and unusual usage levels.
– Reduce the number of estimated utility bills.
– Pursue bulk-purchase discounted rate reductions from the City’s energy providers.
– Increase participation in State and federally-funded energy conservation programs.
– Install energy efficient lamps in City facilities.

Classification:
Cost Savings

Functional/Operational Area:
All Department Operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, implementing a comprehensive and coordinated approach to managing the City’s energy costs should result in a minimum of a 5 to 10 percent savings on the City’s total utility charges. In the absence of a detailed statement of the City’s annual energy costs (a need discussed in the Next Steps section of this recommendation), consideration should be given to establishing a goal of achieving a $1,000,000 reduction in the City’s total energy costs.

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
120 – 180 days

Next Steps:
Develop a comprehensive statement of the City’s annual utility costs. Isolate particularly high cost centers and explore opportunities to achieve cost reductions through energy conservation and cost savings initiatives and the implementation of energy-efficient technologies.

Analysis:
Recommendations 1-A, 4-A, 4-B, and 4-C pertain to recommended strategies to improve the City’s management of its real estate assets. These recommendations, however, focus largely on the physical
structures being managed and methods of reducing the total number of buildings that comprise the City’s portfolio of managed facilities. Beyond the more effective management of the physical structures, additional efforts should be pursued to reduce associated operational costs, particularly in the area of energy management.

One of the most impressive successes of Philadelphia Mayor Edward G. Rendell’s Private Sector Task Force was the creation of the Municipal Energy Office (MEO). The MEO was established in FY94 and charged with cutting Philadelphia City government’s energy expenditures by 5 to 10 percent within five years’ equivalent to an annual cost savings of between $1.35 million and $2.7 million.

The MEO’s initial goal proved modest, as its initiatives resulted in over $28.5 million in cumulative savings between FY94 and FY99. Additionally, this well-directed effort towards managing energy costs enabled Philadelphia to attract an additional $5.7 million in grant commitments through FY99 to support capital projects designed to produce further energy management benefits.

The list of recommendations included within this template represent some of the more successful initiatives undertaken by the MEO. If the decision is made to pursue the implementation of these recommendations, consideration should be given to assigning the responsibility of managing the implementation to either the proposed general services department (see Recommendation 1-A of this report) or the Office of Management Initiatives (see Recommendation 5-A of the Citywide section of this report).
Problem Identification:
The Bureau of Solid Waste provides two collections of mixed refuse per week per household. This service level exceeds that of Baltimore County and other jurisdictions and strains the Bureau's personnel and equipment resources. It also reduces residents' incentive to make full use of the weekly recycling collection.

Recommended Action:
Adopt and implement a 1+1 mixed refuse collection plan consisting of one collection of mixed refuse and one recycling collection per week per household.

Classification:
Cost Savings

Functional/Operational Area:
Bureau of Solid Waste

Estimated Annual Impact:
$2,450,000

Estimated Implementation Costs:
While the implementation of 1+1 would result in larger mixed refuse loads, newly purchased 20-yard load packers and the reconfiguration of collection routes should enable the implementation of this recommendation at little or no cost.

Barriers to Implementation:
1+1 may be impractical in the more highly urbanized sections of the City due to the lack of available space for households to properly store a full week of mixed refuse. As a result, it may be necessary to limit implementation to the outlying, more suburban areas of the City.

Implementation will require action by the City Council to revise the related ordinance(s). This may prove politically difficult, particularly, if implementation is limited to certain districts. However, the overall benefits to the City, its residents and the business climate from a cleaner city should outweigh parochial objections.

Projected Implementation:
60 – 90 days

Next Steps:
Initiate review of the existing statutes to determine amendments needed to accommodate this change.

Analysis:
There is an existing plan that proposes implementation of 1+1 approach in the suburban areas of the City. Under this plan, it is estimated that the Bureau’s annual costs would be reduced by approximately $2.45 million, including crew and equipment cost reductions of...
$1.6 million and $550,000, respectively, with a related administrative cost savings of $300,000.

It is reasonable to expect that implementation of this plan would encourage/cause residents to make greater use of the recycling collection. This would generate additional cost savings as discussed in Recommendation 15-C.

Baltimore County and other jurisdictions around Baltimore City have adopted 1+1 mixed refuse collection plans. In addition, other cities in the Northeast, including Boston, Indianapolis, New York, Philadelphia and Washington D.C. have adopted some form of 1+1.
Problem Identification:
Operating costs of the Northwest Transfer Station are high (approximately $2.5 million per year) due primarily to the maintenance of old equipment.

Recommended Action:
Utilize managed competition to select the operator of the Northwest Transfer Station. Additionally, consider as an alternative, the selling of this asset.

Classification:
Cost Savings, Organizational, Service Improvement; potential Revenue Enhancement if the decision is made to sell the asset.

Functional/Operational Area:
Bureau of Solid Waste

Estimated Annual Impact:
$1,000,000 - 1,500,000 via managed competition; potentially $4,000,000 through the sale of the asset

Estimated Implementation Costs:
None

Barriers to Implementation:
Probable opposition from the municipal labor union representing potentially displaced workers.

Projected Implementation:
120 – 180 days

Next Steps:
Initiate discussions/negotiations with potential operators/buyers to determine feasibility; quantify savings and determine the best approach (e.g., sale, lease, management agreement, etc.) to be pursued.

Analysis:
The Northwest Transfer Station is located on Reisterstown Road and is intended to improve the efficiency of collections of mixed refuse by providing a location to consolidate loads for transfer to BRESCO or the Quarantine Road landfill. The station’s operating costs are high and increasing, largely due to aging equipment that requires a high level of maintenance. Maintenance problems also result from the inappropriate use of the facility by ‘small haulers’ (see Recommendation 8-E).

Utilizing managed competition to select the station’s operator could help reduce the high equipment and operating costs currently being incurred while ensuring the retention of the station for its current purpose. The City would almost certainly be the single largest user of the Station (approximately 20 percent of the City’s mixed refuse collections are processed through the station). This would place the City in a strong bargaining position with the future owner/operator.
While it is difficult to estimate the potential financial impact of the implementation of this recommendation, Bureau management believes that it could approach $1,000,000 to $1,500,000 per year. Additionally, the complete sale of the asset could result in an estimated one-time infusion of $4,000,000. This is also an option worthy of serious consideration since the City’s position as the station’s largest customer would help dictate favorable terms for the continued use of the facility.
Problem Identification:
The costs of providing a multitude of services currently provided by DPW probably exceed the costs that would be charged by private and non-profit service providers. In the absence of competition, existing workforces have only minimal incentives to increase productivity and decrease operating costs.

Recommended Action:
Utilize competition and outsourcing as a catalyst to encourage City managers and workers to enhance productivity and improve efficiency. Specifically identified opportunities identified within DPW include:
- Utilize managed competition to select the providers of custodial services in City facilities.
- Utilize managed competition to select the providers of building security services in City facilities.
- Utilize managed competition to select the providers of security services at City-controlled watersheds.
- Utilize managed competition to select the providers of tree trimming and turf maintenance services in the City.
- Utilize managed competition to select the provider of laboratory services for the Bureau of Water and Wastewater.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Areas:
All Departmental Operations

Estimated Annual Impact:
While the financial impact of applying managed competition principles to the selection of service providers will vary with each function, the experience of other cities indicates that managed competition and outsourcing typically results in service cost savings that range between 5 and 20 percent.

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Developing and utilizing a managed competition approach for the procurement and delivery of services traditionally provided by the government is almost universally opposed by municipal labor unions that are unaccustomed to having the cost efficiency of their service delivery judged against private and non-profit providers.

Projected Implementation:
90 – 180 days

Next Steps:
Beginning with the services listed above, begin collecting and analyzing direct and indirect cost data against
which to evaluate opportunities for the application of managed competition. Develop requests for proposals for appropriate services.

**Analysis:**
Increasingly, public sector entities are looking to private and non-profit service providers to replace or augment the delivery of traditional public sector services. Cities such as Indianapolis and Philadelphia have received considerable attention for their efforts in this area. During the course of the DPW project team’s and subcommittees’ work, the experiences of these cities were reviewed for insight into the possible beneficial application of a similar approach in Baltimore. Additionally, the previous mayoral administration convened the Baltimore City Government Millennium Group to look at the City’s current operations in the areas of personnel, fleet management, worker’s compensation, building maintenance, and solid waste collection. The Millennium Group’s corresponding FY99 report was reviewed and provided excellent insight into the opportunities and risks associated with pursuing managed competition as a strategy for selecting service providers.

Managed competition (and other catch phrases such as ‘competitive reengineering’, ‘privatization’, and ‘outsourcing’) is admittedly a tremendously controversial issue due to concerns regarding the potential for job loss. When the topic is broached, most attention turns to targeting the largest of municipal functions.

While the project team and its subcommittees explored the concept of applying managed competition to wholesale operations such as the City’s water and wastewater utility, the determination was made that such initiatives required considerably more investigation before an informed decision could be made (see Recommendation 2-F). The project team did conclude, however, that there exists a number of smaller, discrete functions currently being performed by DPW where an abundance of private and non-profit sector providers might be able to provide similar or enhanced service at a reduced cost.

By focusing the application of managed competition principles on discrete services, DPW can still achieve operational cost savings and the potential displacement of municipal workers can be minimized. In Philadelphia, where between FY92 and FY99 nearly 50 municipal functions were eventually contracted out to third party providers, only four instances resulted in the elimination of more than 100 employees. Given the relatively modest scope of the initiatives undertaken, not one of its displaced workers was involuntarily separated from City employment without being offered employment with the new service provider. Additionally, some employees were shifted to other opportunities in the municipal government—the majority at equal or increased pay levels.

Recommendation 4-A of the Citywide section of this report proposes the creation of a standing committee comprised of key City decision makers to develop formal guidelines by which opportunities for managed competition will be evaluated, to identify municipal services that could benefit from managed competition, and to oversee the managed competition process from the development of requests for proposals through proposal evaluation, contract negotiations, and performance monitoring. This recommended approach should provide a suitable administrative mechanism to evaluate and pursue the opportunities included in this set of recommendations.
Problem Identification:
Baltimore’s Water Bureau should be allowed to operate more like a private sector utility. Baltimore City (‘City’) owns the raw water utilized throughout its water system (‘BWS’ or ‘System’). Baltimore City either owns solely or jointly with a participating Maryland County all, except one, of the existing water treatment plants utilized throughout the System. The City solely operates all of the BWS piping and facilities that service over 1.8 million people in the City and surrounding Counties (the ‘service area’). Soon, the Federal Safe Drinking Water Act (‘Water Act’) will require Baltimore’s water system to dramatically expand its capital improvement program to comply with the Water Act. Given a public tendency to minimize or limit rate increases, there is a need to be more efficient with existing staff and resources.

Recommended Action:
Examine further the potential benefits of contracting for the management of the City’s water and wastewater utilities.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Bureau of Water and Wastewater

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, studies of other utilities have estimated cost reductions in the 10 to 40 percent range for contract operations.

Estimated Implementation Costs:
While not determined, the City would probably need to assemble a team of experts to further examine the contract for management of the system and to determine what type of cost savings could be achieved.

Barriers to Implementation:
Should the City decide to contract for the operations and maintenance of its water system the potential for retaining the cost savings generated does not yet exist due to current local law restrictions. Therefore, if the City decides to pursue this recommendation, it should first pursue a change to current local law, which allows accumulation of net profits (see Recommendation 8-B).

Additionally, the water system annually funds other centralized City services. At present, the system annually transfers approximately $11,000,000 to the City’s General Fund as payment for the direct and indirect costs of services provided other City departments. If a private entity were selected to operate the system, the annual $11,000,000 transfer to the City’s General Fund might be lost. In Atlanta, the same situation existed regarding centralized City services and was resolved favorably as a part of the operations and maintenance privatization process.
In addition, there are ‘soft’ services that the system’s personnel can provide in equipment and personnel to other City agencies in times of emergencies and need on an immediate basis that could be lost if a private entity operated the system.

**Projected Implementation:**
90 – 180 days

**Next Steps:**
Await the outcome of efforts to change current local law. Begin discussions with stakeholders on the benefits of allowing for net profits and contracted for management of the system.

**Analysis:**
There are several cities that have (Atlanta, Indianapolis, Houston, Milwaukee, Jersey City, Buffalo, Wilmington) privatized either all or a portion of their water utilities.

In Atlanta, outsourcing was implemented resulting in a 40 percent reduction in their operations and maintenance costs (compared to their previous years budget) and saved the City $20,000,000 in workers’ compensation and benefits costs without having any involuntary layoffs. An additional result was the start of an annual Payment in Lieu of Taxes (PILOT) program and franchise fee payment transfer from Atlanta’s water enterprise fund to their general fund.

Other cities have benefited from similar comprehensive reviews of the benefits of contracts for the management of their water utilities even when the outsourcing option was not ultimately chosen. In Philadelphia, the study made its water department re-evaluate how it operated its facilities and cost efficiencies and reductions were achieved. At Philadelphia’s Southwest Water Pollution Central Plant, nearly $4.5 million in annual operational costs savings were achieved.
Problem Identification:
The City’s inability to assess conduit access charges in excess of the cost of maintaining the system unnecessarily constrains a potentially lucrative revenue stream.

Recommended Action:
Consider lifting the restriction on charging fees that exceed the cost of maintaining the City’s conduit system.

Classification:
Revenue Enhancement

Functional/Operational Area:
Bureau of Transportation

Estimated Annual Impact:
While the precise financial impact would be based on changes to existing laws governing this area, estimates of the potential financial impact range from $3,000,000 to $25,000,000.

Barriers to Implementation:
Existing laws governing charges for access to the conduit system; anticipated strong opposition from current users of the conduit system.

Projected Implementation:
180 days

Next Steps:
Establish a small working group to study this issue, including representatives from DPW and the Law Department. If the decision is made to pursue a change in conduit charges, develop an implementation plan and revised fee structure.

Analysis:
The City’s conduit system represents an untapped and potentially highly lucrative asset/revenue stream. Changes within the telecommunications industry have brought new interest in the use and/or expansion of the City’s system.

Access to the City system is coveted by such current and potential users as Baltimore Gas and Electric, Bell Atlantic, AT&T, and MCI. Recommendation 2-E of the Information Technology section of this report suggests investigating opportunities for leasing City conduits to regional telecommunications vendors as a means of funding the City’s wide area network connectivity and management costs.

A 1996 study (see the Department of Public Works executive summary) indicated that the City could realize between a $3,000,000 and $25,000,000 increase in revenues if existing policies and/or rental rates were adjusted. Given the value of this potential revenue or the in-kind services that might be available as
suggested in the Information Technology section of this report, this represents an opportunity that the Administration should strongly consider.
Executive Summary of Preliminary Revenue Projections

City of Baltimore, Maryland
Rights-of-Way Management Study
Executive Summary of Preliminary Revenue Projections

Gross Receipts Franchise Revenue Estimates Based on Survey of Selected U.S. Cities

The franchise fee revenue estimates provided in schedule “A” demonstrate potential revenues which can be earned by the City of Baltimore through the implementation of gross receipts based franchise fees. Potential earnings from electric, gas and telephone franchise fees are provided. Revenue estimates were calculated by multiplying the total population of the City of Baltimore (736,014) by the average franchise revenue/population ratio of those cities surveyed. City of Baltimore revenue estimates range from a high of $24.4 million to a low of $4.4 million.

Schedule A – Percent of Gross Receipts – Franchise Fee Survey of Selected U.S. Cities

Franchise/Conduit Rental Fees Based On Increased Linear Foot Fees

A commonly used franchise fee calculation method involves the assessment of fees based on the amount of public rights-of-way, measured in linear feet, occupied by a utility in order to provide its services to the public.

Currently, the average linear foot franchise fee assessed by U.S. cities is approximately $2 per linear foot with a high of $5 in Atlanta, GA and the low of $0.60 in Albuquerque, NM. Several cities, such as Houston and Dallas, TX, have established franchise fees for long distance carriers based on adjacent property values, then using escalators, such as the Consumer Price Index (CPI) to provide a sliding scale for calculation of franchise fees over the term of the franchise period.

The first estimate prepared by DMG (“Linear Foot Fee-National Average ($2)" see schedule "B"), illustrates the amount of revenue which could be received by the City if the City’s conduit rental and conduit franchise fees were increased to coincide with the national average. If the City’s rates were increased to the national average of $2 per linear foot, the City would receive approximately $30 million from franchise and conduit rental fees. This represents an increase of over $25.4 million when compared to the City’s current revenue amounts.

DMG’s second estimate (“Fee Equals Property Value Increase (250%)” see schedule “B”), illustrates the amount of revenue which could be received by the City if conduit rental and franchise fees were increased on a sliding scale which coincided with increase in City property values. Upon review of City property values over the past 70 years, an increase of 250% can be found. If the City’s rates were increased by the same percentage, the City would receive over $8.1 million from franchise and conduit fees or an increased of approximately $3.3 million.

Schedule B – Rights-of-Way/Franchise Fee Revenue Estimates

David H. Griffith & Associates, LTD
Preliminary Analysis
# Schedule A – Percent of Gross Receipts – Franchise Fee Survey of Selected U.S. Cities

**Introduction: DEPARTMENT OF PUBLIC WORKS**

## Schedule A- Preliminary Analysis

**City of Baltimore, Maryland**

**Percent of Gross Receipts – Franchise Fee Survey of Selected U.S. Cities**

**May, 1996**

### ELECTRIC FRANCHISE FEES

Estimate for Baltimore, Maryland – based on revenue per individual:

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Population</th>
<th>Fran Fee Percentage</th>
<th>Total</th>
<th>Revenue Per Individual</th>
<th>Current Fee</th>
<th>Current Fee</th>
<th>Incremental Impact of Each Percentage Point</th>
<th>Incremental Impact of Each Percentage Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas City</td>
<td>Kansas</td>
<td>161,148</td>
<td>4%</td>
<td>$5,757,956</td>
<td>$35.73</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Daytona Beach</td>
<td>Florida</td>
<td>65,850</td>
<td>6%</td>
<td>$2,816,945</td>
<td>$42.78</td>
<td>--</td>
<td>--</td>
<td>$7.13</td>
<td>--</td>
</tr>
<tr>
<td>Clearwater</td>
<td>Florida</td>
<td>85,450</td>
<td>6%</td>
<td>$3,313,725</td>
<td>$38.78</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>$6.46</td>
</tr>
<tr>
<td>Irvine</td>
<td>California</td>
<td>94,139</td>
<td>2%</td>
<td>$1,192,934</td>
<td>$12.67</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>$6.34</td>
</tr>
<tr>
<td>Odessa</td>
<td>Texas</td>
<td>102,465</td>
<td>3%</td>
<td>$1,557,000</td>
<td>$15.20</td>
<td>--</td>
<td>--</td>
<td>$5.07</td>
<td>--</td>
</tr>
<tr>
<td>Norman</td>
<td>Oklahoma</td>
<td>80,000</td>
<td>3%</td>
<td>$1,133,353</td>
<td>$14.17</td>
<td>--</td>
<td>--</td>
<td>$4.72</td>
<td>--</td>
</tr>
<tr>
<td>Independence</td>
<td>Missouri</td>
<td>115,636</td>
<td>9%</td>
<td>$4,710,491</td>
<td>$40.74</td>
<td>--</td>
<td>--</td>
<td>$4.53</td>
<td>--</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>Average:</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>$6.17</td>
</tr>
</tbody>
</table>

**GAS FRANCHISE FEES**

Estimate for Baltimore, Maryland – based on revenue per individual:
### TELEPHONE FRANCHISE FEES

Estimate for Baltimore, Maryland – based on revenue per individual:

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Population</th>
<th>Fran Fee Percentage</th>
<th>Revenue Total</th>
<th>Revenue Per Individual</th>
<th>Current Fee Total</th>
<th>Current Fee Per Individual</th>
<th>Incremental Impact of Each Percentage Point</th>
<th>Incremental Impact of Each Percentage Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plano</td>
<td>Texas</td>
<td>128,713</td>
<td>4%</td>
<td>$1,500,000</td>
<td>$11.65</td>
<td>-</td>
<td>-</td>
<td>$2.91</td>
<td>-</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>Utah</td>
<td>159,936</td>
<td>6%</td>
<td>$1,800,000</td>
<td>$11.25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1.88</td>
</tr>
<tr>
<td>Albuquerque</td>
<td>New Mexico</td>
<td>384,736</td>
<td>2%</td>
<td>$1,436,541</td>
<td>$3.73</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1.87</td>
</tr>
<tr>
<td>Springfield</td>
<td>Missouri</td>
<td>140,494</td>
<td>6%</td>
<td>$1,426,000</td>
<td>$10.15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kansas City</td>
<td>Kansas</td>
<td>161,148</td>
<td>2%</td>
<td>$429,990</td>
<td>$2.67</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1.33</td>
</tr>
<tr>
<td>Norman</td>
<td>Oklahoma</td>
<td>80,000</td>
<td>3%</td>
<td>$220,883</td>
<td>$2.76</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.92</td>
</tr>
<tr>
<td>Lawrence</td>
<td>Kansas</td>
<td>67,640</td>
<td>5%</td>
<td>$129,134</td>
<td>$1.91</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Average:</td>
<td>$1.57</td>
</tr>
</tbody>
</table>

**TOTAL FRANCHISE REVENUES BASED ON A PERCENT OF GROSS RECEIPTS**
<table>
<thead>
<tr>
<th></th>
<th>Estimate Based on Group</th>
<th></th>
<th>Current Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELECTRIC</td>
<td>$26,298,410</td>
<td>$18,158,659</td>
<td>$1,882,253</td>
</tr>
<tr>
<td>GAS</td>
<td>$13,534,101</td>
<td>$5,673,101</td>
<td>$0</td>
</tr>
<tr>
<td>TELEPHONE</td>
<td>$8,577,385</td>
<td>$4,619,685</td>
<td>$183,095</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$48,409,896</td>
<td>$28,451,445</td>
<td>$2,065,348</td>
</tr>
</tbody>
</table>

Prepared by: DAVID M. GRIFFITH & ASSOCIATES, LTD.

Back to Executive Summary of Preliminary Revenue Projections
## SCHEDULE B – Preliminary Analysis
### CITY OF BALTIMORE, MARYLAND
### Rights-of-Way/Franchise Fee Revenue Estimates

Sample of Major Rights-of-Way Users

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Current Fee</th>
<th>Estimate #1 Linear Foot Fee – National Average ($2)</th>
<th>Estimate #2 Fee Equals Property Value Increase (25%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>($2.00)</td>
<td>($4.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.00)</td>
<td>(4.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.00)</td>
<td>(4.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.00)</td>
<td>(4.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.00)</td>
<td>(4.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.00)</td>
<td>(4.00)</td>
</tr>
</tbody>
</table>

### Current Fee
- Annual Franchise
  - Conduit Fee Basis
- Linear Yds/Ft Occupied
- Annual Franchise Fee
- Pole Fee Equivalent
- Linear Feet Occupied
- Annual Franchise Fee Estimate
- Dollar Amount of Increase
- Annual Franchise Fee Basis
- Pole Fee Equivalent
- Linear Feet Occupied
- Annual Franchise Fee Estimate

### Estimate #1
- Linear Foot Fee – National Average ($2)

### Estimate #2
- Fee Equals Property Value Increase (25%)
Problem Identification:
At present, the City of Baltimore is legally restricted from operating its water system in a manner that would generate annual net profits representing a return on the City’s assets (to include physical piping and facilities along with water rights). The City is only allowed to operate its system at the level of cost, according to current law, whereby revenues collected must almost exactly match all of the system’s operating and capital costs annually.

Recommended Action:
Examine the City’s action for increasing water utility charges to the surrounding counties.

Classification:
Revenue Enhancement

Functional/Operational Area:
Bureau of Water and Wastewater

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
With close to 50 percent of the City’s water being consumed by users in the City’s surrounding counties, their early involvement in changing local law is critical. The City should expect strong opposition from the counties. More than likely, if this recommendation is adopted, the City will have to share any future net profits with subscribing counties as an incentive for their agreement and cooperation.

Projected Implementation:
30 days to convene task force; 90 ‐ 180 days to develop a strategy for pursuing change involving all stakeholders; 190 days to one year to pursue changes in local law.

Next Steps:
The Mayor should appoint a task force comprised of professionals from the City’s departments and private industry experts to develop a strategy for pursuing a change to the current local law. Begin discussions with stakeholders on the advantages and disadvantages of allowing Baltimore’s water system to generate annual net profits.

Analysis:
The laws currently governing rate assessments for Baltimore’s water system primarily include the Metropolitan District Act of 1924, as amended in the 1940’s, along with related bi-county agreements (collectively local law). The system’s service area spans far beyond the City’s borders to include four Maryland counties, thus, requiring bi-county agreements with the City. Water rates charged users in the
service area, per local law (especially as it relates to Baltimore County), cannot be set at a level higher than
needed to recoup the costs incurred to operate the system. As a result, service area customers have
enjoyed water rates that are the lowest on the East Coast (Even with the recent 19 percent rate increase
which took effect May 5, 2000). Most other municipalities across the country are not restricted from
generating operating profits from their water systems.
DEPARTMENT OF PUBLIC WORKS: RECONSIDER BAN ON DISCONTINUING WATER SERVICE

8-C
DEPARTMENT OF PUBLIC WORKS: 
RECONSIDER BAN ON DISCONTINUING WATER SERVICE

Problem Identification:
Since banning the practice of discontinuing water service to delinquent customers, the City’s delinquency rate has increased by approximately 20 percent.

Recommended Action:
Consider lifting the restriction on discontinuing water service to delinquent customers.

Classification:
Revenue Enhancement

Functional/Operational Area:
Bureau of Water and Wastewater

Estimated Annual Impact:
$2,000,000

Estimated Implementation Costs:
None

Barriers to Implementation:
Possible public opposition to discontinuing this critical service to citizens with an inability to pay potentially leading to other social problems (homelessness, abandoned homes, etc.).

Projected Implementation:
180 days

Next Steps:
Consult with the City’s Law Department to identify possible legislative or regulatory impediments to discontinuing water service. Develop and disclose publicly detailed guidelines to be applied in the future should the City decide to discontinue water service to delinquent customers.

Analysis:
The City has approximately $8 million in outstanding payments owed to it by delinquent water customers. Since 1992, the City has not discontinued water service to any of the nearly 1.8 million users of its system due to a failure to pay for service. Over the past eight-year period, the number of delinquent customers has increased to approximately 10,000—a 20 percent increase.

The threat of discontinued water service could prove a powerful inducement to the timely payment of water bills. If the City were able to reduce the amount of delinquent water bills by just 25 percent, this would amount to approximately $2,000,000 in revenue generation.
Problem Identification:
Some commercial haulers have taken advantage of the broad definition of a ‘small hauler’ to use the facility inappropriately at bargain prices ($5 per load). This is contributing to the high operating costs of the Station and is costing the City money.

Recommended Action:
Narrow the City’s definition of “small haulers” to prevent large-scale, commercial-type haulers from using the Northwest Transfer Station at bargain rates.

Classification:
Cost Savings or Revenue Enhancement

Functional/Operational Area:
Bureau of Solid Waste

Estimated Annual Impact:
270,000 – $500,000

Estimated Implementation Costs:
None

Barriers to Implementation:
Objections from those who might lose their ‘small hauler’ status.

Projected Implementation:
90 – 120 days

Next Steps:
Develop City Council support to accomplish the necessary legislative revisions to existing City ordinances.

Analysis:
The Northwest Transfer Station, located on Reisterstown Road, is intended to improve the efficiency of collections of mixed refuse by providing a location to consolidate loads for subsequent transfer to BRESCO or the Quarantine Road landfill. The Station is also available for use by ‘small haulers’ for a fee of $5 per load. These haulers are licensed by the City. The statute requires that a license applicant ‘do business in Baltimore’ but does not limit the size/types of vehicles used. As a result, some haulers bring large quantities of material to the Station. Also, it is probable that much of the material comes from locations outside of Baltimore City.

It is difficult to estimate the volume of commercial hauling being done by the ‘small hauler.’ However, if one assumes that ½ of the 15,000 tons dumped by small haulers each year (considered a conservative estimate) should actually be treated as commercial waste, the City could (a) save $270,000 in payments to BRESCO plus related labor/equipment costs by rejecting the materials or (b) earn an additional $500,000 in
revenue by charging the haulers the commercial tipping rate of $67 per ton.
Problem Identification:
The City’s Bureau of Water and Wastewater produces a large volume of water for which it cannot fully account for its use.

Recommended Action:
Reduce the level of unbilled water that results from leakage and theft of service by instituting regular pipeline surveys.

Classification:
Cost Savings, Revenue Enhancement

Functional/Operational Impact:
Bureau of Water and Wastewater

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Continue to closely monitor the level of unbilled water, develop programs to increase the number of miles of pipeline annually surveyed for theft of service and leaks, and explore contracting with third-party providers to increase the amount pipeline surveyed.

Analysis:
In FY99, the City was unable to account for over 24 percent of the water it produced.
The City’s ability to minimize the amount of water that it produces, but for which it does not bill, is critical to maintaining the City’s comparatively very low water charges. While the City will always produce water for which it cannot bill (e.g. firefighting), it can take proactive steps to reduce the current level of unaccounted for water caused by the theft of service and pipe leaks.

The Bureau of Water and Wastewater should set standards (see Recommendation 14-B) to increase the amount of water pipeline that is surveyed each year. Additionally, it should explore options to retain a third party to assist in the surveying of pipelines. If this option is pursued, contractor payment could be directly tied to the level of cost savings or revenue enhancement produced so as to minimize the Bureau’s up-front costs.
DEPARTMENT OF PUBLIC WORKS: PURSUE QUARTERLY BILLING OPTIONS

8-F
DEPARTMENT OF PUBLIC WORKS: PURSUE QUARTERLY BILLING OPTIONS

Problem Identification:
The City’s practice of billing water charges on a quarterly basis limits its ability to maximize interest earnings through effective cash flow management and could be a contributing factor to customer delinquency rates.

Recommended Action:
Move from quarterly to monthly billing of the City’s water charges to accelerate cash flow and increase collection rates.

Classification:
Revenue Enhancement, Service Improvement

Functional/Operational Area:
Bureau of Water and Wastewater

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, moving to quarterly billing would allow the Department to accelerate cash flow leading to increased interest earning. Additionally, monthly billing would likely lead to a reduction in delinquency rates.

Estimated Implementation Costs:
Shifting from quarterly to monthly billing would increase the City’s postage costs. Additionally, there could be increased processing costs.

Barriers to Implementation:
The City’s existing meter-reading operation, a cumbersome and labor-intensive process, would likely prevent transitioning from quarterly to monthly billing (see related Recommendation 13-B).

Projected Implementation:
3 – 5 years

Next Steps:
Closely monitor the City’s current evaluation of new meter-reading technologies. Evaluate the feasibility of transitioning segments of the City’s customer portfolio to monthly billing prior to the implementation of new meter-reading technologies.

Analysis:
The Bureau’s ability to act on this recommendation will be largely dependent upon the implementation of new meter-reading technologies aimed at improving the quality and timeliness of the billing information collected by the City (see Recommendation 13-B for additional information).

In FY2000, the City approved plans for a 19 percent water rate increase and a 15 percent sewer rate increase. It is projected that these increases will result in the average Baltimore water user paying over $115 per quarter in water and sewer charges.
Most citizens pay their household bills on a monthly basis. By allowing billing charges to accumulate for a three-month period, some customers receive a bill that might be more easily managed on a monthly installment as opposed to an accumulated lump sum. Additionally, the monthly payment of charges would allow the City to increase annual interest earnings.

In FY93, the City of Philadelphia’s Water Department moved from quarterly to monthly billing. Within one fiscal year its collection rate increase by over 6 percent.
DEPARTMENT OF PUBLIC WORKS: CRITICALLY EVALUATE STAFFING PATTERNS

9-A
DEPARTMENT OF PUBLIC WORKS: CRITICALLY EVALUATE STAFFING PATTERNS

Problem Identification:
Departmental staffing patterns must be continually scrutinized to ensure the proper allocation of human resources to the areas most critical to the promotion of service objectives.

Recommended Action:
Achieve reductions in senior and administrative staffing contingents and focus future hiring efforts on critical service delivery and contract and financial monitoring functions.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Cost:
None

Barriers to Implementation:
Low turnover rates might impede the Department’s ability to consolidate positions without layoffs.

Projected Implementation:
Ongoing

Next Steps:
Continually evaluate the Department’s staffing patterns; upon the departure of existing employees scrutinize the critical need for the vacated positions and consider converting funding to other job classifications that address more pressing staffing needs.

Analysis:
As part of the Greater Baltimore Committee/Presidents’ Roundtable Review process, the DPW project team’s subcommittees reviewed the Department’s existing budget and the distribution of job classifications across its organizational programs.

With a budget approaching $500 million and over 5,680 budgeted positions, DPW is by far the largest organizational entity within Baltimore’s municipal government. DPW is organized into four bureaus: Solid Waste, General Services, Water and Wastewater, and Transportation. These four programs, and the Director’s Office, are divided into 33 programmatic areas that delineate organizational responsibilities.

When reviewing the programmatic areas under each of the four bureaus the widespread duplication of administrative functions is very noticeable. For instance, within the Bureau of Transportation’s 14 program areas, there exist 9 separate administrative units in the following areas: towing, bureau administration, traffic engineering, signs and markings, parking enforcement, school crossing guards, street lighting,
highway maintenance, and highway engineering.

While it is impossible to make a conclusive statement regarding the necessity of each unit in the absence of individual unit workload audits, it seems plausible that some position consolidation could occur through merging select supervisory responsibilities and creating shared/pooled administrative support functions.

Recommendations 2-B, 2-C, 2-D, and 2-E of this report identify areas within DPW where the relocation of functional responsibilities should be considered. The rationale for this set of recommendations is to align interdependent and complementary functions to achieve economies of scale and improved coordination. While specific duplicative administrative and managerial efforts were not identified in those recommendations, close scrutiny of staffing patterns after the implementation of the proposed reorganizations could potentially produce savings.
DEPARTMENT OF PUBLIC WORKS: ADDRESSING ENGINEERING SHORTAGES

Problem Identification:
The City is unable to attract and retain qualified engineers. The recent Retirement Incentive Opportunity (RIO) resulted in the loss of many key experienced personnel. The majority of the vacated position were abolished. The City’s engineering-related employment lists often contain only a few minimally trained candidates, symptomatic of the reality that engineering professionals are in great demand. The City’s entry level engineering personnel typically remain in the Civil Service system for a short time to gain work experience before moving on to higher paying opportunities outside of City government.

Recommended Action:
Develop strategies to address the City’s critical need for engineers including expanding the City’s capacity to preexamine project change orders, create an Environmental Engineer III position classification to accelerate the environmental/historical review and approval processes for federal-aid projects, and expand the City’s engineering internship program with local colleges and universities.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations with Engineering-related Activity

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, addressing the City’s shortage of qualified engineering personnel could produce dramatic effects in reducing the backlog of projects that cannot be completed in a timely fashion by accelerating the design and execution of capital construction projects, and reducing the number and cost of change orders.

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Private sector demand for engineering employment candidates and comparatively low City compensation packages. Additionally, the City’s utilization of hiring freezes limits the infusion of additional engineers.

Projected Implementation:
Ongoing

Next Steps:
Convene a small working group with representation from DPW and the Personnel Department. Examine the success of current recruitment efforts, evaluate job classifications and salary ranges, and make adjustments to current practices as necessary.

Analysis:
A continually resurfacing observation during the course of the project team’s fieldwork related to DPW’s
critical need for engineers. Some of the specific areas mentioned include:

– Preparing construction estimates and specifications;
– Preparation and processing of environmental documentation associated with federal aid projects;
– Coordinating utility work.

While addressing these needs would almost invariably involve some staffing costs, these staffing costs might help the City realize significant improvements in areas such as reducing the time required for design and execution of capital projects and minimizing the number and amount of change orders.

Select interim solutions to this Department-wide problem include:

– Establishing a cooperative engineering internship program for local high school students to attract entry-level para-professional workers interested in the engineering field and/or career opportunities with the City;
– Establishing new position classifications (e.g. -Engineering Associate III and Engineering Supervisor) to provide promotional opportunities for para-professional engineering personnel to be promoted (currently, Engineering Associate II or Transportation Associate II are the highest positions attainable for personnel in either of the before-mentioned classifications);
– Expanding engineering internship programs with local colleges and universities and hiring program participants into the City’s Engineer II position as opposed to Engineer I position as an incentive for remaining with the City;
– Supplementing the existing workforce with contract engineers; and
– Reviewing and adjusting salary rates within engineering-related classifications to increase the City’s competitiveness with the private sector.

This recommendation relates to an area of DPW’s operations that requires further study (see Recommendation 1-B).
Problem Identification:
The Bureau of Transportation’s Traffic Control unit is costly to operate and sometimes provides what appears to be duplicative or unneeded services. Additionally, due to their appearance, members of this unit can be confused for Police Department personnel.

Recommended Action:
Utilize uniformed traffic control personnel for only large-scale special events. Additionally, consider transferring management of this function to the Baltimore City Police Department.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Bureau of Transportation

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Reconsider the necessity of maintaining such a large contingent of traffic enforcement officers. Audit each assigned post, identify the unnecessary, and achieve reductions in force. Consider transferring the operational responsibility for this function to the Police Department.

Analysis:
In FY2000, the Traffic Computer and Communications division of DPW’s Bureau of Transportation had a budget that exceeded $2.1 million. Of this amount, nearly $1.9 million went for traffic control activities related to maintaining the orderly and safe flow of traffic and pedestrians. This unit of nearly 50 enforcement officers is particularly visible at large scale events such as Baltimore Orioles and Ravens games and Baltimore Symphony Orchestra concerts. Additionally, officers are frequently seen at various times of the day in downtown Baltimore attempting to direct traffic and the flow of pedestrians.

The necessity of traffic and pedestrian control personnel is very obvious before and after well-attended public events. During some events at the stadium complex, select intersections have been observed to be occupied by personnel from both the DPW Traffic Unit and the Police Department. This appears to be an unnecessary duplication of effort. Furthermore, the value-added contribution of this unit is questionable during regular morning and afternoon commutes, as well as during the afternoon lunch hours.
Careful consideration should be given as to whether the Police Department might be best positioned to
determine the need and deployment of traffic control personnel. If the determination is made that the current
level of service provided by the City is redundant or unnecessary, these financial resources should be
reapplied to address more pressing service needs.
DEPARTMENT OF PUBLIC WORKS: STREAMLINE PROCESSING OF CONSULTANT PROCUREMENT

11-A, 11-B, 11-C
DEPARTMENT OF PUBLIC WORKS: STREAMLINE PROCESSING OF CONSULTANT PROCUREMENT, CONTRACT AND CHANGE ORDER APPROVAL AND INVOICE APPROVAL

Problem Identification:
The current procedures for consultant procurement, contract and change order approval and invoice approval are tedious, time-consuming, and inefficient.

Recommended Action:
These procedural problems can be addressed by:- Developing a more streamlined process of procuring consulting services. Investigate procurement policies utilized by the State of Maryland and other local jurisdictions and adopt those which produce the greatest procurement efficiency.

– Developing new, personal computer-based systems to process Expenditure Authorization Requests which allow easy access to information, easy data correction and proper linking of calculation fields. Allow computer based approvals to be made in lieu of the current manual approvals.

– Developing a new policy for handling direct cost billings which avoids the tedious and time-consuming labor efforts currently required to process invoices. Solutions include:

1. Use lump sum negotiated set fees for direct costs based on detailed cost estimates with no backup required. Consultant to bill a percentage of direct costs on monthly invoices.

2. Allow consultants to keep receipts in their office records for possible audit by City and pay direct costs invoiced based on honor system.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All DPW Bureaus

Estimated Annual Impact:
$360,000 of staff time based on the reduction of approximately 11,800 unnecessary work orders based on current work experience (six full time equivalents with average salary and benefits costs of $60,000). These work hours could be reapplied to other areas.

Estimated Implementation Costs:
None

Barriers to Implementation:
Agencies in the procurement process must agree to recommended changes. Scope of the process needs to be developed with input from DPW contract administrators and managers. Program design and training required. Department of Audits must concur with the proposed change.

Projected Implementation:
90 days

Next Steps:
Investigate if any City Charter amendment is necessary.
Investigate State and local jurisdiction procurement processes. Demonstrate to the Department of Audits the average direct cost percentage on a variety of projects and the work hour effort required to comply with the current policies. Develop a standard procedure and submit it to the Department of Audits and Law for approval. Upon approval of the Departments of Audit and Law, the policy must be submitted by Department of Audits to Board of Estimates for approval.

Analysis:
The City’s architectural and engineering consultant selection process is cumbersome, with many steps in the procurement process required. The average expectation of procurement time from the date of advertisement to the date of the award of contract is 210 calendar days.

Consultants have stated that other jurisdictions have a more streamlined process for procurement of architectural and engineering services.

Estimated number of consultant contracts approved per year: 100; estimated number of employee hours saved per contract: 30.

The current Expenditure Authorization Request (EAR) approval process involves the utilization of an antiquated mainframe computer program. The program can be accessed through local personal computers, but is not flexible. For instance, the addition of information often requires a complete retyping of the body of the EAR. Also, numerical adjustments do not automatically trigger the recalculation of numerical information. In addition, a six-carbon document printed by the computer is still required to be manually hand-carried to various offices for approval. (Note: The fourth, fifth and sixth copies of the seven-page-thick EAR document are normally not readable).

Number of DPW Bureaus : 4
Number of employee-hours per day saved per Bureau: 4
Number of workdays per year: 250

The vast majority of the cost of consultant invoices involves direct labor charges, which can be justified by the simple submission of a certified payroll signed by a company principal. However, the Department of Audits requires consultants to submit invoices for all direct expenses such as photocopying, long-distance telephone calls, parking fees, etc.

Many hours are spent by Department of Public Works personnel reviewing direct cost expense items and receipts on invoices that comprise an average of only five percent (5%) of the invoice amount but require approximately eighty percent (80%) of the review and processing time. Developing a simpler requirement for the justification of the direct costs will streamline the invoice processing procedure.

Benefits:
– Personnel can spend more time on other administrative work that is backlogged.
– Consultant will not have to tediously track and copy (4 copies required) invoices for direct costs.
– Invoices will be approved in a timelier manner.

Number of invoices/year : 1,200
Number of hours saved/invoice : 4
 Problem Identification:
The current procedures for consultant procurement, contract and change order approval and invoice approval are tedious, time-consuming, and inefficient.

Recommended Action:
These procedural problems can be addressed by:

– Developing a more streamlined process of procuring consulting services. Investigate procurement policies utilized by the State of Maryland and other local jurisdictions and adopt those which produce the greatest procurement efficiency.

– Developing new, personal computer-based systems to process Expenditure Authorization Requests which allow easy access to information, easy data correction and proper linking of calculation fields. Allow computer based approvals to be made in lieu of the current manual approvals.

– Developing a new policy for handling direct cost billings which avoids the tedious and time-consuming labor efforts currently required to process invoices. Solutions include:

1. Use lump sum negotiated set fees for direct costs based on detailed cost estimates with no backup required. Consultant to bill a percentage of direct costs on monthly invoices.

2. Allow consultants to keep receipts in their office records for possible audit by City and pay direct costs invoiced based on honor system.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All DPW Bureaus

Estimated Annual Impact:
$360,000 of staff time based on the reduction of approximately 11,800 unnecessary work orders based on current work experience (six full time equivalents with average salary and benefits costs of $60,000). These work hours could be reapplied to other areas.

Estimated Implementation Costs:
None

Barriers to Implementation:
Agencies in the procurement process must agree to recommended changes. Scope of the process needs to be developed with input from DPW contract administrators and managers. Program design and training required. Department of Audits must concur with the proposed change.

Projected Implementation:
90 days

Next Steps:
Investigate if any City Charter amendment is necessary.
Investigate State and local jurisdiction procurement processes. Demonstrate to the Department of Audits the average direct cost percentage on a variety of projects and the work hour effort required to comply with the current policies. Develop a standard procedure and submit it to the Department of Audits and Law for approval. Upon approval of the Departments of Audit and Law, the policy must be submitted by Department of Audits to Board of Estimates for approval.

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The City’s architectural and engineering consultant selection process is cumbersome, with many steps in the procurement process required. The average expectation of procurement time from the date of advertisement to the date of the award of contract is 210 calendar days.

Consultants have stated that other jurisdictions have a more streamlined process for procurement of architectural and engineering services.

Estimated number of consultant contracts approved per year: 100; estimated number of employee hours saved per contract: 30.

The current Expenditure Authorization Request (EAR) approval process involves the utilization of an antiquated mainframe computer program. The program can be accessed through local personal computers, but is not flexible. For instance, the addition of information often requires a complete retyping of the body of the EAR. Also, numerical adjustments do not automatically trigger the recalculation of numerical information. In addition, a six-carbon document printed by the computer is still required to be manually hand-carried to various offices for approval. (Note: The fourth, fifth and sixth copies of the seven-page-thick EAR document are normally not readable).

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Number of workdays per year: 250

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Many hours are spent by Department of Public Works personnel reviewing direct cost expense items and receipts on invoices that comprise an average of only five percent (5%) of the invoice amount but require approximately eighty percent (80%) of the review and processing time. Developing a simpler requirement for the justification of the direct costs will streamline the invoice processing procedure.

Benefits:
– Personnel can spend more time on other administrative work that is backlogged.
– Consultant will not have to tediously track and copy (4 copies required) invoices for direct costs.
– Invoices will be approved in a timelier manner.

Number of invoices/year: 1,200
Number of hours saved/invoice: 4
Problem Identification:
The Transportation Engineering Division uses consultants to design projects that are too large, too time consuming or too detailed for in-house staff to execute. Once interviews have been held, and the consultant has been approved by the Architectural and Engineering Awards Commission, the Transportation Engineering Division begins negotiations with the selected consultant. When negotiations are complete the contract is then processed by the Construction Management Division who in turn issues a Design Notice-to-Proceed. After issuance of the Notice-to-Proceed, the Transportation Engineering Division begins to manage the consultant throughout design. The responsibility for the various steps of the approval process changes divisions too many times, making the tracking of the project from interviews to Notice-to-Proceed too timely, too costly, and difficult to manage. Additionally, competing priorities within the Construction Management Division may cause processing efficiency to suffer. The Construction Management Division also processes Notice-to-Proceed for Construction Projects. This has been one of the major tasks for the Division. In the past, design processing was the responsibility of the Transportation Engineering Division.

Recommended Action:
Move responsibility for design contract processing from the Bureau of Transportation’s Construction Management Division to its Engineering Division.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Bureau of Transportation Engineering Division and Construction Management Division

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, shorter-processing times would have a direct impact on operational costs.

Estimated Implementation Costs:
Negligible

Barriers to Implementation:
None

Projected Implementation:
60 days

Next Steps:
The Bureau of Transportation’s Construction Management and Engineering Divisions need to coordinate to
establish a list of projects and their status. Then sixty days are needed to hire personnel and coordinate. There are three contract administrators, one supervisor, and one assistant who currently process design and construction contracts. The existing work flows of these personnel should be examined to identify which employees could be reassigned.

**Analysis:**
Currently, contract processing is as follows: after approval from the Architectural and Engineering Awards Commission, negotiations of design scope and hours occur. This takes approximately two months. Next, MBE/WBE qualifications audit reports and payroll rosters are submitted by the prime and subcontractors. The final step is to acquire signatures on the agreement, which takes approximately one month. The entire process takes five months. This time period could be reduced in half if the Division dedicated to design issues was responsible for all of the steps in the process.
DEPARTMENT OF PUBLIC WORKS: CHANGE ORDER MANAGEMENT

11-E
DEPARTMENT OF PUBLIC WORKS: CHANGE ORDER MANAGEMENT

Problem Identification:
All change orders for design and construction in excess of $10,000 go through a multiple review process that takes excessive time and increases costs to the City. The review for a change order includes a review by the user staff, a review by the Department of Audits, and a review by the Change Order Review Committee, Board of Estimates approval, and amount signatures by four layers of City staff. The threshold has not been increased in at least 20 years.

Recommended Action:
Reconsider the appropriate financial threshold for change order reviews.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
All Departmental Operations, Department of Audits

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
Existing City policies regarding change order review.

Projected Implementation:
60 days

Next Steps:
Request that the Law Department determine if this is a policy or procedural change or if new legislation is needed.

Analysis:
Change orders are the result of changed or unknown field conditions, user issues changing, shortcomings in the design documents and/or shortcomings in the construction sequencing.

Increasing the change order review threshold would decrease the administrative work time spent reviewing and processing change orders and potentially increase the City’s pool of bidders and companies that now choose not to propose or bid due to the onerous change order process will propose or bid giving the City more competitive proposals and bids.
DEPARTMENT OF PUBLIC WORKS: TASK ORDER MANAGEMENT-OPEN END CONTRACTS

11-F
DEPARTMENT OF PUBLIC WORKS:
TASK ORDER MANAGEMENT-OPEN END CONTRACTS

Problem Identification:
The City’s task order review process takes too long and increases costs to the City.

Recommended Action:
Minimize task order reviews on open-ended contracts.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
All Departmental Operations, Department of Audits, and EEOC

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, increasing the task order review threshold will decrease administrative work time spent reviewing and processing task orders and potentially increase the City’s pool of bidders and companies that now choose not to propose or bid giving the City more competitive proposals and bids.

Estimated Implementation Costs:
None

Barriers to Implementation:
The Department of Audits may object in that there is a comprehensive review of all task orders and there is a loss of control and audit review.

Projected Implementation:
30 days

Next Steps:
Request that the Law Department determine if this is a policy or procedural change or if new legislation is needed.

Analysis:
The City has recently increased the threshold for open-ended consultant contracts to $500,000. Open-end contracts allow the City to get a consultant under agreement quickly for tasks or projects. The current selection process can take up to 210 working days to get a consultant under contract for specific projects. Once a contract has been negotiated and approved by all departments, tasks on open-ended agreements go through another comprehensive review process. The review for a task order includes a review by the user staff, a review by the Department of Audits, and a review by EEOC. This task order review process takes excessive time and increases costs to the City. Task orders review on open-ended contracts should not require the same level of review by Audits and EEOC.

Require task order review only at the user level. Require documentation on MBE/WBE participation assigned to date for open-end contract to be submitted with each task order proposal. Have a comprehensive review by Audits and EEOC at the closeout of the agreement.
DEPARTMENT OF PUBLIC WORKS: STAGGERED COLLECTION SHIFTS

Problem Identification:
Presently, all City collection yards begin collection activities at the same time. This schedule results in a huge volume of full collection vehicles arriving at BRESCO for disposal at essentially the same time. Self-generated truck lines result in inefficiencies, delays, and unnecessary overtime by the department.

Recommended Action:
Stagger starting schedules to “smooth out” the arrival times of City collection crews at BRESCO thereby increasing collection efficiencies by minimizing wait times.

Classification:
Cost Savings

Functional/Operational Area:
Bureau of Solid Waste

Estimated Annual Impact:
$150,000

Estimated Implementation Costs:
None

Barriers to Implementation:
Resistance to changes in shift start times by collection personnel and concern about reduced overtime earnings can be expected. Also, there appears to be existing labor contact terms that may prevent implementation of this recommendation.

Projected Implementation:
60 – 90 days

Next Steps:
Perform a time study of each collection yard to determine the time required for an average collection route to perform one complete cycle from the collection yard through the route and finally to BRESCO. Develop a model that optimizes the start time for each yard and results in minimal predictable truck traffic impact at BRESCO. Meet with collection supervision and implement the change in start times after holding informational meetings with all impacted employees.

Analysis:
Under current practices, the City’s collection crews embark on their daily routes at approximately the same time, leading to concentrated arrivals of collection crews at BRESCO. The inability of collection crews to rapidly enter and exit BRESCO contributes to the high level of overtime costs incurred by collection crews. The estimated financial impact of $150,000 is based on achieving a modest 10 percent reduction in overtime costs.
DEPARTMENT OF PUBLIC WORKS: SHIFT WORK

12-B
DEPARTMENT OF PUBLIC WORKS: SHIFT WORK

Problem Identification:
The Bureau of General Services' Building Maintenance Division currently operates Monday through Friday, 7:00 a.m. through 3:00 p.m. However, much of the work must be performed in the evening hours in order to minimize disruptions of day-to-day business. Overtime costs are incurred for this work.

Recommended Action:
Institute a second shift to perform building maintenance functions that cannot be performed during the City's normal business hours.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Building Maintenance Division, Labor Commissioner, and local unions

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the implementation of a second shift would lead to reductions in overtime expenses and less service-related disruptions during the work day.

Estimated Implementation Costs:
None

Barriers to Implementation:
Work schedules are governed by the City's collective bargaining agreements.

Projected Implementation:
Cannot be Determined

Next Steps:
Open discussions with the Labor Commissioner and local unions to propose a second shift and perhaps weekend work.

Analysis:
In the absence of a second shift, critical renovations and various repairs cannot be performed during the day without disrupting other City workforces.

A committee consisting of union members and DPW management was established to examine this issue.
DEPARTMENT OF PUBLIC WORKS: FLEXIBLE WORKING HOURS

12-C
DEPARTMENT OF PUBLIC WORKS: FLEXIBLE WORKING HOURS

Problem Identification:
The City’s office personnel are restricted to an 8:30 AM to 4:30 PM workday. Therefore, services to the citizens, such as bill payment, permit review, and plans reviews are restricted to these hours.

Recommended Action:
Explore adopting flex-time scheduling practices.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Department of Public Works

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
Existing work schedules are governed by the City’s collective bargaining agreements.

Projected Implementation:
90 days

Next Steps:
In collaboration with union representation, gauge employee interest and develop a policy, if appropriate.

Analysis:
Implementing the recommendations will improve services to the citizens by extending office hours at no increased expense. Additionally, employee morale and productivity will improve by allowing employees to coordinate their work and personal schedules. Flex-time may also be an attractive benefit for employment with City government.
Problem Identification:
The time required to complete the Bureau’s solid waste and recycling collection and the amount of tonnage collected per crew varies widely. Situations exist where certain routes generate considerable overtime costs while other routes are completed in less than six hours. Additionally, some routes generate twice the tonnage of others.

Recommended Action:
Utilize the City’s geographic information systems (GIS) capabilities to develop more efficient sanitation and recycling collection routes that balance workloads and enable the consolidation of the total number of collection routes.

Classification:
Cost Savings

Functional/Operational Area:
Bureau of Solid Waste

Estimated Annual Impact:
$450,000 – $810,000

Barriers to Implementation:
None

Projected Implementation:
While the initial redesign and implementation of revised collection routes could occur in 60 – 90 days, route configurations should be continually analyzed and revised as necessary.

Next Steps:
Collect, track, and analyze data related to the time needed to complete collection routes, average tonnage collected, total mileage covered, and number of households serviced. Utilize this information to identify disparities and redesign routes to promote balanced workloads and a reduced need for overtime.

Analysis:
The Bureau of Solid Waste has more than 70 solid waste and 20 recycling collection routes for which it is responsible each workday. The Bureau’s crew work on what is referred to as a ‘task system,’ meaning that once their task (i.e. – their assigned collection route) is completed, their workday is done. If the route takes less than a full workday, crew members are still compensated for a full work day. If, however, the collection route is not completed during the eight-hour workday, crew members collect time and half for all overtime hours worked. While the Bureau reports that the average time to complete a collection route is 6.5 hours, a
large number of collection routes generate overtime costs. This provides a strong indication that workloads are not appropriately balanced thereby leading to unnecessary costs, particularly in overtime.

Through the use of GIS technology, the City has the capability to electronically map the Bureau’s collection routes. Coupled with timesheet records and tonnage collection information, the most costly of the City’s collection routes can be identified and appropriate route revisions can be accomplished.

Given the Bureau’s existing 90 (approximately) collection routes, a reasonable goal for route consolidation could range from 5 – 10 percent (5 – 9 routes). Assuming that each route is staffed with three people with an annual cost of $30,000 per person (salary and associated benefits costs), achieving modest route reductions could produce between $450,000 and $810,000 in cost savings. This figure, furthermore, does not include potential cost savings that would occur as a result of the reduced need for collection-related vehicles.
Problem Identification:
The City’s existing network of water meters is old and in need of replacement. Additionally, most City meters require labor-intensive manual readings to collect billing information.

Recommended Action:
Advance plans to implement upgraded water meter-reading technologies.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Bureau of Water and Wastewater

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, it has been projected that a similar initiative by the City of Philadelphia’s Water Department will result in a net present value savings of $25 million over 20 years. Implementation should lead to savings that result from reduced need for manual meter reading, associated equipment reductions (vehicles), and less theft of service.

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
The capital cost of replacing the City’s existing network of water meters will be high.

Projected Implementation:
3 – 5 years

Next Steps:
Embark on pilot testing of automatic meter-reading technologies and develop a financing and implementation strategy to upgrade the City’s meter-reading technologies.

Analysis:
The City has already engaged a professional consulting firm to assist in developing plans to replace its outdated network of water meters with automatic meter-reading technology that allows meter readings to be performed via radio transmittal eliminating the need for manual meter readings and the requirement for the Department’s personnel to gain direct access to the meter.

Currently, the Bureau of Water and Wastewater has over 100 personnel in its utility billing section with a budget of approximately $7.5 million.

After upgrading its meter-reading technologies, Philadelphia became able to collect monthly billing information for its water system by using three vans equipped with automatic meter-reading (AMR) technologies. Ultimately, this enabled the reduction of approximately 60 meter-reading positions and associated overhead cost savings. It is important to note that no layoffs were required as personnel were
redeployed to address other staffing needs.
Department of Recreation and Parks: Comprehensive Performance Measurement Program

8-A
DEPARTMENT OF RECREATION AND PARKS:
COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM

Problem Identification:
Central administration and Department management are often forced to make critical resource allocation decisions in the absence of meaningful performance and service data. Incomplete information hampers the City’s ability to effectively and efficiently manage its limited budgetary resources.

Recommended Action:
Set and clearly articulate service goals for every Departmental division and develop a set of regularly reported service measures to track the Department’s performance in meeting its goals.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the regular collection and review of performance and service data can produce innumerable opportunities to improve the Department’s operations by equipping managers with the necessary information to make informed decisions regarding the allocation of resources.

Estimated Implementation Costs:
Can be accomplished within the Department’s existing resources.

Barriers to Implementation:
The collection and analysis of performance and service data must become an increased priority for the Department’s leadership. Future automation efforts must be specifically geared towards improving tracking and reporting capabilities.

Projected Implementation:
45 days

Next Steps:
Utilizing the list of proposed indicators (linked below), the Department, in conjunction with representatives from the Mayor’s Office and other central administration offices, must evaluate the adequacy of current data tracking and analysis efforts, identify those key indicators that best measure the effectiveness and efficiency of the Department’s operations, and begin to regularly report (at least on a monthly basis) on performance.

Analysis:
By focusing attention on the services that the Department provides and how well it provides those services, a comprehensive performance measurement program can provide City managers and the public with the necessary information to evaluate the efficiency and effectiveness of the services. The information yielded can be used to justify requests for increased funding as well as to ensure the Department’s ability to sustain or increase services with the same or decreasing amounts of resources. Equally important, the program can increase the City’s accountability by providing the public with enhanced information about service delivery.

LIST OF PROPOSED INDICATORS
LIST OF PROPOSED INDICATORS

Fire Suppression

911 Fire Suppression Service Calls
Total Responses to Fire Calls
  – Total Structure Fires
  – Residential
  – Other Structure Fires
  – Total Nonstructure Fires
  – Vehicle Fires
  – Debris Fires
  – Vacant Lot Fires
Total Vacant Building Fires
Average Fire Suppression Response Time
Percentage of Fire Service Calls Responded to Within Five Minutes
Total Fire Deaths
  – Firefighter Deaths
  – Civilian Deaths
  – Deaths Age 0-18
  – Deaths Age 19-35
  – Deaths Age 36-59
  – Deaths Age 60+
Deaths by Structure Type
  – Residential
  – Commercial
Total False Alarms
  – Residential
  – Commercial
Total Dollar Value Lost to Fire
  – Residential
  – Commercial

Emergency Medical Services

911 EMS Service Calls
Total EMS Medical Runs
EMS medical runs that resulted in medical transport
  – Advanced Life Support (ALS) Runs
  – Basic Life Support (BLS) Runs
Average EMS Unit Response Time
Percentage of EMS Service Calls Responded to Within Eight Minutes
Suppression Apparatus Ambulance Assist Runs
Average Suppression Apparatus Ambulance Assist Response Time
Percentage of Ambulance Assist Calls Responded to Within Eight Minutes
Runs that Resulted in an EMS Billing
Total EMS Billings (in dollars)
Total EMS-Related Revenues Collected
– Medicare Revenues Collected
– Medicaid Revenues Collected
– Insurance Revenues Collected
– Self-Pay Revenues Collected

Overall EMS Collection Rate

**Special Units**

HAZMAT Incidences
Marine Unit Incidences
– Fire Response
– Piers
– Barges
– Refineries
– Tug Boats
– Other Boats
– Structure Fires
– Others
– Rescues
– Assist Police
– Overturned/Sinking Boats
– Car in the Water
– Assist Coast Guard
– HAZMAT

**Community Risk Reduction/Prevention**

Total Number of Fire Inspections Conducted
Average Number of Inspections Performed per Fire Company
Percentage of Fires in Previously Inspected Occupancies
Percentage of Total Inspected Occupancies Experiencing Fires
Fire Marshal’s Office Total Investigations
– Incendiary/Arson as Cause of Fire
– Investigation-Related Criminal Prosecutions
Number of Fire Prevention In-School Presentations
Field Fire Prevention Activities
Total Number of Smoke Detectors Distributed
– Number of Fires Occurring in Structures Without a Working Smoke Detector
  – Residential
  – Other Structures
– Number of Fire Deaths Occurring in Structures Without a Working Smoke Detector
  – Residential
  – Other Structures

**Risk Management**

Total Number of Paid Days Lost Due to Injuries
Total Number of ‘Limited Duty’ Injured-on-Duty Days
New Service Connected Disability Pensions Granted
Total Number of Vehicles Accidents
– Engine Accidents
– Related Injuries
– Truck Accidents
– Related Injuries
– EMS Unit Accidents
– Related Injuries
– Command Car Accidents
– Related Injuries
– Other Vehicle Accidents
– Related Injuries

**Internal Services**

Total Number of Fire Vehicles
– Number of Engines
– Minimum Number of Engines Needed in Service Each Day
– Percentage of Time Minimum Number of Engines Available
– Number of Trucks
– Minimum Number of Trucks Needed in Service Each Day
– Percentage of Time Minimum Number of Trucks Available
– Number of EMS Units
– Minimum Number of EMS Units Needed in Service Each Day
– Percentage of Time Minimum Number of EMS Units Available
– Number of Command Cars
– Minimum Number of Command Cars Needed in Service Each Day
– Percentage of Time Minimum Number of Command Cars Available
– Number of Other Vehicles
– Minimum Number of Other Vehicles Needed in Service Each Day
– Percentage of Time Minimum Number of Other Vehicles Available
DEPARTMENT OF PUBLIC WORKS, BUREAU OF SOLID WASTE: PUBLIC EDUCATION/PROMOTION PROGRAM

15-A
DEPARTMENT OF PUBLIC WORKS, BUREAU OF SOLID WASTE: PUBLIC EDUCATION/PROMOTION PROGRAM

Problem Identification:
A cleaner Baltimore is a major indicator of a successful Baltimore. A major portion of trash on city streets, alleys and private property is refuse of individual residents who do not know proper methods of trash management or do not understand the costs of carelessness.

Recommended Action:
Develop a “Clean Up Baltimore” promotional campaign along the lines of the “Trash Ball” campaign of the 1980s.

Classification:
Service Improvement

Function/Operational Area:
Community Education

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the potential exists for an unlimited upside financial impact through an enhanced city reputation among existing and relocating businesses and ultimate increase in property values.

Estimated Implementation Costs:
None (with pro bono participation by advertising creative resources and news media)

Barriers to Implementation:
None

Next Steps:
Develop goals and objectives. Plan a strategy of applying existing resources/budget along with new no-cost resources. Recruit advertising agency/creative resources for a program that will touch individual residents with additional special efforts via schools and community/civic organizations. Recruit media sponsors among daily and weekly newspapers, TV and radio stations. Establish a method to evaluate the results and to make future improvements in the program.

Analysis:
The program is based on the approach that people want to do the right thing for their neighborhood and their city provided that they are led in a stimulating and meaningful manner. This applies equally to the residents who will improve their trash disposal behaviors and to businesses.

The no-cost creative and communications resources could be provided by businesses that would welcome the opportunity to make a meaningful contribution to their city at relatively small cost. A personal recruiting message from Mayor O’Malley and a briefing meeting with him would increase the attraction of participation to the businesses.
DEPARTMENT OF PUBLIC WORKS: PUBLIC/PRIVATE INITIATIVES

15-B
DEPARTMENT OF PUBLIC WORKS: PUBLIC/PRIVATE INITIATIVES

Problem Identification:
Accumulations of bulk trash in lots, parks, alleys and other public areas, particularly in areas identified as “hot spots,” continues to be a major problem in the city.

Recommended Action:
Explore expanding successful public/private partnerships aimed at improving Baltimore’s cleanliness.

Classification:
Service Improvement

Functional/Operational Area:
Bureau of Solid Waste

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Identifying financial and operational resources to increase the scope and impact of public/private partnership.

Projected Implementation:
Ongoing

Next Steps:
Identify organizations that could participate in this effort and develop appropriate workplans and fundraising strategies.

Analysis:
Supplementing the City’s existing efforts with targeted public/private initiatives can achieve meaningful results in the fight to improve Baltimore’s cleanliness. A successful public/private initiative known as Project Serve (operated by Living Classrooms Foundation and funded by a contract with the Bureau) is already in place in East Baltimore and should serve as a model for additional activity. Project Serve is a collaborative effort of Historical East Baltimore Community Action Coalition (HEBCAC), Living Classrooms, and the Bureau of Solid Waste and has been highly successful. The project team believes that it demonstrates the potential of creative approaches to persistent problems and offers a model or starting point for a new initiative to address the city’s bulk trash problem.
Problem Identification:
The City lags behind certain surrounding counties in converting consumer waste to recyclables or diverting waste altogether. Recycling collections represent only 8 percent of total tonnage from residential sources.

Recommended Action:
Initiate an aggressive citywide recycling initiative focused on consumer waste, endorse ‘reuse’ as a desirable strategy, and participate more actively in regional recycling initiatives.

Classification:
Cost Savings, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Bureau of Solid Waste

Estimated Annual Impact:
$800,000

Estimated Implementation Costs:
Minimal staffing cost that could probably be absorbed within existing budgets (Baltimore County spends less than $50,000 a year). There should be no impact on recycling collection costs as there is excess capacity in the Bureau’s operations.

Barriers to Implementation:
The willingness of residents to participate more heavily in recycling and of the Bureau to increase participation in regional recycling activities.

Projected Implementation:
1 year

Next Steps:
Investigate pooling promotional resources with other regional jurisdictions to have a coordinated residential recycling and source reduction education/promotion program throughout the Greater Baltimore media market.

Analysis:
Increasing the portion of residential waste that is recycled would benefit the City in two ways. First, there is excess capacity in the residential recycling collection operation. Currently, residential recycling collection operation accounts for approximately 20 percent of the residential routes, but only 8 percent of the tonnage collected. Second, to the extent that materials that would otherwise go to Bresco are recycled, the City saves the tipping fee at Bresco ($36 per ton). Based on current Bresco rates, if recycling collections doubled from the current level (22,500 tons per year) to 16 percent of tonnage collected, the annual savings would approximate $800,000.
The project team believes that implementation of a 1+1 mixed refuse collection plan (see Recommendation 6-A) would encourage/cause residents to make greater use of the weekly recycling collection. This would help ensure that the City realizes the benefits of increased residential recycling.

Finally, several regional initiatives exist that the City can become more involved in, including the Northeast Maryland Waste Disposal Authority and Maryland Recyclers Coalition. Through active collaboration with these organizations, the City could increase recycling-related revenues through cooperative sales and participate in benchmarking improvement projects.
Executive Summary

Introduction: DEPARTMENT OF PUBLIC WORKS

At the request of Mayor Martin O'Malley, the Greater Baltimore Committee and the Presidents’ Roundtable were asked to review the operations of the City of Baltimore’s Department of Public Works (DPW). The DPW project team was led by Greater Baltimore Committee board members Donald A. Manekin, Senior Vice President/Partner, Manekin Corporation and Peter M. Martin, Chairman, President and CEO of Provident Bankshares Corporation and Presidents’ Roundtable members Tyrone Taborn, President, Career Communications Group, Inc. and Garland O. Williamson, President, Information Control Systems Corporation. The project team was divided into five subcommittees that focused on the following areas: fleet management, general services, solid waste, transportation, and water and wastewater. As part of the review process, members of the project team met several times with DPW’s senior management team, interviewed staff, conducted site visits, and studied the public works practices of other large cities. The project team leaders and the five subcommittees attempted to keep the review effort focused on identifying opportunities to improve the quality, effectiveness, and efficiency of the services that DPW provides. The project team’s recommendations can be encapsulated within the following five overarching themes. These themes form the basis for the recommendations designed to improve the Department’s ability to respond to Baltimore’s public works needs and to act on the O’Malley Administration’s service priorities in the most cost efficient and effective fashion:

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Problem Identification:
The Department lacks adequate mechanisms to critically evaluate the management of inspection-related functions.

Recommended Action:
Increase the frequency of DPW inspections through the establishment of performance goals and the regular monitoring of inspector productivity.

Classification:
Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Inspection-Related Departmental Operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, inspection-related productivity standards should lead to increases in the number of inspections performed and corresponding revenues generated.

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Determine time, frequency standards, and goals for inspection and enforcement activities. Begin actively monitoring per-inspector workloads and productivity.

Analysis:
DPW is vested with the responsibility for a number of inspection-related functions including: public service inspections, construction work on City-owned and operated buildings, highway-related construction work, and footways. These are in addition to inspection responsibilities associated with the DPW’s numerous enforcement activities.

Inspection activity represents one of most easily measurable and manageable functions performed by the Department. Establishing standards for the length of inspections and the frequency with which they should occur could provide the Department's managers with better information to evaluate the productivity of its inspection workforce. Additionally, the regular collection and analysis of this information could equip managers with strategies to increase per-inspector productivity.
VI. Department of Recreation and Parks

Executive Summary

**Recommendation Categories:**
- The Department must be infused with progressive, forward-thinking executive leadership capable of reorganizing and re-energizing the staff.
- Improve the effectiveness of efficiency of services delivered.
- Critically analyze the public’s demand for recreation and parks services.
- Improve the revenue generating capabilities of the Department’s facilities.
- Reexamine the adequacy of the fees charged for facility and park utilization.
- Increase opportunities for volunteer participation and involvement in the delivery of recreation and parks services.
- Encourage entrepreneurship within the Department.
- Develop a comprehensive service measurement program for all facets of Departmental operations.
- Ease cumbersome administrative processes.
Introduction: Department of Recreation and Parks

Invigorated Leadership
Effective and Efficient Service Delivery Mechanisms and Models
Enhanced Revenue Generating Capabilities
Responsive Service Metrics and Resource Allocations
Expanded Volunteerism
The Department must be infused with progressive, forward-thinking executive leadership capable of reorganizing and re-energizing the staff. Improve the effectiveness of efficiency of services delivered

Department of Recreation and Parks, Section 1

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-A DEPARTMENT OF RECREATION AND PARKS: INVIGORATED EXECUTIVE LEADERSHIP</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
</tbody>
</table>
### Improve the effectiveness of efficiency of services delivered

#### Department of Recreation and Parks, Section 2

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
</table>
| 2-A  
DEPARTMENT OF RECREATION AND PARKS: CHILDREN AND YOUTH CABINET | Accept             | 60 Days             |
| 2-B  
DEPARTMENT OF RECREATION AND PARKS: RECONSTITUTED RECREATION AND PARKS BOARD | Accept             | 60 Days             |
| PROPOSED PERFORMANCE/SERVICE MEASURES                | –                  | –                   |
| 2-C  
DEPARTMENT OF RECREATION AND PARKS: INTERGOVERNMENTAL SERVICE AGREEMENTS | Accept             | 120 Days            |
| 2-D  
DEPARTMENT OF RECREATION AND PARKS: “CLUSTER” SERVICE DELIVERY MODEL | Accept             | Ongoing             |
| Map 1: Youth Resources in Baltimore City             |                    |                     |
| Map 2: After School Resource in Baltimore City       |                    |                     |
| 2-E  
DEPARTMENT OF RECREATION AND PARKS: COMPLAINT COLLECTION EFFORTS | Accept             | 60 Days             |
Critically analyze the public’s demand for recreation and parks services

**Department of Recreation and Parks, Section 3**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
</table>
| 3-A
DEPARTMENT OF RECREATION AND PARKS: COMPREHENSIVE INVENTORY OF DEPARTMENTAL FACILITIES | Accept | 90 Days |
| 3-B
DEPARTMENT OF RECREATION AND PARKS: FACILITY CLASSIFICATION SYSTEM | Accept | 60 Days |
# Improve the revenue generating capabilities of the Department’s facilities

## Department of Recreation and Parks, Section 4

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-A DEPARTMENT OF RECREATION AND PARKS: PRIVATIZED MANAGEMENT OF SPECIAL FACILITIES</td>
<td>Accept</td>
<td>120-180 Days</td>
</tr>
<tr>
<td>4-B DEPARTMENT OF RECREATION AND PARKS: PRIVATIZED MANAGEMENT OF SPECIAL FACILITIES</td>
<td>Study</td>
<td>120-180 Days</td>
</tr>
<tr>
<td>4-C DEPARTMENT OF RECREATION AND PARKS: FACILITY NAMING RIGHTS</td>
<td>Reject</td>
<td>N/A</td>
</tr>
<tr>
<td>4-D DEPARTMENT OF RECREATION AND PARKS: SALE OF ADVERTISING SPACE</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Reexamine the adequacy of the fees charged for facility and park utilization

**Department of Recreation and Parks, Section 5**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
</table>
| 5-A  
DEPARTMENT OF RECREATION AND PARKS: UNIFORMED FEE STRUCTURE | Accept             | FY2002              |
| 5-B  
DEPARTMENT OF RECREATION AND PARKS: TIERED FEE STRUCTURE     | Reject             | N/A                 |
**Increase opportunities for volunteer participation and involvement in the delivery of recreation and parks services**

**Department of Recreation and Parks, Section 6**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-A DEPARTMENT OF RECREATION AND PARKS: REQUISITE VOLUNTEERISM</td>
<td>Reject</td>
<td>N/A</td>
</tr>
<tr>
<td>6-B DEPARTMENT OF RECREATION AND PARKS: COMMUNITY COUNCILS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6-C DEPARTMENT OF RECREATION AND PARKS: RECREATION CENTER VOLUNTEER “ADOPTION” PROGRAM</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
<tr>
<td>6-D DEPARTMENT OF RECREATION AND PARKS: FORMAL PARTNERSHIPS WITH LOCAL PROFESSIONAL SPORTS TEAMS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
## Encourage Entrepreneurship within the Department

### Department of Recreation and Parks, Section 7

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-A DEPARTMENT OF RECREATION AND PARKS: FINANCIAL INCENTIVES</td>
<td>Accept</td>
<td>FY2002</td>
</tr>
<tr>
<td>7-B IMPLEMENT COMPREHENSIVE FUNDRAISING STRATEGY</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
</tbody>
</table>
Develop a comprehensive service measurement program for all facets of Departmental operations

Department of Recreation and Parks, Section 8

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-A DEPARTMENT OF RECREATION AND PARKS: COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>8-B LIST OF PROPOSED INDICATORS</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
Ease Cumbersome Administrative Process

Department of Recreation and Parks, Section 9

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
</table>
| 9-A  
DEPARTMENT OF RECREATION AND PARKS: ADMINISTRATIVE STAFFING CONSOLIDATION | Accept             | 90-120 Days         |
| 9-B  
ISSUANCE OF PURCHASE CARDS                        | Accept             | IMPLEMENTED         |
Invigorated Leadership

The Department of Recreation and Parks must be infused with progressive, forward-thinking executive leadership capable of reorganizing and reengineering the staff to meet the daunting challenge of providing world-class recreation and parks services to the citizens of Baltimore. The decimation of the Department’s budget and the corresponding deterioration in the quantity and quality of recreation and parks services is well known and documented. While the Mayor’s proposal to increase the Department’s budget for the first time in recent memory by $500,000 in FY2001 is welcome and warranted, it is doubtful that the City will ever be in a financial position to make more than incremental increases to future budgets of the Department. This reality is regrettable, but it is nonetheless the reality that will confront the management of this Department. It is time for the installation of a leadership team that is less interested in documenting and discussing past injustices and more interested in embracing innovative and entrepreneurial approaches that address the formidable, but manageable, challenges that exist.

Introduction: Department of Recreation and Parks
Invigorated Leadership
Effective and Efficient Service Delivery Mechanisms and Models
Enhanced Revenue Generating Capabilities
Responsive Service Metrics and Resource Allocations
Expanded Volunteerism
Effective and Efficient Service Delivery Mechanisms and Models

Effective and Efficient Service Delivery Mechanisms and Models
The effectiveness and efficiency of services delivered can be improved through the Department’s increased collaboration and coordination with other City departments and the business and non-profit communities. As the project team has conducted its work and met with stakeholders from the advocacy and service provider communities, it has been amazed to learn of: (1) the tremendous amount of financial resources that are already invested throughout the city; and, (2) the willingness of these groups to forge partnerships with the Department to fully leverage the impact of all funds spent. It was equally shocked to learn that in FY98 alone, nine of the city’s largest public and non-profit providers of youth services spent a total of almost $43 million on after-school programming:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Funding Source Federal</th>
<th>Funding Source State</th>
<th>Funding Source Local</th>
<th>Funding Source Grants</th>
<th>Funding Source Contributions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore City Public Schools</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$625,000</td>
<td>$625,000</td>
</tr>
<tr>
<td>Boys &amp; Girls Clubs</td>
<td>–</td>
<td>$2,707,000</td>
<td>$4,345,000</td>
<td>$1,000.00</td>
<td>–</td>
<td>$8,052,000</td>
</tr>
<tr>
<td>Child First Authority</td>
<td>–</td>
<td>$370,000</td>
<td>$370,000</td>
<td>–</td>
<td>–</td>
<td>$740,000</td>
</tr>
<tr>
<td>Dept. Recreation &amp; Parks</td>
<td>–</td>
<td>–</td>
<td>$9,826,000</td>
<td>–</td>
<td>–</td>
<td>$9,826,000</td>
</tr>
<tr>
<td>Enoch Pratt Free Library</td>
<td>$266,000</td>
<td>$2,329,000</td>
<td>$3,259,000</td>
<td>–</td>
<td>$477,000</td>
<td>$6,331,000</td>
</tr>
<tr>
<td>Housing Authority</td>
<td>$1,300,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>Parks &amp; People Foundation</td>
<td>–</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$3,000,000</td>
<td>$200,000</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Police Athletic League Centers</td>
<td>$1,010,000</td>
<td>–</td>
<td>$6,580,000</td>
<td>$2,710,000</td>
<td>–</td>
<td>$10,300,000</td>
</tr>
<tr>
<td>YMCA of Central MD</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$240,000</td>
<td>$240,000</td>
<td>$480,000</td>
</tr>
</tbody>
</table>
It is the opinion of the project team that the universe of available services and funding is more than adequate, but a real need exists to coordinate these activities so that service duplications can be eliminated and the impact of this significant amount of investment can be maximized. This can only occur by the Department taking a leadership role in coordinating efforts and convening a volunteer Children and Youth Cabinet to establish policy direction. All City agencies and major business/non-profit stakeholders that offer youth and family recreational services would be members of the cabinet. The cabinet would be responsible for coordinating the activities involving youth development and recreational services, including the allocation of funds, the coordination of partnerships and joint ventures with private and non-profit agencies, and the development of clear policy statements and evaluation tools.

The Department’s ability to maximize the service impacts of its limited financial resources would be further enhanced through reorganizing the Department. A reorganization consisting of a consolidation of the Department’s existing six organizational subdivisions into four subdivisions would clearly delineate functional responsibilities across three operational areas and provide an administrative support function. To accomplish this, the management of Regular and Supplemental Recreational Services should be consolidated under a Deputy Director of Recreation and the management of Municipal Concerts and Other Musical Events and Special Facilities should be consolidated under a Deputy Director for Special Facilities.

**Introduction: Department of Recreation and Parks**

**Invigorated Leadership**

**Effective and Efficient Service Delivery Mechanisms and Models**

**Enhanced Revenue Generating Capabilities**

**Responsive Service Metrics and Resource Allocations**

**Expanded Volunteerism**
Enhanced Revenue Generating Capabilities

The Department is not maximizing its revenue-generating capabilities. A number of untapped revenue enhancement opportunities exist within the Department:

Special Facilities: These facilities are currently operated at a loss. The combined effort of professional facility and bookings management coupled with the competitive awarding of concession, pouring, and naming rights could: (1) increase the utilization of these facilities; and, (2) move the operation of these facilities from the 'red' to the 'black.'

Marketing: The citizens that utilize the Department's services comprise a major market of consumers that advertisers are interested in reaching. Advertising sponsorships and the sale of advertising space inside facilities and at Department-sponsored events could be lucrative sources of new revenues.

Fees: The Department has no rational fee structure. Wide disparities in fees exist from facility-to-facility. While there exist clear socioeconomic reasons why some communities might have less ability to pay for service than others, those decisions are made on an 'ad hoc' basis in the absence of uniform and enforced guidelines. Additionally, the Department could consider instituting a 'tiered fee structure' where non-city residents could be charged higher fees for utilizing City facilities and services.

Introduction: Department of Recreation and Parks
Invigorated Leadership
Effective and Efficient Service Delivery Mechanisms and Models
Enhanced Revenue Generating Capabilities
Responsive Service Metrics and Resource Allocations
Expanded Volunteerism
Responsive Service Metrics and Resource Allocations

Attempts to evaluate the efficiency and effectiveness of the Department's efforts are seriously constrained by the lack of accurate service data. In the absence of this vital information, the City and the Department are not positioned to make well-informed decisions regarding the allocation of scarce financial resources to maximize service impacts. Additionally, the lack of data complicates efforts to evaluate community needs, the success of programmatic initiatives, and the performance of the Department's employees and management team. The chart below from the City's Program Performance Measurement Project Report for FY99 illustrates the existing shortcomings in these areas:

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY99 Target</th>
<th>FY99 Total</th>
<th>Exceeded/ Missed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of attendees at recreation centers and special facilities (in millions).</td>
<td>2.00</td>
<td>1.83</td>
<td>Missed</td>
</tr>
<tr>
<td>Number of Partnerships (Public &amp; Private).</td>
<td>100</td>
<td>76</td>
<td>Missed</td>
</tr>
<tr>
<td>Number of Grants.</td>
<td>20</td>
<td>15</td>
<td>Missed</td>
</tr>
<tr>
<td>Value of Grants (in millions).</td>
<td>2.00</td>
<td>1.03</td>
<td>Missed</td>
</tr>
<tr>
<td>Number of Registered Volunteers.</td>
<td>1,000</td>
<td>885</td>
<td>Missed</td>
</tr>
<tr>
<td>Number of Park Use Permits Issued.</td>
<td>600</td>
<td>692</td>
<td>Exceeded</td>
</tr>
<tr>
<td>Number of Park Improvement Community Meetings.</td>
<td>75</td>
<td>47</td>
<td>Missed</td>
</tr>
</tbody>
</table>

Source: City of Baltimore’s Program Performance Measurement Project FY99 Report

While the fact that the Department failed to achieve its performance goals in six of the seven listed areas is of obvious concern, this limited, aggregated reporting data does little to equip decisionmakers with the program, center, and park-specific performance information needed to make informed choices regarding the most appropriate allocation of resources. The project team’s recommendations contain suggestions related to improving the Department’s ability to measure its performance as well as ways to utilize this information to maximize service impacts.

Introduction: Department of Recreation and Parks
Invigorated Leadership
Effective and Efficient Service Delivery Mechanisms and Models
Enhanced Revenue Generating Capabilities
Responsive Service Metrics and Resource Allocations
Expanded Volunteerism
Expanded Volunteerism

One of the most overwhelming conclusions reached by the project team was that no public sector entity can provide world-class recreational programming and park facilities without the active and sustained participation of community volunteers.

As part of its review efforts, the project team met with officials from the Baltimore County Department of Recreation and Parks—an operation widely regarded for the high quality of the services it provides. Comparisons between the sizes of the populations served, parkland acreage managed, operating budgets, and staffing levels in the respective jurisdictions did not result in the disparities that the project team initially expected. The indicator where the chasm between the City and County materialized was the level of unpaid volunteer support. In Baltimore County, approximately 50,000 unpaid community volunteers donate over 500,000 hours of time to support local programming. In contrast, the City’s Department reported only 885 registered volunteers in FY99. Additionally, local recreation councils generate over $8.2 million to augment Baltimore County’s budget allocation for recreation and parks activities.

While obvious socioeconomic differences exist between Baltimore City and Baltimore County that limit the usefulness of direct comparisons, the sizeable disparity in the level of volunteer support represents a significant obstacle to overcome in efforts to improve the quality of the Department’s services. The report, therefore, includes a series of recommendations aimed at bolstering the level of community volunteer support leveraged to support the Department’s operations.

Introduction: Department of Recreation and Parks
Invigorated Leadership
Effective and Efficient Service Delivery Mechanisms and Models
Enhanced Revenue Generating Capabilities
Responsive Service Metrics and Resource Allocations
Expanded Volunteerism
Problem Identification:
It is doubtful that the City will ever be in a financial position to make more than incremental increases to the Department’s future budgets necessitating the installation of a management team eager to tackle the daunting challenge of providing a world-class recreational program and park facilities with a constantly threatened budget.

Recommended Action:
Attract new public, private, and non-profit sector financial investment to the Department of Recreation and Parks through the installation of a management team capable of articulating a new vision for the City’s recreation and parks system and reorganizing and reenergizing the staff to realize the new vision.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
Immediate

Next Steps:
The Mayor’s Office must make a determination as to whether the Department’s current management possesses the requisite skills necessary to manage the City’s recreation and park-related activities.

Analysis:
With a budget that represents approximately one percent of the City’s annual net operating budget, the Department will continually be confronted by the challenge of trying to meet ever-present and growing community needs for service with either a shrinking or modestly increasing budget. This challenge necessitates the pursuit of new approaches to managing the Department’s limited resources, including implementing entrepreneurial strategies to enhance existing revenues and creating new revenue streams. The Department of Recreation and Parks must be infused with progressive, forward-thinking executive leadership capable of reorganizing and reengineering the staff to meet the daunting challenge of providing world-class recreation and parks services to the citizens of Baltimore. The decimation of the Department’s budget and the corresponding deterioration in the quantity and quality of recreation and parks services is well known. While the Mayor’s proposal to increase the Department’s budget for the first time in recent
memory by $500,000 in FY2001 is welcome and warranted, it is doubtful that the City will ever be in a financial position to make more than incremental increases to the Department’s future budgets. This reality is regrettable, but it is nonetheless the reality that will confront the management of this Department. The leadership team must be less interested in documenting and discussing past injustices and more interested in embracing innovative and entrepreneurial approaches to address the formidable, but manageable, challenges that exist.
DEPARTMENT OF RECREATION AND PARKS: CHILDREN AND YOUTH CABINET

2-A

Problem Identification:
There is a tremendous lack of coordination and cooperation among the myriad of public, private, and non-profit organizations that are funding and delivering services to Baltimore’s children and youth. This disjointed approach to service delivery creates programmatic duplication and inhibits the City’s ability to fully leverage existing funding levels.

Recommended Action:
Create a Children and Youth Cabinet to coordinate citywide policy and program development through enhanced collaboration between public, private, and non-profit organizations involved in the funding and delivery of services.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All public, private, and non-profit funders and providers of children and youth services.

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, improved organizational coordination and the elimination of duplicative efforts should increase all participating stakeholders’ service delivery capacity.

Estimated Implementation Costs:
None

Barriers to Implementation:
Organizational and programmatic parochialism manifest in an unwillingness to participate in a coordinated citywide effort.

Projected Implementation:
60 days

Next Steps:
An initial meeting should be convened by the Mayor with all public, private, and non-profit stakeholders that are involved in the funding and delivery of services to Baltimore’s children and youth. The Mayor should charge the Cabinet with maximizing the impact of all public, private, and non-profit investment in children and youth initiatives through enhanced organizational coordination, new service delivery models, and the elimination of duplicative programs and initiatives.

Analysis:
The effectiveness and efficiency of services delivered can be improved through the Department’s increased collaboration and coordination with other City departments and the business and non-profit communities. As the project team has conducted its work and met with stakeholders from the advocacy and service provider communities, it has been enlightened to learn of: (1) the tremendous amount of financial resources that are already invested throughout the city; and, (2) the willingness of these groups to forge partnerships with the Department to fully leverage the impact of all funds spent. It was a shock to learn that in FY98 alone, nine of the city’s largest public and non-profit providers of youth services spent a total of almost $43 million on after-school programming, as reflected in this chart:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Funding</th>
<th>Funding</th>
<th>Funding</th>
<th>Funding</th>
<th>Funding</th>
<th>Funding</th>
<th>Total</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Source Federal</th>
<th>Source State</th>
<th>Source Local</th>
<th>Source Grants</th>
<th>Source Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore City Public Schools</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$625,000</td>
</tr>
<tr>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$8,052,000</td>
</tr>
<tr>
<td>Child First Authority</td>
<td>–</td>
<td>$370,000</td>
<td>$370,000</td>
<td>–</td>
<td>$740,000</td>
</tr>
<tr>
<td>Dept. Recreation &amp; Parks</td>
<td>–</td>
<td>–</td>
<td>$9,826,000</td>
<td>–</td>
<td>$9,826,000</td>
</tr>
<tr>
<td>Enoch Pratt Free Library</td>
<td>$266,000</td>
<td>$2,329,000</td>
<td>$3,259,000</td>
<td>–</td>
<td>$477,000</td>
</tr>
<tr>
<td>Housing Authority</td>
<td>$1,300,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>Parks &amp; People Foundation</td>
<td>–</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$3,000,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Police Athletic League Centers</td>
<td>$1,010,000</td>
<td>–</td>
<td>$6,580,000</td>
<td>$2,710,000</td>
<td>$10,300,000</td>
</tr>
<tr>
<td>YMCA of Central MD</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$240,000</td>
<td>$480,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,576,000</td>
<td>$6,406,000</td>
<td>$25,380,000</td>
<td>$6,950,000</td>
<td>$1,542,000</td>
</tr>
</tbody>
</table>

Source: Family League of Baltimore City

It is the opinion of the project team that the universe of available services and funding is more than adequate and, the real need is to coordinate these activities so that service duplications can be eliminated and the impact of this significant amount of investment can be maximized. This can only occur by the Department taking a leadership role in coordinating these efforts and convening a volunteer Children and Youth Cabinet to set policy. This Cabinet would be responsible for coordinating all of the activities involving youth development and recreational services (including the allocation of funds); the coordination of partnerships and joint ventures with private and non-profit agencies; and the development of clear policy statements and evaluation tools. All City agencies that offer youth and family recreational services would be members of the Cabinet, as well as other critical private and non-profit stakeholders. As a demonstration of the significance of this entity, it is strongly recommended that this cabinet be led by a Deputy Mayor.
**DEPARTMENT OF RECREATION AND PARKS: RECONSTITUTED RECREATION AND PARKS BOARD**

2-B

**Problem Identification:**
There exists a need to provide more meaningful external advice on the management of the Department and the establishment of its service priorities.

**Recommended Action:**
Reconstitute a Recreation and Parks Board by establishing an executive/policy board reporting directly to the Deputy Mayor who heads the proposed Mayor’s Cabinet of Children and Youth to advise the City on strategic initiatives, provide regular structured community feedback, and assist in raising public, private, and non-profit sector funding levels.

**Classification:**
Organizational, Revenue Enhancement

**Functional/Operational Area:**
All Departmental Operations

**Estimated Annual Impact:**
$1,000,000

**Estimated Implementation Costs:**
None

**Barriers to Implementation:**
None

**Projected Implementation:**
60 days

**Next Steps:**
Evaluate the capabilities of the current Board of Recreation and Parks, assess its strengths and weaknesses, and make strategic appointments to bolster its ability to advise the Department and Administration on realizing improvements in recreation and parks services.

**Analysis:**
The Board of Recreation and Parks is one of the City’s seven Charter-authorized boards and commissions. Whereas these groups once played a very significant role in setting and directing policy for their respective areas, the role of these groups has been reduced over the years.

An active and involved board could be a tremendous asset to the Department. Given the tremendous operational, financial, and fundraising challenges that confront the Department, a reconstituted board could be a resource capable of providing tangible support to manage the implementation of many of the recommendations contained within this report. A well-constructed board membership could particularly play an instrumental role in increasing fundraising levels beyond their current levels. The $1,000,000 estimated annual impact represents a goal for increased fundraising beyond existing levels.

Ultimately, the contributions that an advisory board can make towards changing the organizational culture within the Department and providing meaningful advice on policy directions and programmatic initiatives will
be completely dependent upon the Department’s and Administration’s use of this resource. Given the Department’s many pressing needs, strong consideration should be given to making better use of this potentially important resource and expanding its significance by elevating its status to an executive/policy level board.
Achieving Economies Will Enable the BCFD to Improve and Modernize the Department

**Acquisitions/Disposition**
Number of properties acquired and disposed of annually.  
Timeliness of procurement of title services.  
Post-disposition real property taxes paid to the City.

**Boarding and Demolition**
Number of buildings cleaned and boarded monthly and timeliness of process.  
Number of demolitions performed annually.  
Speed of demolition bidding and contracting process.  
Cost per boarding or demolition.

**Inspections and Permits**
Number of inspections performed monthly by each inspector.  
Thorough pursuit of housing code violations; number resolved by housing improvements versus those resolved by the payment of fines.  
Consistent implementation of permit application review and approval process.  
Customer responsiveness in permitting process.  
Number of un-permitted construction projects identified by building and housing inspectors while ‘on the job.’  
Number of permit brochures distributed and number of customers who access the brochure on-line via the City’s website.  
Number and type of complaints made by permit applicants, and number of complaints addressed.

**Neighborhood Services**
Speed with which Crisis Centers respond to requests for assistance.  
Timeliness and follow-up of Community Service Block Grant-contracted services.  
Response time for complaints received at call center in Mayor’s Office.

**Public Housing**
Rent collection rate.  
Work order response time.  
Unit turn-around time.  
Occupancy rate.  
Crime statistics.  
Upkeep of property.

**Section 8 Leased Housing**
Number of customer complaints and response time.  
Number of leases made monthly/utilization rate.  
Number of Section 8 units administered by the City in non-impacted areas.  
Number of Section 8 units in surrounding counties.  
Number of new landlords participating in program in non-impacted areas.  
Success at meeting Section 8 quality control goals, determined through monthly reviews on 10 percent of transactions.  
Length of waiting list.

**Rehabilitation and Commercial Development**
Amount of new capital investment for the rehabilitation of older buildings (enhanced by the SMART Code).
Amount of new commercial development/investment on retail streets.
DEPARTMENT OF RECREATION AND PARKS: INTERGOVERNMENTAL SERVICE AGREEMENTS

2-C

Problem Identification:
The Department’s ability to provide high-quality recreational services and clean and safe park space is largely dependent upon services provided by other City departments, most importantly, the Department of Public Works (DPW). Breakdowns in these interdepartmental service relationships compromise the effectiveness of services delivered to the public.

Recommended Action:
Develop formal service agreements with other City departments that articulate specific intergovernmental service expectations and standards.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 – 120 days

Next Steps:
Have the Department’s management team convene meetings with the leadership of DPW to discuss long-standing issues related to the quality and timeliness of intergovernmental services. Develop quantifiable service metrics and standards, memorialize this information in formal service agreements, and regularly revisit these agreements to monitor compliance.

Analysis:
Between FY98 and FY99, a number of functional responsibilities were transferred from the Department of Recreation and Parks to the Department of Public Works. These functions included: building maintenance operations, trash collection, park cleaning, grass mowing, and tree maintenance. The rationale for the transfer of these functions was to allow the Department to focus its efforts on programming and to achieve costs savings through operational economies-of-scale that DPW’s Bureaus of General Services, Solid Waste, and Transportation could provide.

Whether or not this transfer produced the desired effect remains an open issue (discussed further in recommendation 2-A of the DPW section of this report). While the transfer produced a positive budgetary effect, Department personnel and stakeholders familiar with the conditions of the City’s recreation centers and park facilities feel that it has contributed to a further deterioration in conditions as the Department has little input in service priorities.

While this represents an issue that requires further study, it is clear that the Department must improve its
efforts to articulate service expectations to the other City departments that provide internal services. The Department’s most pressing need in this area relates to DPW.

The intergovernmental service agreement concept has broad application across all City departments and agencies. (Additional information related to this concept can be found in recommendation 5-B of the Citywide section of this report.)
DEPARTMENT OF RECREATION AND PARKS: ‘CLUSTER’ SERVICE DELIVERY MODEL

2-D

Problem Identification:
There is limited coordination among public, private, and non-profit entities that deliver recreational and youth programming. This reality is manifested in the duplicative location of multiple service facilities.

Recommended Action:
Pursue a ‘cluster’ approach to the delivery of recreation and parks services by grouping providers within the same facility.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
Recreation

Estimated Annual Impact:
$440,000 – $1,100,000

Estimated Implementation Costs:
None

Barriers to Implementation:
Clustering service providers in shared facilities will necessitate new levels of cooperation and coordination between the Department and other service providers. This approach could also result in the consolidation of facilities leading to a public perception of diminished services and community opposition.

Projected Implementation:
Ongoing

Next Steps:
Utilizing information already developed by entities such as the Baltimore City Data Collaborative, Maternal and Child Community Health Science Consortium, and Safe and Sound, and in conjunction with the implementation of Recommendation 3-A, determine the universe of facilities presently delivering recreation and youth services, identify obvious overlaps, and utilize mechanisms, such as the proposed Children and Youth Cabinet, to develop plans to ‘cluster’ the delivery of services in shared facilities.

Analysis:
The maps (links below) provide vivid illustrations of the existing facilities that deliver recreational and youth programming in the city. The lack of policy and programmatic coordination among these service providers, discussed throughout this report, has led to the proliferation of facilities and unnecessary duplication of resource expenditures on facility-related costs. While the service providers included in this litany do not share identical missions, their missions are unquestionably complementary. This needs to be acknowledged and the service providers need to accept the notion that the best means of maximizing the impact of the services they provide is through productive collaboration with other similar-type service providers.

Utilizing financial and budgetary data provided by the Department, the project team estimates the cost of operating a recreation center at between $200,000 and $240,000 a year. The annual estimated financial impact included in this recommendation is based on the Department being able to consolidate between two
and five facilities as a result of the implementation of this recommendation (Average cost savings of $220,000 per facility).

MAPS:
Map 1: Youth Resources in Baltimore City
Map 2: After School Resource in Baltimore City
Map 1: Youth Resources in Baltimore City

Produced by Baltimore City Data Collection and Maternal and Child Community Health Science Consortium
Map 2: After School Resources in Baltimore City

Produced by Safe and Sound Evaluation Center at Johns Hopkins University
DEPARTMENT OF RECREATION AND PARKS: COMPLAINT COLLECTION EFFORTS

2-E

Problem Identification:
Complaints regarding the condition of the Department’s parks facilities are not recorded or responded to in a systematic fashion.

Recommended Action:
Establish a database to log and track citizen service complaints and designate a unit within the Director’s Office to oversee and coordinate Department responses.

Classification:
Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
In the current absence of computer networking between Departmental facilities, some type of partially manual process will need to be developed and implemented. Maintenance of the City’s park areas is currently managed by the Department of Public Works and the necessary response protocols would need to be established.

Projected Implementation:
60 days to create and implement a complaint tracking and resolution process.

Next Steps:
Create a complaint tracking form that allows the Department to record and track critical complaint information. Establish written automatic protocols with the Department of Public Works to ensure rapid responses to service requests.

Analysis:
The Department must take steps to develop a customer-focused operational orientation. A complaint log will assess how well the Department is delivering its services to city residents and will help determine if standards of operation are being maintained. This information should be regularly tracked, reported, and analyzed as part of the Department’s comprehensive performance measurement program (see recommendation 8-A).
DEPARTMENT OF RECREATION AND PARKS: COMPREHENSIVE INVENTORY OF DEPARTMENTAL FACILITIES

3-A

DEPARTMENT OF RECREATION AND PARKS: COMPREHENSIVE INVENTORY OF DEPARTMENTAL FACILITIES

Problem Identification:
The Department currently has 45 recreation centers in various states of disrepair. Facility conditions range from adequate to grossly inadequate with little funding being expended for building and/or repairs. A comprehensive study of where facilities should be located in relation to other services and needs has never been performed.

Recommended Action:
Conduct a comprehensive inventory of all Departmental facilities.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Minimal. Coordination with the Family League, Safe and Sound, and Recreation and Parks staff should make initial assessment fairly easy. Some further costs could be incurred if engineering or environmental assessments are necessary.

Barriers to Implementation:
None

Projected Implementation:
90 Days

Next Steps:
Develop metrics to be used for evaluating center facilities. Some measurements could be size, layout, condition, barriers and ability to meet the needs of the community.

Analysis:
Site visits to Departmental facilities led the project team to conclude that very little thought has been given to the present location of facilities and whether they adequately meet current community needs. The physical condition of these facilities ranges from adequate to total disrepair. For example, the Department’s Roosevelt Park facility is in deplorable condition with the building’s electric power being too weak to even operate a ceramic kiln, a leaky roof and windows, and a prevalent rodent population that necessitated the disconnection of the building’s alarm system.

Consideration should be given to studying the new facility being constructed by Baltimore County in Arbutus. It is a collaborative effort between the County’s Department of Recreation and Parks, Boys and Girls Clubs, and the Police Athletic League (PAL). The facility is being developed using community input on program needs and its design is intended to maximize both recreational opportunities and efficient staffing.
Data compiled by the Family League of Baltimore and Safe and Sound could be used to establish a baseline that identifies the city's at-risk areas and the current continuum of programs and services being offered. Information regarding the adequacy of facilities must be utilized in making informed decisions about consolidating facilities and merging programmatic offerings. If centers cannot meet the needs of the communities they serve or are presently in a location where their full service impact is not being maximized, facilities should be consolidated or relocated. Moving forward, ongoing capital plans need to be developed based on the established metrics. Each facility should be regularly evaluated using a standard quality checklist.
## DEPARTMENT OF RECREATION AND PARKS: FACILITY CLASSIFICATION SYSTEM

### 3-B

**DEPARTMENT OF RECREATION AND PARKS: FACILITY CLASSIFICATION SYSTEM**

**Problem Identification:**
There is a lack of defined differentiation between recreation centers and parks. Therefore, resource allocation is inconsistent.

**Recommended Action:**
Develop a classification system for all Departmental facilities and make resource allocation decisions based on the public’s utilization of facilities and park space.

**Classification:**
Organizational, Service Improvement

**Functional/Operational Area:**
All Departmental Operations

**Estimated Annual Impact:**
Cannot be Estimated

**Estimated Implementation Costs:**
None

**Barriers to Implementation:**
None

**Projected Implementation:**
60 Days

**Next Steps:**
Create missions/classifications and assign staffing, operational and capital costs in line with fiscal budget.

**Analysis:**
There does not seem to be a defined methodology for funding recreation centers or parks. A classification system should be developed defining the missions of the different centers and parks. The classification system could be based on a number of factors, including the variety of programs offered, attendance, size, or some combination of these and other appropriate metrics. Staffing and capital allocation decisions could then be made based on the respective classification of recreation centers and parks. A classification grid system (a sample is found below) could clearly define both operational and capital funding needs.

<table>
<thead>
<tr>
<th>Attendance:</th>
<th>Average Age of Client:</th>
<th>Offered Programs:</th>
<th>Size of Facility:</th>
<th>Gym:</th>
<th>Staff Requirement:</th>
<th>Min. Community Volunteers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>98-99</td>
<td>350-450</td>
<td>10</td>
<td>Arts &amp; Crafts/Basketball/Roller-Skating/Baseball/Seasonal Programs</td>
<td>7,000 sq.ft</td>
<td>1 Director 1 Full time staff 3 part time staff (up to 15)</td>
<td>50</td>
</tr>
</tbody>
</table>
Annual Staff Expense:
  – Minimum ______________
  – Maximum ______________

Annual Facility Maintenance Costs
  – (Depletion/Reserve) ______________
DEPARTMENT OF RECREATION AND PARKS: PRIVATIZED MANAGEMENT OF SPECIAL FACILITIES

4-A & 4-B
DEPARTMENT OF RECREATION AND PARKS: PRIVATIZED MANAGEMENT OF SPECIAL FACILITIES

Problem Identification:
The Department operates five special facilities (two soccer, two ice rinks, and one rowing facility) that annually lose money, are underutilized and provide sub-par services, and are aging inordinately fast because of a lack of operating and capital funds for proper maintenance.

Recommended Action:
Explore the feasibility of transferring the management and marketing of the City’s special facilities to a professional facility management company. Competitively award concession and pouring rights at the Department’s special facilities.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Special Facilities

Estimated Annual Impact:
$500,000 cost reduction, possible $100,000 revenue enhancement

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
180 days

Next Steps:
Develop a request for proposals for the management of the Department’s special facilities, follow the City’s public bidding procedures, evaluate responses, negotiate with preferred bidders, and finalize a contract for the installation of a professional facilities management company.

Analysis:
The Department currently operates its special facilities at a loss. Because of these operating losses, the City has had limited ability to invest in the upkeep of the facilities resulting in premature deterioration of these assets. Because there is no financial incentive for the Department’s managers to cover their respective operating costs, these facilities continue to be underutilized. Additionally, revenue opportunities (concessions) are ignored deterring participants from using the facilities and returning again.

Information shared by the Department showed that while the special facilities annually generate approximately $1,000,000 in revenues, each of the facilities loses an average of $100,000 a year. Were the City to implement this recommendation, steps would need to be taken to ensure that any lease entered into with a private vendor would cover not only the expenses to maintain and run the facility but also capital costs. Such an agreement should also provide an opportunity for the City to share in any potential financial gain should the facility become more popular (similar to the City’s management agreement for the municipal golf courses). These issues could be addressed through the establishment of a minimum annual guarantee.
(MAG) that the operator would pay to the City each year to operate the facility and a specified revenue-sharing agreement when the facility reaches a certain level of profitability.
DEPARTMENT OF RECREATION AND PARKS: FACILITY NAMING RIGHTS

4-C
DEPARTMENT OF RECREATION AND PARKS: FACILITY NAMING RIGHTS

Problem Identification:
The limited General Fund resources available to support the Department’s operations necessitates the examination of every viable option to create new revenue streams.

Recommended Action:
Award facility and park naming rights to generate new revenue streams.

Classification:
Revenue Enhancement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, one estimate places a ‘co-naming’ situation value at $50,000 for a five-year period. This would include name recognition and advertising space in Department facilities and parks. Assuming that half of the recreation centers could be ‘marketed’ in this fashion, $1,000,000 could be raised over a five-year period. Obviously the revenue could be bolstered by achieving a higher success rate and the term could be adjusted to stagger the revenue generated.

Estimated Implementation Costs:
None

Barriers to Implementation:
The ability to name existing facilities is nebulous at best. Community history and ‘ownership’ make changing the names of existing facilities and parks difficult. Government barriers to name changes on facilities that have been dedicated to honor past civil servants or city statesmen is unknown. However, opportunities could exist if a facility is ‘co-named’ or new facilities are built with a sponsor prominently displayed.

Projected Implementation:
Ongoing

Next Steps:
Explore the possibilities and any legal conflicts that may occur. Create a targeted marketing campaign for corporations, foundations, and wealthy individuals that may want to participate.

Analysis:
Facility naming rights are a traditional method that many private institutions, such as schools and social agencies, use to raise funds. The project team did not encounter any instances where municipalities have awarded naming rights for recreation facilities or park space. However, the general public acceptance of this fundraising strategy, when coupled with its increased prevalence and increased program and budget potential, makes this a revenue stream that the Department should strongly consider pursuing.
DEPARTMENT OF RECREATION AND PARKS: SALE OF ADVERTISING SPACE

Problem Identification:
The limited General Fund resources available to support the Department’s operations necessitates the examination of every viable option to create new revenue streams.

Recommended Action:
Generate new revenues by selling advertising space in City recreation centers and park facilities.

Classification:
Revenue Enhancement

Functional/Operational Area:
All Department Operations

Estimated Annual Impact:
A survey of area indoor sports arenas and soccer fields indicates that advertising space can be marketed at relatively good rates. The soccer facilities and ice rinks have approximately 300 available advertising spaces. Rates for the spaces average $1,000 per year. With a rental rate of 75 percent for the 300 spaces, this would generate up to $225,000 per year.

Estimated Implementation Costs:
Proper marketing and sales would take a half time position along with some promotional costs. Estimated costs $30,000.

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Identify a staff member to manage the marketing and sale of advertising space. Approach local advertising firms and seek pro bono technical assistance to help design a campaign.

Analysis:
The citizens who utilize the Department’s services comprise a major market of consumers that advertisers are interested in reaching. Advertising sponsorships and the sale of advertising space inside facilities and at Department-sponsored events could be potentially lucrative sources of new revenues. Additionally, this recommendation represents another opportunity to make the Department more self-sufficient through the generation of new revenues to support operating costs.
DEPARTMENT OF RECREATION AND PARKS: UNIFORMED FEE STRUCTURE

5-A
DEPARTMENT OF RECREATION AND PARKS: UNIFORMED FEE STRUCTURE

Problem Identification:
The Department has no rational fee structure. Wide disparities in fees exist from facility-to-facility. While there exist clear socioeconomic reasons why some communities might have less ability to pay for services than others, those decisions are made on an ‘ad hoc’ basis in the absence of uniform and enforced guidelines.

Recommended Action:
Institute and enforce a uniform fee structure for services at City recreation and parks facilities.

Classification:
Revenue Enhancement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Fees for municipal recreation and parks services have a regressive impact on impoverished families. Enforcement of a uniform fee structure across multiple sites could be difficult due to the limited reporting systems currently in place throughout the Department.

Projected Implementation:
180 Days

Next Steps:
Study similar demographic jurisdictions to establish an equitable and uniform fee structure.

Analysis:
During the course of its fieldwork, members of the project team encountered significant disparities between Department recreation centers in terms of the fees being charged for the range of services being delivered. The project team did not encounter any uniform standards for determining fee structures, published guidelines for determining eligibility for discounts or fee abatements in cases where participants cannot afford to pay fees, or consistent recordkeeping.

It is estimated that over 1.8 million people attended events at the Department’s recreation centers and special facilities in FY99. Given this level of participation, the Department needs more than an ‘ad hoc’ fee structure.
Problem Identification:
Failure to differentiate between city and non-city residents in the assessment of fees for use of the Department's facilities and services represents a missed opportunity to increase existing revenues.

Recommended Action:
Explore the feasibility of a tiered fee structure for city and non-city residents.

Classification:
Revenue Enhancement and Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
$750,000

Estimated Implementation Costs:
None

Barriers to Implementation:
The Department's staff might have limited ability to enforce a tiered fee structure.

Projected Implementation:
180 days

Next Steps:
Design a tiered fee structure. Focus initial efforts in areas with the most potential to increase revenue streams, such as the City's municipal golf courses and the Department’s special facilities.

Analysis:
The Department’s facilities and services are utilized by both city and non-city residents. Charging non-city residents a premium to utilize Department facilities is a possible means to generate additional operational support for the Department’s programs and initiatives.

As an example, approximately 60,000 rounds of golf are played on each of the City’s golf courses every year. There are five courses maintained by the Baltimore Municipal Golf Corporation. Conservatively, half of the rounds are played by individuals from outside the city. Were these individuals charged a $10 premium and fee enforcement efforts were 50 percent successful, a $750,000 annual increase in revenues could be realized.

Additional fees can be collected for surcharges on driving range use and other services offered at golf courses. Other immediate opportunities for a tiered fee structure include the Department’s indoor soccer and basketball leagues.
DEPARTMENT OF RECREATION AND PARKS: REQUISITE VOLUNTEERISM

6-A
DEPARTMENT OF RECREATION AND PARKS: REQUISITE VOLUNTEERISM

Problem Identification:
The Department’s ability to provide high-quality services is inextricably linked to its ability to significantly increase the number of volunteers who support its full time staff.

Recommended Action:
Require communities to commit requisite levels of volunteer support for the Department’s programming before committing additional financial resources for expanded program offerings.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
$234,000

Barriers to Implementation:
Full time staff may have difficulty recruiting and managing a large volunteer workforce. There needs to be some form of training for the Directors on how to establish and manage a volunteer workforce.

Projected Implementation:
Ongoing

Next Steps:
Assess, by Department facility, minimal volunteer needs. Link program expansion to the communities’ ability to generate minimal levels of volunteerism.

Analysis:
One of the most overwhelming conclusions reached by the project team was that no public sector entity can provide world-class recreational programming and park facilities without the active and sustained participation of community volunteers. It is clear from site visits that the volunteer support in some of the communities is minimal. With the Department’s financial resources stretched to the limit, and with user fees not covering the full cost of programs, more volunteer support is urgently needed.

As part of its review efforts, the project team met with officials from the Baltimore County Department of Recreation and Parks, an operation widely regarded for the high quality of the services it provides. Comparisons between the sizes of the populations served, parkland acreage managed, operating budgets, and staffing levels in the respective jurisdictions did not result in the disparities that the project team initially expected. The indicator where the chasm between the City and County materialized was in the level of unpaid volunteer support. In Baltimore County, approximately 50,000 unpaid community volunteers donate over 500,000 hours of time to support local programming. In contrast, the City’s Department reported only 885 registered volunteers (1) in FY99. Additionally, local recreation councils generate over $8.2 million to augment Baltimore County’s budget allocation for recreation and parks activities.

While obvious socioeconomic differences exist between Baltimore City and Baltimore County that limit the
usefulness of direct comparisons, the sizeable disparity in the level of volunteer support represents a significant obstacle to overcome in efforts to improve the quality of the Department’s services.

If the Department’s 45 recreation centers were able to attract an additional 10 hours of volunteer support each week, and each volunteer hour were valued at $10, the value of this addition volunteer support would equal $234,000.
**DEPARTMENT OF RECREATION AND PARKS: COMMUNITY COUNCILS**

6-B

**DEPARTMENT OF RECREATION AND PARKS: COMMUNITY COUNCILS**

**Problem Identification:**
The Department’s ability to provide high-quality service is inextricably linked to efforts to significantly increase the number of volunteers who support its full time staff.

**Recommended Action:**
Establish community recreation and parks councils to recruit volunteers and support the efforts of Departmental staff.

**Classification:**
Organizational, Service Improvement

**Functional/Operational Area:**
Recreation

**Estimated Annual Impact:**
Cannot be Estimated

**Estimated Implementation Costs:**
None

**Barriers to Implementation:**
Recreation center staff may feel their leadership is being usurped by the volunteer community councils. As a result, there needs to be strong support for volunteerism from the proposed Children and Youth Cabinet.

**Projected Implementation:**
This should be one of the first items to be implemented once the proposed Children and Youth Cabinet is formed.

**Next Steps:**
Identify areas where local councils are needed and actively recruit members.

**Analysis:**
Based on the project team’s site visits, it appeared that recreation centers with local councils tended to have more programs and better-utilized facilities. Local councils could be partially responsible for recruiting volunteers from the community, spearheading new fundraising initiatives, and serving as a conduit for the public’s input regarding the programs offered at respective facilities. Ideally, these local councils would meet between four and six times per year.
DEPARTMENT OF RECREATION AND PARKS:
RECREATION CENTER VOLUNTEER ‘ADOPTION’ PROGRAM

6-C
DEPARTMENT OF RECREATION AND PARKS:
RECREATION CENTER VOLUNTEER ‘ADOPTION’ PROGRAM

Problem Identification:
The Department’s ability to provide high-quality services is inextricably linked to efforts to significantly increase the number of volunteers who support its full time staff.

Recommended Action:
Develop a program where local businesses and non-profits can “adopt” a recreation center by having their employees volunteer a set number of hours every month.

Classification:
Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
$100,000

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Identify prominent businesses and non-profit institutions in and around the Department’s network of facilities and parks, initiate a targeted outreach effort aimed at partnering facilities and parks with nearby entities, and establish a volunteer ‘adoption’ program where the nearby entities pledge levels of volunteer support for their adopted facility or park.

Analysis:
Many businesses and non-profit institutions encourage their employees to be active participants in the communities in which they work. Some entities even allow employees to utilize a few hours a month of paid work time to participate in certain community and volunteer activities. Through the establishment and promotion of a program where the Department’s recreation centers and parks are linked with local businesses and non-profit entities, structured partnerships can develop. Organizations’ volunteer efforts can be marshaled and strategically directed towards helping community recreation center and local parks. Aside from the benefit of increased levels of volunteerism, this effort could assist companies, hospitals, and schools become more active and visible participants in their communities.

If institutional partners were willing to pledge an average of eight volunteer hours per week at 25 of the recreation centers identified by the Department, this would generate a minimum of 10,400 hours of new volunteer support. If each of those hours were modestly valued at $10, the corresponding financial impact
would exceed $100,000.
DEPARTMENT OF RECREATION AND PARKS: FORMAL PARTNERSHIPS WITH LOCAL PROFESSIONAL SPORTS TEAMS

Problem Identification:
The Department needs to improve its efforts to promote partnerships with Baltimore’s professional sports franchises and professional athletes.

Recommended Action:
Establish formal partnerships with local sports teams.

Classification:
Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Pursue meetings with the community affairs and charitable foundation staffs of Baltimore’s local sports teams to identify opportunities to expand future partnerships.

Analysis:
Baltimore is home to two of professional sports most profitable franchises: the Baltimore Orioles and the Baltimore Ravens. Additionally, the city is home to a professional indoor soccer (the Baltimore Blast) and basketball (the Baltimore BayRunners). These sports franchises represent an important part of the city’s identity and constitute a tremendous source of civic pride.

Players from these organizations are very visible members of the Baltimore community involved in a wide range of charitable and community programs. Current Orioles such as Cal Ripken, Jr., Brady Anderson, and B.J. Surhoff have very visible community profiles through their charitable efforts on behalf of Baltimore’s children. Additionally, current Ravens Rob Burnett, Jonathan Ogden, and Tony Siragusa have established foundations focused on improving the lives of children.

The Orioles’ Charitable Foundation and the Ravens’ Foundation for Families are conduits through which each respective organization can provide structured opportunities for its players to give something back to the community. These entities help direct organizational giving and manage funding requests. In the past, the Department has been involved with these organizations through special events (e.g. football clinics sponsored by the Ravens). The Department must increase its efforts to cultivate relationships with these
foundations and proactively create appealing programs that will attract the interest and financial support of Baltimore’s sports teams.
DEPARTMENT OF RECREATION AND PARKS: FINANCIAL INCENTIVES

Problem Identification:
Individual recreation centers have little incentive to increase citizen participation levels and their revenue-generating capabilities.

Recommended Action:
Develop financial incentives for recreation centers to increase citizen participation and encourage fundraising efforts.

Classification:
Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
Reluctance to change existing budgetary practices and install financial incentives that direct budgetary monies from the City’s General Fund.

Projected Implementation:
90 – 120 days

Next Steps:
The leadership of the Finance Department and the Department of Recreation and Parks should meet to establish aggressive citizen participation and revenue-generation goals and structure an incentive program that provides future budgetary rewards to individual recreation centers that exceed pre-established goals.

Analysis:
Currently, individual recreation centers retain the user fees collected from program participants. These monies are used to support special programming costs and to purchase needed supplies that cannot be covered by the budgetary funds provided for the operation of the center. The only incentive to augment this flow of revenue occurs when an individual recreation center decides it wants to implement a new program for which it does not already have funds. This policy limits the number and scope of new programmatic initiatives.

Rewarding well performing recreation centers with additional budgetary support could provide the leadership of each recreation center (full and part time staff, local recreation councils, and volunteers) with tangible incentives to increase community participation levels and independent financial fundraising efforts. Additionally, an incentive program could prompt a healthy level of competition among centers.

Implementation of this recommendation could be extended to the Department’s special facilities if management of these operations is not assumed by a professional facilities management entity as suggested in recommendations 4-A and 4-B.
Department of Recreation And Parks: Implement Comprehensive Fundraising Strategy

7-B
DEPARTMENT OF RECREATION AND PARKS: IMPLEMENT COMPREHENSIVE FUNDRAISING STRATEGY

Problem Identification:
The limited availability of General Fund resources to support ongoing operations increases the importance and necessity of the Department’s external fundraising efforts.

Recommended Action:
Augment the Department’s grants staff to increase third party revenue streams.

Classification:
Revenue Enhancement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, given the Department’s minimal past fundraising efforts a goal of an additional $1,000,000 through independent financial support is aggressive, but not unreasonable.

Estimated Implementation Costs:
Cannot be Estimated

Barriers to Implementation:
Professional fundraising capabilities appear to be in short supply within the Department.

Projected Implementation:
90 days

Next Steps:
Pursue opportunities to redeploy existing staffing resources to increase the Department’s fundraising efforts. Additionally, consider retaining a professional fundraising consultant on a contingency fee basis.

Analysis:
The future success of the Department will be closely linked to its ability to generate revenues independent of its annual General Fund budget. Numerous recommendations throughout this report acknowledge this premise and suggest strategies to increase the Department’s success in enhancing existing revenues and creating new revenue streams. The Department has taken initial steps in this area, including the hiring of a full time grant writer, but a more comprehensive and far-reaching plan of action is needed.

An effectively managed Department could have wide appeal to a variety of funding sources. Youth development, crime reduction, after-school programs, and the protection of open spaces are just a sampling of the Department’s programmatic areas that are attractive candidates to potential funders. A comprehensive strategy to augment the Department’s fundraising efforts might also include an annual gala fundraising event similar to the Baltimore Zoo’s successful ZOOMERANG.

As reflected in the ‘Barriers to Implementation’ section of this recommendation template, the Department probably does not possess the in-house expertise and capability to accomplish the implementation of this
recommendation. This reality might necessitate the retention of a professional fundraiser for the Department to realize its full fundraising capabilities. If this option is pursued, the professional consultant could be paid a percentage of new revenues generated so the Department could avoid incurring significant contractual costs without assurances of success.
Department of Recreation and Parks: Comprehensive Performance Measurement Program

8-A
DEPARTMENT OF RECREATION AND PARKS:
COMPREHENSIVE PERFORMANCE MEASUREMENT PROGRAM

Problem Identification:
Central administration and Department management are often forced to make critical resource allocation decisions in the absence of meaningful performance and service data. Incomplete information hampers the City’s ability to effectively and efficiently manage its limited budgetary resources.

Recommended Action:
Set and clearly articulate service goals for every Departmental division and develop a set of regularly reported service measures to track the Department’s performance in meeting its goals.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All Department operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the regular collection and review of performance and service data can produce innumerable opportunities to improve the Department’s operations by equipping managers with the necessary information to make informed decisions regarding the allocation of resources.

Estimated Implementation Costs:
Can be accomplished within the Department’s existing resources.

Barriers to Implementation:
The collection and analysis of performance and service data must become an increased priority for the Department’s leadership. Future automation efforts must be specifically geared towards improving tracking and reporting capabilities.

Projected Implementation:
45 days

Next Steps:
Utilizing the list of proposed indicators (linked below), the Department, in conjunction with representatives from the Mayor’s Office and other central administration offices, must evaluate the adequacy of current data tracking and analysis efforts, identify those key indicators that best measure the effectiveness and efficiency of the Department’s operations, and begin to regularly report (at least on a monthly basis) on performance.

Analysis:
By focusing attention on the services that the Department provides and how well it provides those services, a comprehensive performance measurement program can provide City managers and the public with the necessary information to evaluate the efficiency and effectiveness of the services. The information yielded can be used to justify requests for increased funding as well as to ensure the Department’s ability to sustain or increase services with the same or decreasing amounts of resources. Equally important, the program can increase the City’s accountability by providing the public with enhanced information about service delivery.

LIST OF PROPOSED INDICATORS

LIST OF PROPOSED INDICATORS

Fire Suppression

911 Fire Suppression Service Calls
Total Responses to Fire Calls
   – Total Structure Fires
   – Residential
   – Other Structure Fires
   – Total Nonstructure Fires
   – Vehicle Fires
   – Debris Fires
   – Vacant Lot Fires
Total Vacant Building Fires
Average Fire Suppression Response Time
Percentage of Fire Service Calls Responded to Within Five Minutes
Total Fire Deaths
   – Firefighter Deaths
   – Civilian Deaths
   – Deaths Age 0-18
   – Deaths Age 19-35
   – Deaths Age 36-59
   – Deaths Age 60+
Deaths by Structure Type
   – Residential
   – Commercial
Total False Alarms
   – Residential
   – Commercial
Total Dollar Value Lost to Fire
   – Residential
   – Commercial

Emergency Medical Services

911 EMS Service Calls
Total EMS Medical Runs
EMS medical runs that resulted in medical transport
   – Advanced Life Support (ALS) Runs
   – Basic Life Support (BLS) Runs
Average EMS Unit Response Time
Percentage of EMS Service Calls Responded to Within Eight Minutes
Suppression Apparatus Ambulance Assist Runs
Average Suppression Apparatus Ambulance Assist Response Time
Percentage of Ambulance Assist Calls Responded to Within Eight Minutes
Runs that Resulted in an EMS Billing
Total EMS Billings (in dollars)
Total EMS-Related Revenues Collected
Greater Baltimore Regional Business Leaders | Greater Baltimore Committee | LIST OF PROPOSED INDICATORS

– Medicare Revenues Collected
– Medicaid Revenues Collected
– Insurance Revenues Collected
– Self-Pay Revenues Collected
Overall EMS Collection Rate

**Special Units**

HAZMAT Incidences
Marine Unit Incidences
– Fire Response
– Piers
– Barges
– Refineries
– Tug Boats
– Other Boats
– Structure Fires
– Others
– Rescues
– Assist Police
– Overturned/Sinking Boats
– Car in the Water
– Assist Coast Guard
– HAZMAT

**Community Risk Reduction/Prevention**

Total Number of Fire Inspections Conducted
Average Number of Inspections Performed per Fire Company
Percentage of Fires in Previously Inspected Occupancies
Percentage of Total Inspected Occupancies Experiencing Fires
Fire Marshal’s Office Total Investigations
– Incendiary/Arson as Cause of Fire
– Investigation-Related Criminal Prosecutions
Number of Fire Prevention In-School Presentations
Field Fire Prevention Activities
Total Number of Smoke Detectors Distributed
– Number of Fires Occurring in Structures Without a Working Smoke Detector
– Residential
– Other Structures
– Number of Fire Deaths Occurring in Structures Without a Working Smoke Detector
– Residential
– Other Structures

**Risk Management**

Total Number of Paid Days Lost Due to Injuries
Total Number of ‘Limited Duty’ Injured-on-Duty Days
New Service Connected Disability Pensions Granted
Total Number of Vehicles Accidents
– Engine Accidents
– Related Injuries
– Truck Accidents
– Related Injuries
– EMS Unit Accidents
– Related Injuries
– Command Car Accidents
– Related Injuries
– Other Vehicle Accidents
– Related Injuries

**Internal Services**

Total Number of Fire Vehicles
– Number of Engines
– Minimum Number of Engines Needed in Service Each Day
– Percentage of Time Minimum Number of Engines Available
– Number of Trucks
– Minimum Number of Trucks Needed in Service Each Day
– Percentage of Time Minimum Number of Trucks Available
– Number of EMS Units
– Minimum Number of EMS Units Needed in Service Each Day
– Percentage of Time Minimum Number of EMS Units Available
– Number of Command Cars
– Minimum Number of Command Cars Needed in Service Each Day
– Percentage of Time Minimum Number of Command Cars Available
– Number of Other Vehicles
– Minimum Number of Other Vehicles Needed in Service Each Day
– Percentage of Time Minimum Number of Other Vehicles Available
Department of Recreation and Parks: Administrative Staffing Consolidation

9-A
DEPARTMENT OF RECREATION AND PARKS:
ADMINISTRATIVE STAFFING CONSOLIDATION

Problem Identification:
The Department has an unnecessarily large contingent of administrative staff due to inefficient computer and administrative procedures that necessitate repetitive manual processes and reviews.

Recommended Action:
Review the workload of administrative clerks and eliminate duplicative administrative processes and functions through the consolidation of positions.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Recreation and Parks

Estimated Annual Impact:
$80,000 – $120,000

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 – 180 days

Next Steps:
Review administrative procedures, identify and eliminate overlaps, and redistribute administrative workloads across fewer positions. Begin making better use of automated systems to minimize repetitive manual processes.

Analysis:
The Department’s Administrative Direction and Control unit is staffed by 24 full time personnel. Of those 24 positions, 14 positions are classified as secretaries, assistants, typists, or word processing operators. This represents an unusually large contingent of administrative support staff given the mid- and upper-level management staffing levels.

Assuming that the cost of a FTE clerical position is $30,000 in salary and $10,000 in benefits, the savings per FTE is $40,000 per year. Improving and streamlining current procedures could enable the consolidation of responsibilities and a reduction of at least two to three staff members within this unit.
Department of Recreation and Parks: Issuance of Purchase Cards

9-B
DEPARTMENT OF RECREATION AND PARKS:
ISSUANCE OF PURCHASE CARDS

Problem Identification:
Recreation Centers and Departmental personnel cannot purchase small ticket items (under $2,000) without an exhaustive and timely approval process required for the expenditure of funds. This represents a major inconvenience when immediate unanticipated needs arise.

Recommended Action:
Allow individual recreation centers to utilize City-issued purchase card accounts to facilitate small order purchases.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
All Departmental Operations

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None. However, in the past, the Department has not made use of the purchase card program administered by the Department of Finance’s Bureau of Purchasing.

Projected Implementation:
90 days

Next Steps:
Have the Department fiscal staff meet with the Department of Finance’s Bureau of Purchasing. Issue purchase cards to appropriate recreation center personnel.

Analysis:
The staff in the Department’s centers should be entrusted with the ability to acquire items quickly if needed to adequately perform their jobs. Use of the City’s purchase card system could provide the staff in the Department’s centers with much-needed flexibility. Additionally, it could create a financial control system to monitor purchases that can be more easily monitored than the Department’s existing manual recordkeeping processes. Finally, use of the purchase card system could ensure more timely payment of vendors.
VII. Citywide Issues

Executive Summary

Recommendation Categories:

Expand public reporting on City resource allocation.
Utilize creative approaches to budgetary management.
Promote public sector innovation through the use of incentives.
Utilize competition and outsourcing as a catalyst.
Create new management structures and mechanisms.
Revise long-standing bureaucratic practices and processes.
Infuse the City’s workforce with new talent and opportunities for professional development.
Actively engage the public in the process of improving Baltimore’s municipal government.
Executive Summary

Introduction: Citywide

The scope of work for the Greater Baltimore Committee/Presidents’ Roundtable Management and Efficiency Reviews involved conducting comprehensive assessments of the City of Baltimore’s Fire and Health Departments, as well as its Departments of Housing and Community Development, Public Works, and Recreation and Parks. As the study progressed, it became evident that the study had to be extended to address the City’s overall use of information technology. These areas of City’s government, however, cannot exist and function in a vacuum. A myriad of external influences and internal processes exist that impact the studied departments’ abilities to operate efficiently and effectively influences that are manifest in shared organizational needs and challenges that must be managed and confronted by the leadership of every department and the City’s collective workforce.

As the approximately 250 executive volunteers that comprised the six project teams advanced in their fieldwork, similar observations and reoccurring themes began to surface from the project teams’ 30 subcommittees. Recognizing that the project teams were addressing these issues and contemplating recommendations with implications that reached beyond the departments being studies or direct operational areas being considered, a decision was made to compile a list of ‘Citywide’ recommendations. These recommendations incorporate a combination of cost savings, organizational, revenue enhancement, and service improvement implications that cut across traditional departmental boundaries as established in the City’s budgets and organizational charts. Specifically, this set of recommendations identify tangible opportunities to:

– Establish accountability as a priority by setting quantifiable goals and regularly measuring performance;
– Develop innovative strategies and organizational mechanisms to better manage scarce financial resources;
– Infuse the City’s leadership and workforce with an entrepreneurial spirit;
– Revise long-standing service-delivery models and bureaucratic practices; and
– Engage the public in the continual improvement of Baltimore’s government.

The ultimate success or failure of any organization be it a small company with less than 10 employees or a municipal conglomerate with thousands of employees such as the City of Baltimore’s government is dependent upon its ability to seize the above-mentioned opportunities and execute strategies designed to maximize financial and service impacts.

Finally, it must be acknowledged that some of the financial and operational challenges confronting the departments studied cannot be disassociated with internal organizational processes such as hiring, contracting, and procurement. While the departments primarily responsible for these functions fall outside the purview of these reviews, the Project Steering Committee would be remiss if it failed to identify the existence of these issues and neglected to offer limited recommendations regarding areas where additional study and evaluation are warranted.
## Expand public reporting on City resource allocation

### Citywide: Section 1

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
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<tbody>
<tr>
<td>1-A CITYWIDE: EXPAND PROGRAM PERFORMANCE MEASUREMENT PROJECT</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>1-B CITYWIDE: QUARTERLY PERFORMANCE REVIEW REPORT</td>
<td>Accept</td>
<td>90 Days</td>
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## Utilize creative approaches to budgetary management

### Citywide: Section 2

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<th>Implementation Time</th>
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<td>2-A CITYWIDE: INCREMENTAL BUDGET SAVINGS PLANS</td>
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<tr>
<td>2-B CITYWIDE: RENEWABLE INTERGOVERNMENTAL VENTURE FUND</td>
<td>Accept</td>
<td>FY2002</td>
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<td>2-C CITYWIDE: ACTIVITY-BASED COSTING</td>
<td>Study</td>
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## Promote public sector innovation through the use of incentives

### Citywide: Section 3

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<tr>
<td>3-A CITYWIDE: PERFORMANCE-BASED BONUS PROGRAM</td>
<td>Modify (Good managers will not be replaced)</td>
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<tr>
<td>3-B CITYWIDE: EMPLOYEE INNOVATION PROGRAM</td>
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<td>3-C CITYWIDE: DIRECTORS’ CHECKBOOKS</td>
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Utilize competition and outsourcing as a catalyst

Citywide: Section 4

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<td>4-A CITYWIDE: MANAGED COMPETITION COMMITTEE</td>
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### Create new management structures and mechanisms

#### Citywide: Section 5

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<tr>
<td>5-A CITYWIDE: OFFICE OF MANAGEMENT INITIATIVES (OMI)</td>
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<tr>
<td>5-B CITYWIDE: FORMAL INTERDEPARTMENTAL SERVICE AGREEMENTS</td>
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<td>90-120 Days</td>
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<tr>
<td>5-C CITYWIDE: COMPREHENSIVE INVENTORY MANAGEMENT</td>
<td>Accept</td>
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<td>5-D CITYWIDE: MAYOR'S OFFICE OF POLICY AND PLANNING</td>
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<td>90-120 Days</td>
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### Revise long-standing bureaucratic practices and processes

**Citywide: Section 6**

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<tr>
<td>6-B CITYWIDE: REENGINEER CONTRACT MANAGEMENT PROCESSES</td>
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<td>FY2002</td>
</tr>
<tr>
<td>6-C CITYWIDE: “JUST IN TIME” PROCUREMENT CONTRACTS AND EXPANDED USE OF PURCHASE CARDS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6-D CITYWIDE: REDUCED PAPER UTILIZATION</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6-E CITYWIDE: MODERNIZE CITY LABOR CONTRACTS</td>
<td>Accept</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6-F CITYWIDE: REFORM LEAVE USAGE POLICIES</td>
<td>Accept</td>
<td>Partially Implemented; Ongoing</td>
</tr>
</tbody>
</table>
## Infuse the City’s workforce with new talent and opportunities for professional development

### Citywide: Section 7

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
</table>
| 7-A  
CITYWIDE: PUBLIC SECTOR RECRUITEMENT EFFORTS | Accept              | Ongoing             |
| 7-B  
CITYWIDE: PROFESSIONAL AND LEADERSHIP DEVELOPMENT PROGRAMS | Accept              | Ongoing             |
| 7-C  
CITYWIDE: INTERNSHIP PROGRAM       | Accept              | 120 Days            |
Actively engage the public in the process of improving Baltimore’s municipal government

### Citywide: Section 8

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
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</thead>
<tbody>
<tr>
<td>8-A</td>
<td>Study</td>
<td>120 Days</td>
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<tr>
<td>CITYWIDE: ANNUAL CITIZEN SATISFACTION SURVEY</td>
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<tr>
<td>8-B</td>
<td>Modify (Begin with “Hot Zones”)</td>
<td>90 Days</td>
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<tr>
<td>CITYWIDE: BLOCK CAPTAIN PROGRAM</td>
<td></td>
<td></td>
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</table>
CITYWIDE: EXPAND PROGRAM PERFORMANCE MEASUREMENT PROJECT

1-A
CITYWIDE: EXPAND PROGRAM PERFORMANCE MEASUREMENT PROJECT

Problem Identification:
The City cannot manage what it does not measure.

Recommended Action:
Expand the scope and significance of the City’s Program Performance Measurement Project by developing new and more expansive performance measures, increasing departments’ reporting requirements, and more effectively utilizing and publicizing the information collected through these efforts to promote public accountability.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the regular collection and review of performance and service data can produce innumerable opportunities for improving City operations by equipping managers with the information necessary to make informed decisions regarding the allocation of resources.

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
The collection and analysis of performance and service data must become an increased priority in every City department and agency. Future information technology efforts must be specifically geared towards enhancing tracking and reporting capabilities.

Projected Implementation:
60 – 90 days

Next Steps:
Utilizing the list of proposed performance indicators found in each section of this report, the Mayor’s Office and other central administration offices must evaluate the adequacy of current data tracking and analysis efforts, identify key indicators that best measure the effectiveness and efficiency of the Department’s operations, and begin to regularly report (at least on a monthly basis) on performance.

Analysis:
By focusing attention on the services that City departments provide and how well those services are provided, a comprehensive performance measurement program can provide policymakers, managers, and the public with the information necessary to evaluate the efficiency and effectiveness of City services. The information yielded through these efforts can be used to justify requests for increased funding as well as to ensure the City’s ability to sustain or expand services with the same or decreasing amounts of resources. Equally important, the program can increase the City’s accountability by providing the public with enhanced information about City services.
The City’s current Program Performance Measurement Project, constituted in FY96, has taken some important initial steps to develop service objectives and indicators to measure departments’ progress towards meeting service goals. However, in too many instances the indicators currently used by the participating departments fail to address the most important service areas for which they are responsible. For example, the Fire Department’s measures do not include information related to the numbers of fires and emergency medical service runs to which the Department responds. Additionally, no information is provided about the specific response times for these critical activities.

An expanded Program Performance Measurement Project could dovetail nicely with the O’Malley Administration’s CitiStat initiative. The Greater Baltimore Committee/Presidents’ Roundtable project teams felt so strongly about the need to enhance efforts to measure performance that each of the sections of this report contain a recommendation that identify specific performance indicators that the City should strongly consider monitoring in the future.
Problem Identification:
The City has not instituted formal departmental reporting requirements to monitor on-going progress towards meeting financial and management goals.

Recommended Action:
Issue an easy to understand Quarterly Performance Review Report that summarizes the City’s progress in implementing its financial and management goals.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
60 – 90 days

Next Steps:
Identify the information that departments should be required to publicly report on at least a quarterly basis. Establish reporting protocols and formats and publish a schedule for the regular submission of departmental information.

Analysis:
While the City’s annual budget process and its Program Performance Measurement Project yield annual reports on the municipal government’s progress towards meeting its financial and management goals, interim progress reporting is produced only on a limited basis to central administration offices such as the Department of Finance.

Increasing departmental reporting requirements coupled with more frequent reviews of departments’ financial and management performance could enable the City more opportunities to affect mid-year adjustments to policies and practices. Such an approach could ultimately realize cost savings, revenue enhancements, and services improvements earlier in the fiscal year rather than waiting until the next fiscal year to implement a new initiative or adjust departmental resource levels.

Possible summary information to be incorporated in a Quarterly Performance Review Report includes target levels, year-to-date, and projected year-end financial and management reports on the following:
1. City’s Fund Balance
2. Tax and Non-Tax Revenues
3. General Fund Obligations
4. Full-Time Staffing Levels
5. Temporary, Part-Time, and Contract Employee Staffing Levels
6. Position Classification/Personnel Turnover Rates
7. Leave Usage Analysis
8. Departmental Service Levels
9. Enterprise Fund Reports
10. Cash Flow Analysis
11. Implementation Tracking of Management Initiatives
CITYWIDE: INCREMENTAL BUDGET SAVINGS PLANS

2-A
CITYWIDE: INCREMENTAL BUDGET SAVINGS PLANS

Problem Identification:
The City is perpetually challenged to close a sizeable gap between General Fund expenditures and revenues.

Recommended Action:
Develop ‘target budget plans’ for all City departments at the beginning of each fiscal year that establish spending goals and applicable revenue requirements at levels slightly below adopted appropriation levels.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
$2,100,000 – $12,800,000

Estimated Implementation Costs:
None

Barriers to Implementation:
Reluctance to adopt a new approach to budgeting.

Projected Implementation:
FY2002

Next Steps:
Instruct the Finance Department to establish appropriate target budget plans for all City departments.

Analysis:
Baltimore’s municipal government functions on a July 1 to June 30 fiscal year. Budgetary planning for the next fiscal year, however, begins in the fall of the current fiscal year. Departments are provided with instructions for developing funding requests that are ultimately submitted to the Finance Department. These submissions include ‘target budgets’ that essentially detail what departments would like to have for the next fiscal year and ‘current level of service budgets’ that purportedly represent departments’ absolute minimal funding needs to maintain the level of service delivered during the previous fiscal year. The final budgets approved by the Finance Department and transmitted to the Board of Estimates and City Council fall somewhere between the ‘target’ and the ‘current level’ submissions.

When dealing with multi-million dollar budgets, resourceful financial managers are capable of squeezing modest efficiencies and cost savings from a number of budgetary cost centers. Following the appropriation process, City managers should be directed to limit their department expenditures to a level slightly below the legally appropriated budget. These savings can be easily accomplished by delaying the hiring of non-critical personnel, delaying or reducing purchases of materials and supplies, or not expending the fully budgeted amount for a professional services contract. While a budgetary savings of less than two percent of a department’s budget might seem inconsequential, when aggregated across the totality of the City’s General Fund budget, the savings can be significant.
Utilizing information from the FY2000 Adopted Budget, were the City to institute incremental budget savings plans for just its General Fund expenditures and achieve a total cost reduction of between .25 and 1.5 percent of its General Fund budget by having departments manage to the incremental budget savings plan as opposed to the adopted appropriation levels, a total cost savings of between $2 and nearly $13 million could be achieved.
Problem Identification:
Stagnant growth in General Fund revenues has limited the City’s ability to undertake major improvement initiatives with significant start-up costs.

Recommended Action:
Create a renewable intergovernmental venture fund as an independent source of funding for qualified public sector initiatives that cannot normally be funded through departments’ annual budgets.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
$670,000 – $2,000,000

Estimated Implementation Costs:
$75,000

Barriers to Implementation:
The City would need to devise a method for capitalizing the renewable intergovernmental venture fund.

Projected Implementation:
180 days

Next Steps:
Develop a strategy for capitalizing the fund and establish guidelines for projects to qualify for investment support. Appoint an investment board made up of key City leaders and private sector representatives with banking or venture capital experience and recruit a manager to oversee the fund’s portfolio of project investments.

Analysis:
In recent years, the City has been afforded very limited budgeting flexibility to support improvement initiatives with high start-up costs where the realization of financial benefits is not immediate. This is particularly true in areas such as information technology, where the City’s ability to undertake potentially beneficial improvement initiatives is often inhibited by prohibitive start-up costs. Through a renewable intergovernmental venture fund, the City could make strategic investments in qualified projects that yield a specified return on investment. The fund would make investments in public sector projects that could not otherwise be funded through the City’s operating or capital budget. Cost reductions achieved and revenue enhancements gained would be reflected in adjusted budgets and used to replenish the capital base of the venture fund. For example, consider the following simplistic scenario:

1. The City was able to capitalize a $10-million renewable intergovernmental venture fund.
2. Strict guidelines for project investment were applied requiring a minimum 20 percent quantifiable return on investment.
3. The City was able to make $3.33 million in venture fund investments in each of the first three years of fund operations.

### Renewable Intergovernmental Venture Fund Model

(All dollars in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Yearly Investment</td>
<td>$3.33</td>
<td>$3.33</td>
<td>$3.33</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<td>–</td>
</tr>
<tr>
<td>ROI f/Year 1 Investment</td>
<td>–</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$0.67</td>
<td>–</td>
<td>–</td>
<td>$3.33</td>
<td></td>
</tr>
<tr>
<td>ROI f/Year 2 Investment</td>
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<td>–</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$0.67</td>
<td>–</td>
<td>$3.33</td>
<td></td>
</tr>
<tr>
<td>ROI f/Year 3 Investment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$0.67</td>
<td>$3.33</td>
</tr>
<tr>
<td>Total ROI</td>
<td>–</td>
<td>$0.67</td>
<td>$1.33</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$1.33</td>
<td>$0.67</td>
<td>$10.0</td>
<td></td>
</tr>
</tbody>
</table>

*ROI assumes a 20 percent annual return on investment in the form of quantifiable cost savings or revenue enhancements that are in addition to the quantifiable cost savings and revenue enhancements used to replenish the capital base of the fund.

Under this simplistic model, the interest earnings produced by the unused portion of the fund's capital base could cover the annual cost of operating the fund. Ideally, the fund would be able to increase its investment activity, and the accompanying cost savings and revenue enhancement benefits, beyond the modest levels described in the chart above as financed projects begin to come on-line and produce financial benefits that can be used to renew the fund.

The capitalization of a renewable intergovernmental venture fund, given the City's already-referenced financial constraints that prompt this recommendation, would be challenging. Possible capitalization options include using proceeds from non-recurring cost savings or one-time revenues from the sale of City assets or a general obligation bond issue.

This recommendation is modeled after the Productivity Bank initiative undertaken by the City of Philadelphia. During the FY94-FY2000 period, Philadelphia’s Productivity Bank made approximately $22.7 million in loans to City departments and agencies that are projected to result in almost $71 million of expenditure savings and revenue enhancements through FY2003.
CITYWIDE: ACTIVITY-BASED COSTING

Problem Identification:
The City has made minimal efforts to establish the specific costs of targeted service functions.

Recommended Action:
Utilize activity-based costing to determine true operational costs, identify inefficiencies, and establish more useful performance measures.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, activity-based costing can assist decision makers to make more informed decisions about resource allocations by isolating particularly costly services for in-depth review and analysis.

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
45 – 60 days

Next Steps:
Identify a small number of the City’s most costly services. Collect and analyze information related to the provision of those services so as to isolate particularly costly elements of the total service cost and target these areas for either process or competitive reengineering.

Analysis:
The City, to a degree, is already involved in limited activity-based costing. The City’s annual budget includes appropriations for seven proprietary type funds accounting for the financing of goods and services provided by certain City agencies to other agencies on a cost reimbursement basis. These efforts, however, are generally restricted to large-scale activities such as managing the City’s fleet of motor vehicles.

For every identifiable activity of government, activity-based costing determines the cost of everything that goes into conducting that activity. Accurate information about costs provides a foundation for managers to identify inefficiencies, apply managed competition principles, and establish performance measures. By measuring the real cost of providing a service, the City will know what it actually spends, how its funds are spent, establish a baseline for costs, and pinpoint areas where savings might be achieved. Activity-based costing provides real performance indicators, in which costs can be measured on a per-employee, per-task, or per-project basis. This allows decision-makers to determine which divisions are incurring the greatest costs, examine the reasons for this, and make informed decisions as to whether the process should be reengineered or considered for outsourcing. (Analysis section adapted from the Manhattan Institute’s...
publication The Entrepreneurial City: A How-To Handbook for Urban Innovators.)
CITYWIDE: PERFORMANCE-BASED BONUS PROGRAM

Problem Identification:
Compensation packages for public sector executives rarely approach those available in the private sector. This disparity, coupled with the limited job security that accompanies being a political appointee, limits the appeal of public sector management positions and reduces the pool of management talent from which the City can draw.

Recommended Action:
Develop a program making the City’s top managers eligible for annual bonuses based upon the performance of their department or organizational unit.

Classification:
Cost Savings, Organizational, Revenue Enhancement,
Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Compensation levels for the City’s top managers are traditionally a hot-button issue with municipal labor unions and the media.

Projected Implementation:
60 days

Next Steps:
Convene a small task force of business leaders with expertise in executive compensation and task them with developing guidelines for a performance-based bonus program. These guidelines should include establishing the ranges for bonus awards and setting performance criteria where the awarding of bonuses is appropriate.

Analysis:
If the City’s 25 most important non-elected managers were eligible for a maximum annual performance-based bonus of $10,000, the total cost of the program should every manager met the award criteria would not exceed $250,000. If the awarding of performance-based bonuses were linked to achieving cost savings or revenue enhancement benefits at a minimum of a 10-1 ratio, $250,000 in performance-based bonus awards would only occur after the generation of $2,500,000 in quantifiable benefits for the City. The financial impact and implementation cost of the recommendation is dependent upon the number of managers allowed to participate in the program, the monetary range of financial rewards, and the establishment of guidelines specifying the level of financial or service benefits that need to be generated to qualify for a performance-based award.
CITYWIDE: EMPLOYEE INNOVATION PROGRAM

Problem Identification:
There exist few formal opportunities for City employees to independently advance improvement projects.

Recommended Action:
Create a formal incentive program that rewards City employees for suggesting improvement projects that result in cost savings, revenue enhancements, or significant improvements in the efficiency and effectiveness of City services.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
$20,000

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Project Implementation:
45 – 60 days

Next Steps:
Create guidelines for the incentive program that specify the criteria for submissions and eligibility. Make appeals to the business community to underwrite the cost of the awards program, including the donation of cash, gift certificates, and tickets to cultural, concert, and sporting events, to be awarded to the best employee submissions. Identify representatives from City government and the business community to serve as a formal committee that regularly reviews submissions on a quarterly basis.

Analysis:
For a modest cost of $1,000 in incentive awards per quarter—a cost that the private sector would likely be willing to bear—the City could receive a regular stream of documented improvement concepts from the most knowledgeable experts on City operations’its employees. Were the best idea of each quarter to result in a minimum of $5,000 in annual quantifiable improvements, the City would enjoy a yearly benefit of at least $20,000. It would not be unreasonable, however, to expect that a number of valuable entries would be received each quarter that could result in total savings well in excess of the modest levels set forth herein.
Problem Identification:
Departmental leaders have few tangible mechanisms with which to reward employees’ exceptional performance.

Recommended Action:
Provide department and agency leaders “directors’ checkbooks” to make limited, small discretionary merit-based awards to exemplary City employees.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
$50,000

Barriers to Implementation:
None

Projected Implementation:
FY2002

Next Steps:
Develop guidelines for issuing ‘directors’ checkbook’ awards that specify the classes of employees that are eligible for awards, impose limits on the financial value of awards, and that determine the frequency with which employees can receive awards. Determine the appropriate amount of funds to be placed in these ‘directors’ checkbooks’ and make the amounts available in the FY2002 budget.

Analysis:
Performance-based bonuses are an important component of many employers’ compensation packages. A directors’ checkbook program would provide department leaders with a valuable management tool to recognize workplace achievement. Equipping departmental leaders with small, discretionary accounts from which to reward exceptional employee performance can serve as a powerful motivational tool and help bolster workplace morale.

The $50,000 implementation cost represents a preliminary estimate of program start-up costs. In addition to pre-established program guidelines outlined above, the total value of an individual director’s checkbook should probably be limited to a maximum of $5,000 to mitigate the risk of abuse.
Problem Identification:
The current costs of providing a multitude of City services exceed the costs that would be charged by private and non-profit service providers. The City lacks a formalized process by which to evaluate the benefits of utilizing managed competition strategies.

Recommended Action:
Create a standing committee comprised of key City decision makers to develop formal guidelines by which opportunities for managed competition will be evaluated, to identify municipal services that could benefit from managed competition, and to oversee the managed competition process from the development of requests for proposals, through proposal evaluation, contract negotiations, and performance monitoring.

Classification:
Cost Savings, Organizational, Revenue Enhancement, and Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
The estimated annual impacts of specific functions that are recommended to be subjected to managed competition are included throughout this report. The formation of a managed competition committee and the development of guidelines by which to evaluate the desirability of pursuing managed competition as a strategy for the procurement of select services would produce no direct annual financial impact although the application of managed competition strategies could significantly impact the cost, efficiency, and effectiveness of services delivered to the public.

Estimated Implementation Costs:
None

Barriers to Implementation:
Developing and utilizing a managed competition approach for the procurement and delivery of services traditionally provided by the government is almost universally opposed by municipal labor unions that are unaccustomed to having the cost efficiency of their service delivery judged against private and non-profit providers.

Projected Implementation:
15 days to identify the City decision makers to be appointed to a managed competition committee; 30 – 45 days to develop guidelines by which to evaluate the application of managed competition strategies; 90 – 120 days to begin developing and issuing requests for proposals.

Next Steps:
Designate key City decision makers to serve on the managed competition committee. Instruct the committee to develop guidelines for the application of managed competition strategies. Identify services where the City could potentially achieve cost reductions or service improvements through managed competition.

Analysis:
In general, the City of Baltimore has been reluctant to embrace managed competition as a strategy for the delivery of municipal services. While the City has contracted with the private sector to provide some limited services, particularly in the areas of health, aging, and housing and community development, there remain a host of services (identified throughout this report) where the City could achieve significant cost savings, revenue enhancements, and service improvements through the application of managed competition principles.

Unfortunately, terms like ‘privatization’ and ‘competitive contracting’ have become threatening to public employees and are viewed as synonymous with ‘union layoffs.’ This need not be, and should not be the case in Baltimore. Baltimore’s elected leaders have a fiduciary responsibility to ensure that its taxpayers receive the most effective and efficient services at the lowest possible costs. Creating a managed competition committee and establishing guidelines by which to apply and evaluate the strategy would be an important first step. A number of American cities, most notably Indianapolis, have reaped financial and service benefits through the structured injection of competition. In Philadelphia, over $38 million in annual cost savings were achieved by contracting out 46 different services.
CITYWIDE: OFFICE OF MANAGEMENT INITIATIVES (OMI)

Problem Identification:
As the City of Baltimore moves forward with efforts to reshape its municipal government, a need will develop to vest an organizational entity with the responsibility for overseeing the development, implementation, and analysis of new management initiatives.

Recommended Action:
Create an Office of Management Initiatives (OMI).

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
$3,000,000 – $4,000,000

Estimated Implementation Costs:
$300,000 – $400,000

Barriers to Implementation:
None

Projected Implementation:
30 – 45 days

Next Steps:
Determine OMI’s proper placement within the City’s organizational structure, appoint a director, and hire a small staff or reassign resources from other departments and agencies, define the scope of work, and establish quantifiable goals to be achieved in the areas of cost savings, revenue enhancement, and service improvements.

Analysis:
OMI should be charged with identifying new management and efficiency opportunities, coordinating efforts on initiatives that cut across the operational boundaries of City departments and agencies, and continuing to build upon the Greater Baltimore Committee/Presidents’ Roundtable effort by systematically infusing City operations with the private sector’s perspective.

OMI’s initial scope of work should include overseeing and evaluating potential managed competition efforts, serving as an organizational incubator for underperforming City operations or new administrative entities, continuing to leverage private sector involvement in City operations, identifying opportunities for mutually beneficial labor/management initiatives, and publicizing the City’s improvement efforts through regular reports on the progress of the City’s management initiatives and its operational performance.

While the financial impact of the implementation of this recommendation would be dependent upon the budgetary resources afforded this office and the extent of its scope of work, a quantifiable target should be established requiring OMI to make a minimum 10-to-1 return on investment ($10 in cost savings, revenue
enhancement, or equivalent service improvements for every $1 required to operate OMI). The estimated financial impact and implementation costs included herein are based on the creation of an office with a $300,000 annual budget and a corresponding requirement that the office produce a minimum of $3,000,000 in financial and service benefits each year.
CITYWIDE: FORMAL INTERDEPARTMENTAL SERVICE AGREEMENTS

Problem Identification:
The delivery of many departmental services is partially dependent upon other City departments providing timely internal/support services. Breakdowns in these interdependent service relationships can diminish the effectiveness and efficiency of services delivered to the public.

Recommended Action:
Develop formal service agreements between interdependent City departments that articulate specific intergovernmental service expectations and standards.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, clearly defined service expectations and standards would lead to greater accountability and a newfound focus on the quality of services delivered between City departments and agencies.

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
90 – 120 days

Next Steps:
Beginning with the City’s most costly interdepartmental services, convene meetings between departmental service providers and departmental consumers of internal services, discuss service needs and standards, and develop formalized interdepartmental service agreements that clearly articulate expectations. Once executed, these agreements should be revisited during disputes between departments and periodically reviewed to ensure that departments are meeting their service obligations.

Analysis:
The City’s Finance Department utilizes an Internal Service Fund to finance goods and/or services provided by certain City departments to other City departments on a cost reimbursement basis. In FY2000, nearly $69 million was appropriated for a host of internal services including fleet management, printing, post office, telephone, telecommunications, and worker’s compensation. These activities, and the associated charges, are intended to operate on a fully self-supporting basis. This method of intergovernmental accounting is frequently referred to as a ‘chargeback’ system. While this seemingly represents an uncomplicated method for recouping the costs associated with providing these services internally, the system is not without its faults.
Departments that consume internally provided services do so without choice, as the City departments that provide internal services are the providers of first and last resort. Additionally, while departments ostensibly ‘pay for’ these internally provided services, these represent budgeted payments meaning that departments are not responsible for ensuring ample revenue generation to cover the costs they incur through the use of internal services. Conversely, the departments that provide internal services sometimes complain that the budgeted payments they receive for providing internal services are insufficient and do not represent full reimbursements. Further compounding the problem is the fact that some internal service functions are housed within larger departments such as the Bureau of Fleet Management within the Department of Public Works creating a perception among some departments that consume internal services that their interests are subsidiary to larger departments.

Without passing judgment of the validity of these claims and counter-claims, it was abundantly apparent to the six Greater Baltimore Committee/Presidents’ Roundtable project teams that service expectations and standards are not clearly articulated between departments that are consumers and providers of the City’s internal services. While the organizational discipline to enforce service agreements is ultimately dependent upon the City’s executive leadership, there could be tremendous value in requiring departments to commit to developing internal service agreements. In the absence of clearly defined service expectations and standards, there are no criteria against which to evaluate the adequacy of internally provided services.

As an example, the Department of Public Works’ Bureau of Fleet Management is responsible for managing the City’s motor equipment fleet. For most departments, the regular availability of a mission-specific fleet of vehicles is critically important to the delivery of service. In cases such as the Police and Fire Departments, a certain number of radio patrol cars, fire engines and trucks, and emergency medical services (EMS) units must be available at all times. The Bureau of Fleet Management and the Police and Fire Departments should meet to determine daily targets for the number of vehicles needed to maintain public safety. The Bureau of Fleet Management’s performance in meeting the established vehicle availability targets should be tracked, and problems that arise that fall short of service expectation and standards should be probed and resolved to the satisfaction of all involved departments.
CITYWIDE: COMPREHENSIVE INVENTORY MANAGEMENT

Problem Identification:
Monitoring City departments’ actual need for materials and supplies is difficult given the largely decentralized approach to assessing and managing inventory needs.

Recommended Action:
Reduce the level of expenditures for materials and supplies through a comprehensive Citywide approach to inventory management.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
$1,000,000

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
180 days

Next Steps:
Vest an intergovernmental team with responsibility for monitoring departments’ annual needs for materials and supplies, eliminating or reducing slow-moving inventory items, and identifying inventory-related facilities and building space that could be consolidated and/or eliminated. Arrange site visits to the departments that have historically exhibited the highest level of expenditures for materials and supplies to assess the effectiveness of their warehousing operations and gauge their actual inventory needs.

Analysis:
The five departments analyzed during the course of this Management and Efficiency Review project had an aggregate FY2000 operating budget of over $790 million. Of that figure, $34.5 million, 4.4 percent, was appropriated for the purchase of materials and supplies.

While the Finance Department’s Bureau of Purchases maintains responsibility for procuring supplies, services and equipment for most City agencies, it has no responsibility for evaluating departments’ actual inventory needs or the appropriateness of existing inventory levels. Given that expenditures for materials and supplies represent less than five percent of the studied departments’ total operating budgets for FY2000, this area of departmental expenditures receives comparatively little scrutiny from either departmental leadership or central administration offices.

There exists a tremendous opportunity for the City to achieve significant cost savings through the more
efficient and effective management of its materials and supplies inventories. Opportunities for cost savings include: reducing the City’s annual expenditures for materials and supplies, reducing inventory storage needs, reducing the level of slow- and non-moving inventories, and the creation of an investment recovery function responsible for turning surplus equipment and obsolete inventory into value through the use of recycling, redeployment, reselling, and other innovative techniques.

If an intergovernmental team made up of representatives from the Finance Department (Bureaus of Purchasing and Budget) were able to identify areas resulting in a three percent reduction in the level of materials and supplies expenditures within the five studied departments, the level of savings would exceed $1,000,000. Expanding the effort beyond the scope of the five departments studied herein could result in much greater savings.
Problem Identification:
There exist a myriad of major public sector policy and planning issues with long-term time financial and service implications confronting the City of Baltimore. While many of these ‘big picture’ issues cut across departmental boundaries and involved significant expenditures of tax dollars, the Mayor’s Office does not have a dedicated function devoted solely to studying these matters and developing long-term strategic solutions.

Recommended Action:
Create a policy and planning capability within the Mayor’s Office to manage citywide issues such as transportation planning.

Classification:
Organizational

Functional/Operational Area:
Mayor’s Office

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Next Steps:
Identify the City’s long-term policy and planning needs and recruit a small staff of qualified public policy and planning professionals to perform extensive research and to develop well-conceived plans for strategic solutions that can be implemented of City government.

Analysis:
The vast majority of recommendations contained within this report were crafted to address specific operational or financial shortcomings or deficiencies in City government. As the new Administration grapples with improving the quality and effectiveness of municipal services while also trying to maintain the government’s continued fiscal stability, there exists a risk that too much effort and energy will be devoted to short-term fixes and temporary solutions to some of Baltimore’s larger, systemic problems. While issues such as ‘crime and grime’ dominate citizens’ lives on a day-to-day basis and largely dictate the government’s priorities, there exist other less well-defined, but no less important, challenges that confront Baltimore and its municipal government.

The Greater Baltimore Committee/Presidents’ Roundtable project teams encountered a number of these issues during the course of its work. Most notably, the City’s apparent lack of a comprehensive strategy/vision for local transportation planning. Another apparent deficiency is the City’s inability to integrate health and human services functions to provide a seamless continuum of care and services to the public. The City government as a whole could be well-served through the creation of a ‘think tank’-like policy and planning capability to tackle these large-scale issues.
CITYWIDE: PERSONNEL-RELATED PRACTICES

6-A

Problem Identification:
The City’s personnel-related practices (hiring, promotion, job reclassifications, etc.) represent a major impediment to efficient and effective management.

Recommended Action:
Institute workforce planning initiatives and create “critical” hiring lists for job classifications that experience high levels of personnel turnover or regular departmental demand. Additionally, strong consideration should be given to conducting a comprehensive review of the Personnel Department.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the City’s ability to hire and promote qualified candidates in a timely fashion will reduce the operational impact of vacancies and the overtime or contract costs incurred when departments allow a position to remain vacant.

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
90 – 120 days

Next Steps:
Begin interim workforce planning initiatives and develop a listing of critical position classifications upon which the Personnel Department can focus recruitment efforts. Evaluate the desirability of conducting a comprehensive assessment of the City’s personnel-related practices.

Analysis:
All of the departments studied through the Greater Baltimore Committee/President’s Roundtable Management and Efficiency Review project cited the City’s personnel-related practices (hiring, promotion, job reclassifications, etc.) as a major impediment to efficient and effective management. While the Personnel Department did not fall within the scope of this effort, it would represent a glaring omission of this report were the City’s personnel-related issues not referenced herein.

The FY99 report of the City’s Millennium Group does a very credible job of encapsulating the sentiments of the City personnel that have participated in the Management and Efficiency Review effort:

The mission and goals of the City personnel system were found to be consistent with the dominant intent of the City Charter, which is to assure fairness in hiring and promotions, and guard against political or other undue influence. It is important to note, however, that the Charter also includes an objective to ‘promote the efficient delivery of services to the public.’ The personnel department was found to place far more emphasis on the fairness and integrity of the process than it does on
meeting the needs of the agencies it serves. On an individual basis, personnel staff members often try to be responsive to customer needs, but there is very little policy emphasis on supporting the ongoing work of City agencies, helping to carry out citywide objectives, or facilitating citywide change.

It must be reemphasized that this quote is representative of the sentiments relayed to the six project teams and is not an organizational reality that the Greater Baltimore Committee/Presidents' Roundtable executive volunteers observed firsthand. That said, it seems undeniable that personnel practices are an area in need of improvement as illustrated by the following chart:

Source: FY99 Millennium Group Report, relying on information from the Internal Personnel Management Association and the Society for Human Resources Management.

While the project teams cannot offer an informed assessment of the City's Personnel Department, their interactions with the five studied departments left the distinct impression that steps could be taken 'short of a comprehensive overhaul of Personnel Department to partially alleviate departments' personnel-related problems. These steps include instituting workforce planning and prioritizing requests to the Personnel Department.

There exist no constraints that prohibit City departments from making workforce planning a management priority. Rather than perpetually bemoaning the perceived shortcomings of the Personnel Department, department manager should make efforts to project future workforce needs by evaluating existing employees' length of service tenure to anticipate retirements and reviewing and monitoring information related to turnover rates for specific job classifications where high degrees of turnover have been historically observed.

To the extent possible, departments must begin to anticipate and forecast personnel needs rather than continuing the request-driven practices that result in hiring and promotion delays. Additionally, this type of planning should enable departments to identify the job classifications where need is most critical. By focusing on the truly critical needs, departments should be more capable of articulating their most pressing hiring problems to the Personnel Department.
CITYWIDE: REENGINEER CONTRACT MANAGEMENT PROCESSES

Problem Identification:
The overwhelming volume of City contracting activity and inconsistent contracting processes and procedures lead to untimely delays in the execution of agreements and inadequate monitoring of contract terms, conditions, and performance.

Recommended Action:
Reengineer the City’s contracting processes to accelerate the execution of agreements and increase departmental and service provider accountability.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, reengineering the City’s contracting processes could improve the City’s ability to monitor and manage contract values and differentiate between allowable and unallowable costs.

Estimated Implementation Costs:
Cannot be Estimated

Barriers to Implementation:
There is no single City department that ‘owns’ the contracting process. Additionally, there is no centralized database of all City contracts.

Projected Implementation:
1 – 2 years

Next Steps:
Appoint an interdepartmental task force to study the City’s contracting practices. Task the group with mapping the City’s processes and procedures and identifying steps that contribute to contracting delays. Finally, the task force should examine possible automation solutions.

Analysis:
Every year the City of Baltimore executes thousands of contracts totaling hundreds of millions of dollars. In the five studied departments alone, over $336.5 million was budgeted in FY2000 for contractual services. This represents nearly 43 percent of the five studied departments’ total operating budgets. Some of the services for which the City contracts include architectural design and engineering, computer system design and development, legal and investment services, and select health and human services.

Given the high level of contract-related expenditures annually incurred, the City’s contracting policies and procedures could benefit greatly from a thorough evaluation. Ultimately, the City should develop comprehensive contracting standards and the information technology infrastructure to improve performance monitoring and the enforcement of appropriate terms and conditions.
CITYWIDE: “JUST IN TIME” PROCUREMENT CONTRACTS AND EXPANDED USE OF PURCHASE CARDS

6-C
CITYWIDE: ‘JUST IN TIME’ PROCUREMENT CONTRACTS AND EXPANDED USE OF PURCHASE CARDS

Problem Identification:
The departments studied repeatedly identified an inability to procure materials and supplies as a significant impediment to efficient and effective operations.

Recommended Action:
Expand the use of ‘just in time’ (JIT) contacts and purchase cards to accelerate the procurement process.

Classification:
Cost Savings, Organizational, Service Improvements

Functional/Operational Area:
Citywide, Bureau of Purchasing

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
City departments should scrutinize their purchasing practices, isolate the most frequently purchased materials and supplies, and work with the Bureau of Purchasing to develop JIT contracts to accelerate the procurement process. Additionally, departments should increase efforts to identify appropriate personnel that should be supplied with purchase cards.

Analysis:
The Finance Department’s Bureau of Purchasing currently has JIT contacts in place for the following items: stationery supplies, lumber, janitorial products, automobile parts, large lamps/tubes (lighting), and electrical supplies. These contracts reduce the time it takes for departments to take receipt of ordered materials and supplies, produce economies of scale by pooling City purchases, and minimize the need for warehousing and storage space because materials and supplies are ordered only on an as-needed basis.

The Finance Department’s Bureau of Purchasing also has put in place a purchase card program where department personnel can be issued VISA cards designed specifically to accelerate the City’s purchasing process. The program, targeted towards accelerating departmental purchases of less than $1,000, enables City personnel to place orders directly with vendors rather than utilizing the City’s more time-intensive purchase order process. The program offers a number of benefits including reducing the number of low value purchase transactions processed by the Bureau of Purchasing as well as facilitating the rapid
payment of vendors. Additionally, the program is replete with automated financial control measures that greatly reduce participating departments’ recordkeeping requirements. Despite the many benefits this program has to offer, only 95 purchase cards have been issued Citywide. This is a program that departments should be participating in to a much greater degree.
Problem Identification:
The City regularly uses a tremendous amount of paper in the operation of the municipal government.

Recommended Action:
Reduce the City government’s use of paper and specially printed letterheads and pre-printed forms.

Classification:
Cost Savings

Functional/Operational Area:
Citywide

Estimated Annual Impact:
$125,000

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Establish new policies regarding the use and development of pre-printed forms and letterheads. Make available to all City departments computer-scanned or generated templates for existing forms and letterheads.

Analysis:
The Finance Department’s Bureau of Purchases manages the City’s printing and graphics activities. These activities include offering City departments access to professional quality service for full color printing, composition and design, state-of-the-art desktop publishing, rapid quick copy service, and several binding operations.

Given the continual escalation of paper costs and the City’s general reliance on many manual, paper-based processes, consideration should be given to instituting paper conservation efforts and setting measurable goals to reduce the City’s total use of paper. Over the past two fiscal years, the City has spent approximately $835,000 annually on paper. A modest 15 percent reduction in paper utilization, would result in savings in excess of $125,000. Aside from the tangible cost savings that would result from modest reductions in the City’s total usage of paper, implementation of this recommendation would yield positive environmental benefits.

Specific initiatives to consider in conjunction with the implementation of this recommendation might include having departments create electronic letterheads for paper correspondence rather than relying on pre-printed letterheads that can become obsolete with changes in bureau or departmental leadership, increased use of electronic mail capabilities, and electronic document sharing.
Problem Identification:
The City’s existing labor contracts are dated agreements with innumerable terms and conditions that were conceived and agreed to during times when the City government confronted very different operational challenges.

Recommended Action:
Update the City’s outdated labor contracts to reflect modern-day organizational and operational realities.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
City government and organized labor mindsets preference to incremental change; a currently overburdened Office of the Labor Commissioner.

Projected Implementation:
1 – 2 years

Next Steps:
Systematically review all of the City’s existing labor contracts and prioritize the agreements that are most in need of a comprehensive overhaul. Work with the leaderships of the City’s unionized workforce, outside of the annual negotiating processes, to update contract terms and conditions to make them responsive to the City’s current needs.

Analysis:
Personnel salaries and associated benefits are by far the greatest cost of operating the City of Baltimore’s municipal government. The following figures provide an overview of the City’s personnel-related expenditures:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2000</td>
<td>City of Baltimore appropriations</td>
<td>$1,327.0 million</td>
</tr>
<tr>
<td></td>
<td>(Not including monies appropriated for capital improvements and debt service)</td>
<td></td>
</tr>
<tr>
<td>FY2000</td>
<td>City of Baltimore salary expenditures</td>
<td>$564.1 million</td>
</tr>
<tr>
<td>FY2000</td>
<td>City of Baltimore other personnel cost expenditures</td>
<td>$133.5 million</td>
</tr>
<tr>
<td></td>
<td>Total Personnel-Related Expenditures</td>
<td>$697.6 million</td>
</tr>
</tbody>
</table>
All told, over 52.5 percent of the City’s FY2000 appropriations (excluding monies appropriated for capital improvements and debt service) went for personnel-related costs.

The vast majority of the City’s nearly $700 million in personnel-related costs is tied to the terms of formal labor contracts between the City and 11 unions and associations. The City’s Office of the Labor Commissioner serves as the professional labor relations liaison between the municipal government and its multiple employee collective bargaining units. The office has an annual budget of less than $800,000 to support a staff of six (three professional staff and three administrative staff) and all related professional services costs. Given the Office of the Labor Commissioner’s modest staffing contingent and the volume of work it is responsible for, it should come as little surprise that most contract terms and conditions go unaltered from year-to-year. The practice of negotiating annual labor contracts, furthermore, limits the City’s ability to perform long-term budgetary planning as the City’s single largest cost varies every year.

While determining the extent of annual wage increases commands the most of attention in annual contract negotiations, there exist a number of other significant terms and conditions related to leave usage (vacation, holiday, sick, funeral, military, disability, etc.) and pay differentials (hazardous conditions, night differential, out-of-class, etc.) that play significant roles in ultimately determining the City’s aggregate labor costs. For example, the payment of a night differential to the City’s firefighters may have made sense in an era when Fire Department personnel spent nearly 60 hours a week in their fire stations, but the advent of the four-shift schedule, with 42 hours of work every eight days (two 10-hour day shifts and two 14-hour night shifts followed by four days off from work) draws into serious question the necessity of the payment of a night differential. Finally, the payment of premiums for work that involves entering ‘manholes’ or ‘excavated trenches’ appears unusual.
CITYWIDE: REFORM LEAVE USAGE POLICIES

Problem Identification:
The City’s overly generous leave usage policies drive high leave usage and overtime replacement costs.

Recommended Action:
Reform the City’s leave usage policies.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
The level of leave available to most City employees is governed by the City’s labor agreements with 11 unions and associations.

Projected Implementation:
1 – 2 years

Next Steps:
The Office of the Labor Commissioner should make reforming the City’s leave usage policies a priority for future contract negotiations. Additionally, consideration should be given to immediately reforming leave usage policies for City employees not covered by existing labor agreements.

Analysis:
A reasonable level of leave usage for holidays, vacation, illness, and personal emergencies is needed for maintaining a productive and positive work environment. The City, however, provides high levels of leave in almost every category, resulting in an overall paid leave package well in excess of competitive norms.

In addition to generous vacation benefits, military, funeral, and election leave, City employees receive three paid personal leave days a year. City employees also receive 11 paid holidays annually (in addition to Congressional election day every other year), which according to the Bureau of Labor Statistics’ Employee Benefit Survey from 1994-96, is more than two days above the average worker nationwide. These 14 total paid fixed and ‘floating’ City holidays remain substantially above the 11.7 total days received by the average worker in the same Bureau of Labor Statistics survey. In fact, in most major cities, most municipal employees do not receive any paid personal days. According to a 1995 municipal benefits survey conducted by Workplace Economics, Inc., only 36 percent of other major cities provided paid personal days to police officers, and only 37.5 percent provided personal days to sanitation employees.

Additionally, City employees receive 12 sick days per year, an extraordinary benefit that drives high leave usage and overtime replacement costs. By comparison, a 1993 Bureau of National Affairs survey found the median number of sick days earned by employees nationwide to be ten days per year, with fewer than one
employer in ten providing more than 12 days per year. (The analysis section of this recommendation was adapted from the City Workforce chapter of the City of Philadelphia’s FY2000-FY2005 Five Year Financial Plan.)

Specific opportunities for cost savings include eliminating the granting of a City holiday for Congressional elections and paid leave to vote or attend graduation ceremonies. All are existing benefits enjoyed by the City’s workforce, but not normally benefits afforded to private and non-profit workforces.
CITYWIDE: PUBLIC SECTOR RECRUITMENT EFFORTS

7-A
CITYWIDE: PUBLIC SECTOR RECRUITMENT EFFORTS

Problem Identification:
The City has had very limited success in attracting established and successful private sector business leaders and top managers to serve in the municipal government.

Recommended Action:
Actively recruit business leaders and senior-level managers to serve in the municipal government.

Classification:
Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
The current Administration should give strong consideration to directly approaching successful leaders in the regional business community and asking them to either serve in City government or identify other promising candidates from the private sector.

Analysis:
The vast majority of City government’s top leadership and policy-making posts are filled by career public servants. While in no way seeking to diminish the qualifications of career public servants and their contributions to improving the City government, the current Administration’s support of this management and efficiency study initiative’s specifically designed to infuse City operations with a business perspective’s testament to the value-added benefits that can accrue to the public sector through the introduction of a private sector outlook. It is undeniable that many of the executive volunteers that participated in this series of reviews were considerably intrigued by the professional challenges faced by top managers in the public sector. Despite the long hours, lower compensation packages (in relation to the private sector), and other obstacles present in public sector employment, a number of project participants expressed real interest in working in the public sector. This amounts to a tremendously attractive pool of managerial talent that the City needs to begin to access.
Problem Identification:
City managers and department heads have very limited opportunities to participate in professional development programs and interact with their peers from Baltimore’s regional business community.

Recommended Action:
Provide City managers expanded professional and leadership development opportunities through training and mentoring/networking programs in conjunction with the Baltimore business community.

Classification:
Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
60 days

Next Steps:
Work with local business organizations such as the Greater Baltimore Committee and Presidents’ Roundtable to facilitate the development of relevant training programs and offering of mentoring/networking opportunities.

Analysis:
The Baltimore City government’s public sector community is a very insulated environment. During the course of the Greater Baltimore Committee/Presidents’ Roundtable Management and Efficiency Reviews, innumerable City managers and department heads commented that they found the mere process of meeting with their counterparts from the business community and engaging in structured discussions about management challenges to be tremendously valuable.

There exists an abundance of professional development and informal mentoring/networking opportunities available to the members of the business community, but efforts to include peers from the public sector arena have been limited. There needs to be developed a concerted effort to publicize the availability of these professional enhancement opportunities to those serving in City government.
Problem Identification:
While many City departments offer internship opportunities, there exist few formalized efforts to actively recruit qualified intern candidates to serve in the public sector.

Recommended Action:
Develop a formalized internship program that provides highly qualified undergraduate and graduate students with structured opportunities to gain meaningful employment experience in the public sector.

Classification:
Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
60 days

Next Steps:
Designate a Citywide internship coordinator, develop formal guidelines for the selection of qualified internship candidates, assess departments’ internship needs and capabilities to provide program participants a meaningful internship experience, and market the program to interested academic institutions.

Analysis:
Internship programs have become the private sector’s preferred mechanism for recruiting new talent offering employers a regular pipeline of candidates for future staffing needs. Undergraduate and graduate students attempting to bolster their appeal to prospective employers often pursue paid, for-credit, and in some cases volunteer internship opportunities as means to complement their academic training with real world experience. Given the large number of colleges and universities in the Baltimore region, there already exists an easily accessible pool of internship talent.

In Philadelphia, the Mayor’s Office Summer Internship Program annually receives resumes from approximately 200 candidates from across the country willing to serve 10-12 week volunteer internships in the Mayor’s Office and in various municipal departments and agencies. In exchange for their service, interns attend weekly brown bag lunches with local business leaders and elected officials, periodic tours of interesting City operations and facilities, and group trips to local sporting and cultural events. The internship experience culminates in a meeting with the Mayor and a discussion of the work undertaken by the interns during the summer. Aside from the valuable contributions made by the group of interns, the program proved an invaluable recruiting tool as between 1995 and 1998 four program participants later received permanent
appointments as assistant deputy mayors.
CITYWIDE: ANNUAL CITIZEN SATISFACTION SURVEY

8-A
CITYWIDE: ANNUAL CITIZEN SATISFACTION SURVEY

Problem Identification:
The City lacks a formal mechanism to quantify and evaluate the public’s satisfaction with municipal services.

Recommended Action:
Conduct an annual citizen satisfaction survey to gauge the public’s impressions of the effectiveness of municipal services.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact of this recommendation cannot be estimated, annual citizens survey results could provide City managers a valuable tool to evaluate the effectiveness of municipal services and make better-informed decisions about service and funding priorities.

Estimated Implementation Costs:
$40,000

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Design a survey to measure citizens’ levels of satisfaction with select municipal services. Identify a polling/research firm to conduct the survey and tabulate responses. Share the survey results with departmental and agency management and require managers to develop action plans to address unacceptable performance.

Analysis:
Baltimore’s municipal government is an operation with more than 600,000 customers. As a provider of a range of services that impact the lives of every person that lives or works in Baltimore, the City must create opportunities for the public to provide feedback on the quality of services delivered. For the past three years, the City of Philadelphia has conducted a citizen survey as part of its annual Mayor’s Report on City Services. The survey has become an important component of Philadelphia’s performance measurement program.
CITYWIDE: BLOCK CAPTAIN PROGRAM

Problem Identification:
There does not exist a formalized community conduit system through which local improvement efforts can be effectively coordinated and neighborhood volunteerism can be maximized.

Recommended Action:
Enlist neighborhood leaders to serve as volunteer “block captains” to coordinate interaction between the municipal government and neighborhoods.

Classification:
Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, a neighborhood block captains program can be an effective mechanism for organizing residents to play an active role in the beautification and maintenance of neighborhoods and communicating to City departments communities’ special needs.

Estimated Implementation Costs:
Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Determine the proper organizational placement for the block captains program, assign project management responsibilities, develop guidelines for becoming a block captain, and communicate information about the program to the public.

Analysis:
Regardless of how effective and efficient the City can be in the delivery of its services to the public, Baltimore’s residents must be active participants in neighborhood improvement efforts. With minimal resources and guidance, neighborhood block captains can become the City’s first-line of defense against neighborhood deterioration. Organizing a neighborhood block can be as simple as having a concerned resident gaining the support of a simple majority of block residents and transmitting this information to the City.

Organized blocks are more likely to be clean and well maintained and block captains can encourage neighborhood involvement in improvement efforts and promote community activism. City support of the program could take the form of extra trash pickups, donated cleaning supplies, and annual contests for the best-maintained neighborhood blocks. Furthermore, the program could establish an organizational framework to tackle a range of diverse issues such as neighborhood watch and large-scale community clean-ups.
In Philadelphia, nearly 40 percent of city blocks have block captains. Neighborhood blocks with designated captains are generally much cleaner than those that are not organized. In 1999, Philadelphia’s Streets Department collected 1,300 tons of garbage from blocks that participated in the City’s block captain program and recruited more than 100,000 volunteers to participate in neighborhood improvement efforts.
VIII. Information Technology

Executive Summary

**Recommendation Categories:**
Create a well-defined structure for the Citywide governance of information technology.
Develop Citywide infrastructure and core technologies.
Develop Citywide information technology standards and policies.
Develop a comprehensive service measurement program.
Improve the City’s ability to recruit, retain, and develop high-quality IT professionals.
Executive Summary

Introduction: DEPARTMENT OF PUBLIC WORKS

At the request of Mayor Martin O’Malley, the Greater Baltimore Committee and the Presidents’ Roundtable were asked to review the operations of the City of Baltimore’s Department of Public Works (DPW). The DPW project team was led by Greater Baltimore Committee board members Donald A. Manekin, Senior Vice President/Partner, Manekin Corporation and Peter M. Martin, Chairman, President and CEO of Provident Bankshares Corporation and Presidents’ Roundtable members Tyrone Taborn, President, Career Communications Group, Inc. and Garland O. Williamson, President, Information Control Systems Corporation. The project team was divided into five subcommittees that focused on the following areas: fleet management, general services, solid waste, transportation, and water and wastewater.

As part of the review process, members of the project team met several times with DPW’s senior management team, interviewed staff, conducted site visits, and studied the public works practices of other large cities. The project team leaders and the five subcommittees attempted to keep the review effort focused on identifying opportunities to improve the quality, effectiveness, and efficiency of the services that DPW provides.

The project team’s recommendations can be encapsulated within the following five overarching themes. These themes form the basis for the recommendations designed to improve the Department’s ability to respond to Baltimore’s public works needs and to act on the O’Malley Administration’s service priorities in the most cost efficient and effective fashion:

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Create a well-defined structure for the Citywide governance of information technology

**Information Technology: Section 1**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-A INFORMATION TECHNOLOGY: CITYWIDE CHIEF INFORMATION OFFICER</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>1-B INFORMATION TECHNOLOGY: INFORMATION TECHNOLOGY BOARD</td>
<td>Accept</td>
<td>IMPLEMENTED</td>
</tr>
<tr>
<td>1-C INFORMATION TECHNOLOGY: CITLEADS PROGRAM</td>
<td>Accept</td>
<td>30 Days</td>
</tr>
<tr>
<td>1-D INFORMATION TECHNOLOGY: MUNICIPAL TELEPHONE EXCHANGE</td>
<td>Hold (Pending 311 One-Call project)</td>
<td>120 Days</td>
</tr>
<tr>
<td>1-E INFORMATION TECHNOLOGY: HCD/HABC INFORMATION OFFICER</td>
<td>Accept</td>
<td>90 Days</td>
</tr>
<tr>
<td>1-F INFORMATION TECHNOLOGY: PUBLIC WORKS IT MANAGER</td>
<td>Accept</td>
<td>60 Days</td>
</tr>
</tbody>
</table>
## Develop Citywide infrastructure and core technologies

### Information Technology: Section 2

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Recommended Action</th>
<th>Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-A INFORMATION TECHNOLOGY: METROPOLITAN AREA NETWORK</td>
<td>Accept</td>
<td>1-2 Years</td>
</tr>
<tr>
<td>2-B INFORMATION TECHNOLOGY: CITYWIDE E-MAIL</td>
<td>Accept</td>
<td>1-2 Years</td>
</tr>
<tr>
<td>2-C INFORMATION TECHNOLOGY: CUSTOMER SERVICE CENTER</td>
<td>Accept</td>
<td>Pilot – 60 Days; Full implementation: 180-240 Days</td>
</tr>
<tr>
<td>2-D INFORMATION TECHNOLOGY: GIS CENTRALIZATION</td>
<td>Accept</td>
<td>60-90 Days</td>
</tr>
<tr>
<td>2-E INFORMATION TECHNOLOGY: CONDUIT LEASING</td>
<td>Accept</td>
<td>180 Days</td>
</tr>
<tr>
<td>2-F INFORMATION TECHNOLOGY: PARKS AND RECREATION NETWORK</td>
<td>Accept</td>
<td>180 Days</td>
</tr>
<tr>
<td>2-G INFORMATION TECHNOLOGY: FIRE DEPARTMENT NETWORK</td>
<td>Accept</td>
<td>180 Days</td>
</tr>
<tr>
<td>2-H INFORMATION TECHNOLOGY: CONSOLIDATE INTERNET ACCESS</td>
<td>Accept</td>
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<td>2-I INFORMATION TECHNOLOGY: ON-LINE TARGETS</td>
<td>Accept</td>
<td>1-4 Years</td>
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## Develop Citywide information technology standards and policies

### Information Technology: Section 3

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<td>Accept</td>
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<td>3-B INFORMATION TECHNOLOGY: SOFTWARE DEVELOPMENT POLICY</td>
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<td>3-C INFORMATION TECHNOLOGY: PC PROCUREMENT</td>
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<td>2-H INFORMATION TECHNOLOGY: CONSOLIDATE INTERNET ACCESS</td>
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<td>Accept</td>
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# Develop a comprehensive service measurement program

## Information Technology: Section 4

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**Improve the City’s ability to recruit, retain, and develop high-quality IT professionals**

**Information Technology: Section 5**

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With an annual level of funding that approaches half a billion dollars and nearly 5,600 budgeted positions, the Department of Public Works represents a municipal conglomerate that provides an almost unimaginable range of services that impact daily on the lives of every person that lives in, works or visits Baltimore. Given DPW's tremendous size, members of the project team expended a considerable amount of effort reviewing the range and scope of services currently provided, the distribution of functions across the Department's four bureaus, and the service impacts that result from vesting one organizational entity with such a breadth of financial, operational, and service responsibilities. As a provider of services to both Baltimore’s citizens and its municipal government, DPW is currently required to divide its service and management efforts between two vastly different sets of clientele. The inclusion of internal service functions such as fleet management and building services constrains efforts to reduce the costs of providing these services and prevents DPW from achieving singular focus on the public's service needs. While DPW's sheer organizational size dictates that it consumes the most internal services, its dual role as a provider and a consumer of services creates a situation where the service needs of other City departments’ departments no less reliant on these internal services than DPW can be shortchanged. By extracting critical internal service functions from DPW and reconstituting these functions in a newly formed Department of General Services, the City can better focus its efforts to reduce costs and improve the effectiveness of internally provided services. An ancillary benefit of divesting internal service responsibilities from DPW is that DPW can then focus its undivided attentions on the management and delivery of services consumed by the public (solid waste and recycling collections, street cleaning, water and wastewater management, highway repairs, snow removal, etc.).

Additional strategies for improving the management of critical functions and services include integrating the management of the City’s parking-related functions and construction-related processes. The Administration’s already advancing efforts to consolidate parking-related functions within one organizational entity should improve the City’s ability to better manage Baltimore’s ever-demanding parking needs.

DPW counts among its numerous responsibilities the construction, reconstruction, and maintenance of public streets, bridges, and highways in addition to the inspection and management of City construction projects. While this report includes recommendations designed to address some of the problems described above through the alignment or consolidation of complementary functions, the augmentation of staffing capacities, and the easing of administrative processes, the project team concluded that systemic problems exist in DPW’s approach to the management of construction-related processes and projects.

Currently, there is little integrated management of the construction-related process. Exchanges between Departmental units involved in the various processes are transactional rather than collaborative. Aside from causing unnecessary time delays, the lack of coordination and information sharing ultimately results in costly change orders that might have been avoided.

DPW needs to take a more consolidated approach to the financial management and project oversight responsibilities for construction projects. Ultimately, efforts should be geared toward the formation of interdisciplinary project management teams consisting of architects, engineers, construction
managers, and contract administrators to administer projects from planning through implementation. This would result in more precise and accurate drawings, value engineering, and minimal change orders.

Introduction: Department of Public Works

Focusing on Core Public Works Functions by Creating New and More Effective Management Structures

Aligning Complementary Functions

Improving Asset Management

Utilizing Managed Competition to Reduce Costs

Measuring to Manage
Aligning Complementary Functions

A critical element of the project team's review of DPW involved evaluating the effectiveness of its current organizational structure. Efforts were focused on ensuring that management responsibilities for complementary functions were strategically aligned and that existing organizational structures were in place to promote effective and efficient management. The project team and its subcommittees identified a number of organizational units where fragmented management and functional responsibilities impede efforts to manage costs and coordinate the quality and effectiveness of delivered services. The report contains recommendations specifically designed to optimize the division of building and parks maintenance responsibilities between DPW and the Department of Recreation and Parks, to establish direct links between management of solid waste collection activities and the management of sanitation enforcement; to establish direct links between building and watershed security and the DPW entities actually responsible for managing these areas, and to consolidate specific complimentary and interdependent functional responsibilities in areas such as transportation-related engineering and billing-related functions within the water and wastewater operations.

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Improving Asset Management

DPW is tasked with operating and maintaining a portfolio of more than 400 buildings and upwards of 6,000 vehicles. Many of these assets are underutilized, while others are in various conditions of disrepair. The financial and operational demands associated with trying to maintain these assets have become increasingly difficult as the Department struggles to stretch its limited resources. In the face of current and foreseeable City budgetary deficits, these trends seem destined to continue. Strategies to reverse these trends, within current budgetary constraints, are needed, as significant increases in available financial resources are unlikely.

City buildings and the municipal fleet need to be more effectively managed. This necessitates not only the achievement of productivity improvements, but requires reductions manifest in less need for building space, vehicles, and the support costs associated with providing those services. Improving the management of the City’s automotive fleet and real estate assets are two of the overarching core recommendations of this report. In addition to the establishment of a new management paradigm to promote the more efficient and effective management of these internally managed assets and related services, the report contains a number of specific recommendations designed to achieve improvements in these areas.

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Utilizing Managed Competition to Reduce Costs

Increasingly, public sector entities are looking to private and non-profit service providers to replace or augment the delivery of traditional public sector services. Cities such as Indianapolis and Philadelphia have received considerable attention for their efforts in this area. During the course of the DPW project team’s and subcommittees’ work, the experiences of these cities were reviewed for insight into the possible beneficial application of a similar approach in Baltimore.

Managed competition (and other catch phrases such as ‘competitive reengineering’, ‘privatization’, and ‘outsourcing’) is admittedly a tremendously controversial issue due to concerns regarding the potential for job loss. When the topic is broached, most attention turns to targeting the largest of municipal functions.

While the project team and its subcommittees explored the concept of applying managed competition to wholesale operations such as the City’s water and wastewater utility, the determination was made that such initiatives required considerably more investigation before an informed decision could be made. The project team did conclude, however, that there exists a number of smaller, discrete functions currently being performed by DPW where an abundance of private and non-profit sector providers might be able to provide similar or enhanced service at a reduced cost. These areas included custodial services, security-related functions, tree trimming and turf maintenance, and laboratory functions performed by the City’s water and wastewater operations.

By focusing the application of managed competition principles on discrete services, DPW can still achieve operational cost savings and the potential displacement of municipal workers can be minimized. In Philadelphia, where between FY92 and FY99 nearly 50 municipal functions were eventually contracted out to third party providers, only four instances resulted in the elimination of more than 100 employees. Given the relatively modest scope of the initiatives undertaken, not one of its displaced workers was involuntarily separated from City employment without being offered employment with the new service provider. Additionally, some employees were shifted to other opportunities in the municipal government—the majority at equal or increased pay levels. This approach to managed competition seems a reasonable method of balancing the City’s fiduciary responsibility to ensure that its taxpayers receive the most effective and efficient services at the lowest possible costs while managing the associated impacts on existing workforces.

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Measuring to Manage

The collection and analysis of performance and service data must become an increased priority for DPW. By focusing attention on the services that DPW provides and how well those services are provided through the regular collection and review of performance and service data, innumerable opportunities for improving City operations can be realized. Equipping managers with the information necessary to make informed decisions regarding the allocation of resources is a critical step in this process. Additionally, enhanced efforts in this area will provide policymakers, managers, and the public with the information necessary to evaluate the efficiency and effectiveness of DPW’s services. The report contains a number of specific recommendations, including proposed performance indicators and service measures for each of DPW's bureaus, that will enable the achievement of operational efficiencies and economies of scale as well as improvements in areas such as asset management, revenue collection, and workforce productivity.

The members of the Greater Baltimore Committee and Presidents’ Roundtable Department of Public Works project team would like to acknowledge the tremendous level of cooperation received from DPW personnel during the conducting of this effort.

Introduction: Department of Public Works
Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
Aligning Complementary Functions
Improving Asset Management
Utilizing Managed Competition to Reduce Costs
Measuring to Manage
Problem Identification:
Information technology management within the five studied departments and throughout the rest of City government is highly decentralized. No technology oversight responsibility exists for establishing a Citywide IT vision, managing common applications and infrastructure, and setting standards to ensure the interoperability of systems.

Recommended Action:
Elevate the Chief Information Officer (CIO) position to cabinet level and create an independent IT department.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, costs for technology projects should be reduced through the development and enforcement of standards and project proposal reviews.

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Extract the Bureau of Information Technology Services (BITS) from the Finance Department and elevate the City's CIO to a cabinet-level position.

Analysis:
In the absence of an overall governing entity, City departments have established their own internal IT organizations. As a result, systems strategies have been developed independent of a shared vision for technology and, consequently, there are no technology standards in place to facilitate the efficient and effective delivery of information.

Strong overall IT oversight is essential in order to implement the systems and technologies necessary to improve operations and to realize related efficiencies through reducing duplicative effort and sharing data across departments. A centralized IT department should be responsible for functions and applications which cross departmental boundaries. Critical IT infrastructure components must have a unified direction in order to be effective. These components include wide area networks, electronic mail, and voice communications. Certain applications should also be under central control in order to ensure equal access for all City...
departments. Not only are core financial and payroll applications appropriate for centralization, but applications such as GIS cannot effectively serve multiple departments while development is under the control of a single user.

It is important to note that this recommendation does not suggest elimination of the IT functions within an individual department. It does recommend that infrastructure and non-department specific applications be governed by an organization with a broad strategic view of technology. The senior IT managers within the operating departments should continue to report to their department heads, however, they would also have a “dotted line” reporting relationship to the CIO. This federation approach to technology management, wherein a central governing body has responsibility for setting overall direction, maintains IT functions within the departments to respond directly to departmental priorities.

Providing empowered technology leadership should have a positive impact on the costs of developing and implementing technology as follows:

– Ensuring that standards are developed and met should reduce the costs associated with integrating applications;

– Reviewing application development plans should reduce the number of costly ground-up development projects and increase the use of less expensive packaged software; and

– Providing a project budget review should ensure budget estimates are in line with project scope.
Problem Identification:
The City lacks an active, involved steering committee to provide direction and ensure accountability for IT projects.

Recommended Action:
Revive and expand the Information Technology Board (ITB) as a steering committee for the development and oversight of the City’s IT policies.

Classification:
Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
30 days

Next Steps:
Review composition of the ITB and adjust membership to ensure appropriate representation. Convene, at a minimum, quarterly meetings.

Analysis:
Establishing a strong strategic IT department will only be successful if it is responsive and supportive of the departments it serves. Functions of the expanded ITB should include:

– Developing, reviewing, and updating a Citywide IT strategic plan;
– Maintaining an alignment between business and technology strategies;
– Establishing project priorities;
– Reviewing build versus buy decisions;
– Monitoring the status of key projects; and
– Reviewing of requests for technology funding and assistance.
INFORMATION TECHNOLOGY: CITLeads PROGRAM

1-C
INFORMATION TECHNOLOGY: CITLeads PROGRAM

Problem Identification:
No structured forum exists for the respective leaderships of the City’s centralized IT functions and departments to promote cooperation and align strategic goals.

Recommended Action:
Formalize the City Information Technology Leaders (CITLeads) program to facilitate communication and coordination of departmental IT practices.

Classification:
Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
30 days

Next Steps:
Review the current CITLeads membership and expand or change as necessary. Develop a list of specific priorities for the CITLeads group, schedule a kick-off meeting, and institute regular meetings.

Analysis:
The CITLeads program is key to ensuring that the centralized IT department remains responsive to the needs of the operating departments as Citywide standards are developed and implemented and the centralization of key IT applications occurs. The CIO should chair the CITLeads group. Members of the committee should be the lead technology managers from key departments. Specific functions of the CITLeads group should include:

– Assisting in the development of technology standards, policies, and procedures;
– Communicating information related to standards and initiatives to departments; and
– Providing resources for interdepartmental committees and working groups.
INFORMATION TECHNOLOGY: MUNICIPAL TELEPHONE EXCHANGE

1-D
INFORMATION TECHNOLOGY: MUNICIPAL TELEPHONE EXCHANGE

Problem Identification:
The Municipal Telephone Exchange reports to the City Comptroller’s Office. It has been reported that procuring services has been frustrating and slow, typically taking a month to get a phone line and several months to get high-speed data communications lines. Network and voice communications cabling in City facilities are maintained separately due to the separation of the telephone exchange from City IT direction. This results in extra costs from maintaining two separate wiring infrastructures, and coordination issues between the departments and the telephone exchange.

Recommended Action:
Shift the management of the Municipal Telephone Exchange to the City’s IT department.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
The Municipal Telephone Exchange reports to the City Comptroller, a separate citywide elected official.

Projected Implementation:
180 days

Next Steps:
Determine legal basis for current organizational structure and pursue meetings with the City Comptroller’s Office regarding the governance of this function.

Analysis:
The Municipal Telephone Exchange has reported to the City Comptroller’s Office since the 1920’s an organizational structure developed long before computers and computer networks existed. Separation of voice technology from information technology, however, is no longer appropriate for the following reasons:

– Data connectivity between City departments and the external world is accomplished through public network connections using transports common to both voice and data;

– Internal building wiring infrastructures for voice and data should be developed with a cohesive architecture to facilitate installation, maintenance, and ultimately reducing costs; and

– Increasingly, voice data is becoming digital data. This convergence of voice with data will eliminate the
differences between connections for the two services, making a single network connection the conduit for both types of traffic.

It is becoming increasingly imperative that management of voice systems be aligned with management of information technology networks. Bringing the Municipal Telephone Exchange into the IT department would accomplish that proper alignment.

Cost reductions through the implementation of this recommendation would be realized through:

– Consolidation and coordination in the development of building wiring infrastructures;
– Consistent architectures and standards for data service types and bandwidths from carriers; and
– Analysis and elimination of duplicate or unnecessary services.
INFORMATION TECHNOLOGY: HCD/HABC INFORMATION OFFICER

Problem Identification:
Two separate entities are responsible for housing programs within the city. The Housing Authority of Baltimore City (HABC), largely funded by the federal Department of Housing and Urban Development (HUD), has responsibility for public housing and management of Section 8 funds. The Department of Housing and Community Development (HCD) has responsibility for neighborhood development and housing social programs. Currently HABC manages the IT organization which supports both agencies. The result is that HABC issues receive priority over HCD, and there is little or no coordinated effort to develop applications common to both HABC and HCD.

Recommended Action:
Hire a department information officer to manage technology activities for both the Department of Housing and Community Development and the Housing Authority of Baltimore City. Consolidate information technology staff into a single unit serving both organizational entities.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
HCD, HABC

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Develop job description and job responsibilities for the CIO position, recruit qualified candidates, and reorganize current IT staff.

Analysis:
The IT staff currently managed by HABC has been the de facto support staff for both HABC and HCD. The HABC IT staff has done a very credible job of developing a technology infrastructure that serves both organizations. Their network infrastructure appears to be well thought out and comprehensive, with consistent standards and appropriate use of third-party support services. From an application perspective, however, the priorities of HABC have eclipsed those of HCD, resulting in largely unmet IT needs within HCD.

By creating a unified IT function, the priorities of both HABC and HCD can be better balanced. These two entities share a common responsibility for managing housing programs within the city and have many areas
of commonality, such as inspection programs. Currently there is little or no coordination in the development of applications that are common to the two organizations. Implicit in the creation of an independent IT function reporting to the Commissioner/Executive Director is the ongoing responsibility to maintain careful accounting to ensure that federal funds are not subsidizing City operations inappropriately. This would require the consolidated IT function to institute time accounting and expense accounting.
INFORMATION TECHNOLOGY: PUBLIC WORKS IT MANAGER

Problem Identification:
Each bureau within the Department of Public Works (DPW) has its own IT staff reporting to the bureau head. Little or no communication and coordination takes place between these shadow IT departments resulting in a fragmented systems development approach and inefficient systems management.

Recommended Action:
Create an information officer position to oversee all IT activities within the Department of Public Works. The position should report to the Director.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
DPW

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None. Can be accomplished with existing resources.

Barriers to Implementation:
None

Projected Implementation:
60 days

Next Steps:
Develop a job description and job responsibilities for this position and interview internal candidates.

Analysis:
The implementation of a ‘PC Coordinator’ function in DPW was instituted as means of bringing bureau computing needs under the direct control of each of the bureau heads. The downside to this approach is a lack of coordination between bureaus on infrastructure and systems development issues and duplication of work across the bureaus (such as the independent development of similar applications in two DPW bureaus). The appointment of an overall Information Technology Manager for the Department of Public Works would alleviate the discontinuities in the information architecture across the bureaus.

Responsibilities for the Information Technology Manager for the Department of Public Works would include:
– Developing and enforcing standards, consistent with Citywide IT standards, for PCs, PC operating systems, and PC application software;
– Developing and enforcing standards, consistent with Citywide IT standards, for networks, network operating systems, and connectivity between bureaus to ensure a single, seamless, wide-area network exists within the department that is integrated into the overall Citywide network;
– Developing and enforcing standards, consistent with Citywide IT standards, for mail communications, mail
system administration, and directory synchronization;
– Developing and enforcing standards, consistent with Citywide standards, for application development, reviewing systems development plans, and validating build vs. buy decisions;
– Managing the transition from existing, outdated mainframe systems to suitable, supportable alternatives;
– Developing and enforcing standards, consistent with Citywide IT standards, for Internet connectivity, security, and use; and
– Managing the DPW IT staff.
INFORMATION TECHNOLOGY: METROPOLITAN AREA NETWORK

2-A
INFORMATION TECHNOLOGY: METROPOLITAN AREA NETWORK

Problem Identification:
There is no common network infrastructure providing connectivity across City departments. Individual departments have developed local area networks and wide area networks to serve their individual needs, but there are few connections between these networks and, as a result, no effective links for moving data and information. A well-designed network infrastructure is a prerequisite for implementing technologies necessary to move the City forward.

Recommended Action:
Complete implementation of the Metropolitan Area Network backbone to provide core network services and connectivity to all City departments.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Lack of empowered CIO to spearhead this development project; lack of network standards; and a Municipal Telephone Exchange independent of the City's IT infrastructure providing inadequate service levels in the procurement of communications services.

Projected Implementation:
1 – 2 years

Next Steps:
Commission a comprehensive network analysis and requirements study to assess current technology, develop architecture, and evaluate annual financial impact, assess current network staffing levels and develop project staffing plan, and identify outsourcing opportunities

Analysis:
Computer networks are as essential to providing services to City residents such as telephone networks, electrical power grids, and water and waste water systems. Unlike these other services, however, the City government’s approach to computer networking has been scattered and lacking direction. Many individual departments have implemented networks that serve the specific mission of that department, but these networks do not realize the potential for sharing information and applications across departments. The end results of this lack of direction include:

– Users in HCD have two terminals on their desks; one to access HCD data, the other to access systems managed by the Bureau of Information Technology Services because the two networks are not connected.
– E-mail between departments is transported across the Internet with a resultant lack of security and the inefficiency of paying for multiple dial-up service providers.

– There are multiple Internet connections in departments. Every connection provides the opportunity for hackers to break into City networks and jeopardize data. A single, high-capacity, secure Internet connection should be a service provided on a centralized network.

– A Citywide e-mail system cannot be developed.

– Applications, such as GIS or a unified help desk system, cannot be implemented.

– Duplication of effort for maintenance of all of the local networks is pervasive. A well designed, manageable network can be centrally monitored allowing problems to be detected before they cause major outages while improving the service level to all network users.

– Miles of fiber optic cable have been installed around the City, but ownership of these cables is neither centralized nor coordinated. Many cables have been installed with no apparent purpose.

Construction of an effective wide area network is complex and costly, but is a necessary investment in infrastructure to implement the kind of technologies that will allow departments to streamline operations and improve services.

This recommendation transcends the five studied departments and should apply to all City departments.
INFORMATION TECHNOLOGY: CITYWIDE E-MAIL

2-B
INFORMATION TECHNOLOGY: CITYWIDE E-MAIL

Problem Identification:
About 70 percent of City employees have access to e-mail, however, five different e-mail packages are running on city networks and many employees get their e-mail services through third-party internet service providers. In many cases, employees rely on dial-up e-mail service from Internet service providers for sending mail between departments. Standard formats for e-mail addressing do not exist. A comprehensive e-mail directory does not exist.

Recommended Action:
Implement standards-based messaging for internal and external City communications.

Classification:
Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Lack of consistent Citywide network and the CIO's inability to enforce standards.

Projected Implementation:
1 – 2 years

Next Steps:
Connect all department heads immediately

Analysis:
It is evident from the number of City employees using e-mail that the City recognizes the importance of this capability for day-to-day operations. The lack of a single Citywide strategic direction for e-mail has resulted in systems that do not communicate well with each other or with the general population.

Ideally, a single technology solution for the entire City would provide the most reliable, manageable, and supportable e-mail system. Since there has already been a considerable amount of money invested in e-mail, the most practical strategy is to develop a set of interoperability standards for e-mail and to allow those systems that meet the standards to remain in place, regardless of vendor or platform, until such time as replacement is necessary. These standards must address the need for a common e-mail directory accessible to all of the systems in the e-mail network and to the public.

An Internet address naming standard must also be developed and implemented. For example, if a convention such as firstname.lastname@baltimorecity.gov were adopted it would be relatively easy for anyone to determine the e-mail address of a City employee.

Implementation of a Citywide e-mail network is dependent upon two major factors: the City’s CIO must have
the authority to set and enforce standards and the City's network must be extended to provide connectivity to all departments and locations.

Over time, reducing the number of e-mail vendors and consolidating distributed e-mail servers should reduce support costs and improve security.
INFORMATION TECHNOLOGY: CUSTOMER SERVICE CENTER

Problem Identification:
The processing and tracking of requests for service throughout the studied departments is inconsistent and unreliable. There are no clear ways for citizens to contact the City to submit requests for services or obtain status information for requests previously made. IT help desks within the departments are largely manual or use systems that do not interface with other city departments, even though these departments need to support each other.

Recommended Action:
Create a comprehensive customer service center to receive, track, and assign service orders throughout the municipal government.

Classification:
Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Lack of Citywide WAN (wide area network) and e-mail system.

Projected Implementation:
180 – 240 days

Next Steps:
Develop a strategic vision for City IT customer service that encompasses providing services to citizens and internal customers.

Analysis:
Obtaining services from other City departments is a common complaint among the five studied departments. Often getting services quickly requires calling in favors from helpful friends in other departments and there are no mechanisms for tracking the status of service requests or for evaluating the performance of service providers. This is even more of a problem for citizens who require service and most likely do not know who to call and do not have ‘friendly contacts’ to expedite their requests.

This recommendation transcends IT service and is targeted at developing a strategic plan for customer service for internal and external customers. Key requirements of this customer service function are:

– It must be a single, integrated function;
– There must be multiple methods for requesting service such as phone, voice response units, Internet
access, intranet access, and in-person contacts;
– Service requests must be tracked; and
– Performance of service providers must be measured and analyzed.

In order to create an effective customer service operation:

– A strategic vision for city customer service must be developed which encompasses service to both citizens and internal customers;
– A service culture must be developed within City departments;
– Performance expectations for service providers must be developed and communicated; and
– Appropriate technology must be implemented to provide the foundation upon which to build this capability.
INFORMATION TECHNOLOGY: GIS CENTRALIZATION

Problem Identification:
GIS is an application that can and should be used by many City departments. It is currently managed by the GIS committee that has funding for development from involved city departments, such as the DPW and the Fire Department. Resources for working on the project are distributed throughout these departments with no central development team that enjoys responsibility and management control over the project.

Recommended Action:
Establish GIS as a Citywide application managed by the IT department.

Classification:
Organizational, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Individual department ownership of existing system and data.

Projected Implementation:
60 – 90 days

Next Steps:
Formalize a GIS team dedicated to the ongoing development of this system. The GIS team would be responsible for development of an accurate, complete base map to be used as the basic data layer for department specific map overlays. Departments using the system would create overlays specific to their needs. For example, Public Works would develop overlays for city conduits and utility rights-of-way. The GIS team should maintain a directory of overlays to document the information contained in the system. The GIS team should be organized under the central IT department in order to most effectively serve multiple user departments.

Analysis:
The City government’s GIS efforts have been rooted in the Bureau of Water and Waste Water. In order for GIS to realize its potential for projects such as CityStat, its governance and development should be outside of any specific user department and should be handled as a core technology function under the City’s central IT department.

The GIS team should maintain the GIS hardware and software environments and serve as the custodian of the City’s base map. In this role, it should be responsible for ensuring the accuracy of base map data as a platform upon which departments can overlay their department-specific information and statistics.

The potential for GIS applications within the City is enormous. To take advantage of this potential, development of the GIS database and system capabilities must be the primary responsibility and top priority.
of a GIS development team.
Problem Identification:
DPW maintains and controls right-of-ways and conduits for public utilities. They have used these right-of-ways to lay fiber optic cables for their own use without having the proper tools, knowledge and budget. As a result, fiber optic cables are connected to only a limited number of locations and are often underused or not used at all.

Recommended Action:
Investigate opportunities for leasing City conduits to regional telecommunications vendors as a means of funding network connectivity and management.

Classification:
Cost Savings, Revenue Enhancement

Functional/Operational Area:
DPW, Law Department, Finance Department

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, this could be a significant source of revenue and a means of obtaining a managed wide area network for the City government.

Estimated Implementation Costs:
None

Barriers to Implementation:
An existing ordinance limiting charges for access to and use of the City conduit system.

Projected Implementation:
180 days

Next Steps:
Assemble a negotiating team to establish objectives.
Develop City requirements/proposal, identify legal changes required and potential business partners, and negotiate agreements.

Analysis:
The City’s conduit system represents an untapped and potentially highly lucrative asset/revenue stream. Consideration should be given to leasing the rights-of-way to telecommunications companies such as Bell Atlantic, AT&T, and MCI in return for their laying the infrastructure for the City and in return for an annual lease fee. This would give the City its much needed fiber infrastructure and provide income as well.
INFORMATION TECHNOLOGY: PARKS AND RECREATION NETWORK

2-F
INFORMATION TECHNOLOGY: PARKS AND RECREATION NETWORK

Problem Identification:
The Department of Recreation and Parks has 43 locations distributed throughout the city, 30 of which have computers, but there is no computer network to connect them. There is no e-mail capability linking the Department to its remote locations.

Recommended Action:
Connect all Department of Recreation and Parks facilities to the Metropolitan Area Network.

Classification:
Service Improvement

Functional/Operational Area:
Department of Recreation and Parks

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Lack of IT staff in the Department of Recreation and Parks to accomplish the implementation.

Projected Implementation:
180 days

Next Steps:
Develop network specifications in conjunction with the City's central IT department, issue a request for proposal, and select a vendor for implementation.

Analysis:
Networking the Department of Recreation and Parks' facilities is essential to improve communications and enabling the achievement of future operating efficiencies.
INFORMATION TECHNOLOGY: FIRE DEPARTMENT NETWORK

2-G
INFORMATION TECHNOLOGY: FIRE DEPARTMENT NETWORK

Problem Identification:
Fire Department locations are not networked. There is no e-mail within the department. Fire Department administrators access information from the CAD (Computer Aided Dispatch) System through dial-in lines.

Recommended Action:
Connect all Fire Department facilities to the Metropolitan Area Network.

Classification:
Service Improvement

Functional/Operational Area:
Fire Department

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Lack of IT staff in the Fire Department to accomplish the implementation.

Projected Implementation:
180 days

Next Steps:
Develop network specifications in conjunction with the City’s central IT department, issue a request for proposal, and select a vendor for implementation.

Analysis:
Networking the Fire Department’s facilities is essential to improve communications and enabling the achievement of future operating efficiencies.
INFORMATION TECHNOLOGY: CONSOLIDATE INTERNET ACCESS

Problem Identification:
There are multiple Internet connections to City. Aside from costs associated with maintaining these separate connections, each Internet connection, unless properly firewalled, provides an entrance for hackers and poses a security risk to City systems and data.

Recommended Action:
Eliminate multiple Internet connections and provide Citywide access as a core technology provided by the Municipal Area Network. Additionally, develop standards for Internet access by city employees.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
While the cost of current Internet access is not easily identified, it is anticipated that the elimination of redundant services will provide savings.

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Completion of Metropolitan Area Network.

Projected Implementation:
1 year

Next Steps:
Locate all internet connections to City networks and quantify cost of current access. Eliminate connections as Metropolitan Area Network is installed.

Analysis:
Internet access should be managed on several levels:

– Access should be provided by the City’s Metropolitan Area Network using a secure, firewalled connection. Individual connections at the department level should be eliminated.

– Access to the Internet should be provided to employees who require it for their job responsibilities and blocked from those who do not.

– Inappropriate websites should be blocked.

– Policies governing access and appropriate use of the Internet should be clearly stated, reviewed by the Law Department, and issued to all City employees who have access.

Costs can be reduced by the consolidation of Internet connections into a single, appropriately-sized connection to the City network.
Problem Identification:
The City government’s IT efforts have been focused toward developing applications for internal processing. Improved service to citizens as well as internal operating efficiencies can be obtained by providing access to information and on-line transaction capabilities via the Internet.

Recommended Action:
Develop targets for operating departments to provide Internet access to applications and databases.

Classification:
Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
Lack of Citywide network and antiquated departmental applications.

Projected Implementation:
1 – 4 years

Next Steps:
Identify applications and information to be provided via Internet and set targets for their conversion.

Analysis:
A growing number of citizens and businesses expect to be able to conduct business transactions over the Internet. Without tangible objectives for providing City information and transaction capabilities, the development of web-enabled applications will not receive the priority necessary to provide these services.

The State of Maryland has aggressive goals for web conversion of their applications. The City government needs to implement a similar program.
3-A
INFORMATION TECHNOLOGY: SOFTWARE STANDARDIZATION

Problem Identification:
Different PC software applications are used within and between City departments.

Recommended Action:
Standardize personal computer software applications to reduce support costs and leverage buying power.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
10 – 15 percent reduction of PC software costs

Estimated Implementation Costs:
None

Barriers to Implementation:
Lack of standard-setting authority.

Projected Implementation:
180 days – 1 year

Next Steps:
CIO develop standards and issue directive to departments to migrate to the City’s standard packages.

Analysis:
Anticipated improvements include: improved buying power, lower support costs, lower training costs, consistency of document formats, standardized e-mail attachment formats. In all likelihood, the City should standardize PC software applications on the Microsoft Office suite of products. This is the most widely used software package currently implemented.
Problem Identification:
In both the Departments of Public Works and Recreation Parks there has been a tendency to custom-develop software solutions. The development of custom software solutions is time consuming and expensive. It also leads to quantities of unsupported software as the developers move on to different opportunities.

Recommended Action:
Implement a policy to govern the conditions under which software applications would be custom developed.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Information Technology Board

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
Bias among IT professionals to custom develop software solutions.

Projected Implementation:
30 days

Next Steps:
Develop guidelines for project review and require projects that exceed baselines to be reviewed by the ITB prior to funding. Require analysis of off-the-shelf packages prior to approval of a custom developed software project.

Analysis:
Commercially available off-the-shelf (COTS) software packages are widely available and represent a less costly alternative to the custom development of software solutions. Additionally, COTS are time-tested and normally have historical performance records that can be reviewed and analyzed to ensure consistency with the purchaser's needs. When the ITB makes determinations as to the necessity of custom developing a software solution, the following factors should be considered:

– Cost both direct and indirect costs (such as the amount of staff time dedicated to the project);
– Number of users affected by the project;
– Interdepartmental data sharing needs, and
– Compliance with Citywide technology standards.
Problem Identification:
There are five PC manufacturers currently approved for purchase by City departments.

Recommended Action:
Limit the number of personal computer vendors and develop standard configurations to streamline procurement.

Classification:
Cost Savings, Service Improvement

Functional/Operational Area:
Central IT department, Bureau of Purchasing

Estimated Annual Impact:
5 – 10 percent reduction in current PC prices

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
30 – 60 days

Next Steps:
Establish and implement standards related to PC manufacturers and PC configurations.

Analysis:
By committing to a single PC manufacturer the City can leverage its PC buying power and lower unit cost. Two levels of PC configuration—a standard workstation and a high-power workstation—should be developed. The central IT department should update these configurations at least every four to six months. Additionally, the Citywide contract for PC procurements should be rebid every three months to increase competition and to ensure that City departments are receiving the most competitive price for PCs.
INFORMATION TECHNOLOGY: CONTRACT LANGUAGE

3-D

INFORMATION TECHNOLOGY: CONTRACT LANGUAGE

Problem Identification:
IT contracts are negotiated separately by City departments without standard terms and conditions.

Recommended Action:
Develop standard terms and conditions for information technology contracts.

Classification:
Cost Savings, Organizational

Functional/Operational Area:
Central IT department, Law Department

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Develop a core set of contract terms and conditions that apply specifically to IT projects.

Analysis:
Moving forward, it is reasonable to expect that information technology-related costs will represent a growing share of the City's annual expenditures. Accordingly, the City should make every reasonable attempt to ensure the highest quality services from service and technology providers and mitigate, to the extent possible, the financial and operational risks associated with the purchase, installation, implementation, and maintenance of IT systems.

When negotiating IT-related contracts, the City should start with standard contract terms and conditions designed to insulate the City from foreseeable technology-related risks. Certain issues that should be addressed include:

– Ongoing systems maintenance
– Responsibility for cost overruns
– Availability and cost of systems upgrades
– Specific damages for failure to perform
Problem Identification:
City policymakers and managers are often forced to make critical resource allocation decisions in the absence of meaningful performance and service data. This incomplete information limits the City’s and Department’s ability to effectively and efficiently manage limited budgetary resources.

Recommended Action:
Set and clearly articulate service goals for IT and develop a set of regularly reported service measures to track the City’s performance in meeting its goals.

Classification:
Cost Savings, Organizational, Revenue Enhancement, Service Improvement

Functional/Operational Area:
All IT operations

Estimated Annual Impact:
While the immediate financial impact cannot be estimated, the regular collection and review of performance and service data can produce numerous opportunities for improving IT operations by equipping managers with the information necessary to make informed decisions regarding the allocation of resources.

Estimated Implementation Costs:
Can be accomplished with the existing resources.

Barriers to Implementation:
The collection and analysis of performance and service data must become an increased priority. Future information technology efforts must be specifically geared towards improving tracking and reporting capabilities.

Projected Implementation:
45 days

Next Steps:
Utilizing the list of proposed indicators (linked below), in conjunction with representatives from the Mayor’s Office and other central administration offices, evaluate the adequacy of current data tracking and analysis efforts, identify those key indicators that best measure the effectiveness and efficiency of the City’s IT operations, and begin to regularly report (at least on a monthly basis) on performance.

Analysis:
By focusing attention on what IT services are provided and how well they are provided, a comprehensive performance measurement program can provide City managers and the public the information necessary to evaluate the efficiency and effectiveness of the City’s IT services. The information yielded through these efforts can be used to justify requests for increased funding as well as to ensure the City’s ability to sustain
or increase services with the same or decreasing amounts of resources. Equally important, the program can increase the City’s accountability by providing the public with enhanced information about services.

List of Proposed Indicators
LIST OF PROPOSED INDICATORS

Develop service level agreements for all departments served covering:

– Network availability  
– Mainframe availability  
– E-mail availability  
– Report delivery

Specific Service and Performance Measures:

– Number of PCs deployed  
– Growth of network/number of new connections  
– Development of Citywide e-mail number of new users  
– Training classes held, Computer-based training (CBT)/Intranet courses taken  
– Service Requests  
– Opened  
– Number by type: installs, changes, troubles, etc.  
– Closed  
– Time to close  
– Second calls  
– System outages  
– Network outages
Problem Identification:
Competition for qualified technical people is fierce in today’s market. It is difficult for the City to compete against private industry in attracting and retaining talented IT staff to move its technical vision forward. Additionally, IT job descriptions are out of date. Many reflect the skills required in a mainframe environment and there are no job descriptions for the new job functions required by current technology. Finally, salaries are not competitive. Senior level IT analyst salaries within the City are comparable to entry level salaries in other industries.

Recommended Action:
Develop job descriptions and appropriate pay rates for current IT positions.

Classification:
Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
It is anticipated that some salary upgrades would result from this evaluation.

Barriers to Implementation:
An overburdened Citywide personnel system and a general unfamiliarity with the constantly changing IT field.

Next Steps:
Form a City IT staffing committee to develop a standard set of job descriptions that encompass the skills necessary in today’s technical environment.

Analysis:
The City’s IT job descriptions and job classifications reflect the information technology environment of ten to fifteen years ago. Many of the new skills and responsibilities that have evolved with technology evolution are not accounted for in the job/salary structure currently in place.

Part of attracting qualified IT people is providing job structures and salary levels that are appropriate to current technology skill requirements and to compensate employees appropriately for their expertise.

This recommendation is not intended as a wholesale upgrade of current IT salaries. These new job descriptions and salaries should be in addition to those that currently exist and only qualified employees should be promoted into the new classifications and scale levels. Proficiency testing in the appropriate technology skills should be a part of the promotion process and any new IT hires should be tested to ensure that they adequately meet the requirements of their positions.

The IT staffing committee should have representation from the central IT department and all departments with significant IT functions, the City’s Personnel Department, and representatives from the private sector. Consideration should be given to conducting a salary study comparing existing job descriptions and salary
structures to the private sector. Ultimately, recommendations (in addition to those included herein) should be developed to improve the recruitment and retention of talented IT professionals for these positions.
INFORMATION TECHNOLOGY: RETENTION PROGRAMS

5-B

INFORMATION TECHNOLOGY: RETENTION PROGRAMS

Problem Identification:
The City’s IT positions must be updated to reflect current technological needs, but it is unlikely that City salary levels will be able to keep pace with the market for IT professionals.

Recommended Action:
Develop and support “soft” programs to attract and retain IT employees.

Classification
Organizational

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
180 – 270 days

Next Steps:
Develop a working group within the central IT department to develop strategies to make City IT opportunities more appealing.

Analysis:
Programs to make the city an ’employer of choice’ could help in attracting talented technical employees. Some non-traditional benefits to consider include:

– Flex-time scheduling
– Telecommuting
– Rewards programs
– Increased training and professional improvement opportunities
– Improved work conditions (e.g., technology-friendly furniture)
INFORMATION TECHNOLOGY: TRAINING

5-C
INFORMATION TECHNOLOGY: TRAINING

Problem Identification:
Basic PC training for city employees is insufficient or totally lacking.

Recommended Action:
Improve technical training support programs.

Classification:
Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
180 days

Next Steps:
Review current department training programs to determine the inventory of existing training resources and evaluate the effectiveness of these programs. Develop a training plan that utilizes appropriate training methods to reach all City departments. Develop proficiency standards and testing mechanisms for ensuring a PC literate workforce.

Analysis:
A basic level of PC proficiency should be required of every City employee. In the absence of effective training, PCs are underutilized and end users become frustrated. Training computer users provides job satisfaction and encourages creativity through the use of technology.

The City should develop a basic PC skills training program for Windows, Microsoft Word, Excel, Access, E-mail, and Internet use. The central IT department should determine the appropriate training mechanisms (instructor-led, Intranet, computer-based training, etc.) and implement PC proficiency testing as part of the hiring process and annual review process for select job classifications.
INFORMATION TECHNOLOGY: OUTSOURCING

5-D
INFORMATION TECHNOLOGY: OUTSOURCING

Problem Identification:
Limited IT staffing, coupled with rapidly emerging developments in the IT field impair the City’s ability to respond quickly to new technology needs or to develop the internal capacities to manage new technologies.

Recommended Action:
Augment the City’s existing IT competencies with outsourcing services.

Classification:
Service Improvement

Functional/Operational Area:
Citywide

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
Not Determined

Barriers to Implementation:
None

Projected Implementation:
Ongoing

Next Steps:
Benchmark/evaluate services currently provided to identify opportunities for outsourcing. Investigate existing service contracts to see if there are opportunities for consolidation or multiple contracts of existing agreements that can be used by additional departments.

Analysis:
With limited IT staff available, the City must focus its technology staff on core functions. Outsourcing is a method by which non-core functions can be offloaded to service providers. Outsourcing provides a mechanism for supplementing the IT workforce with skills which may not exist among the employee population or by freeing existing employees from routine tasks, allowing them to focus on work intrinsic to the City’s mission.

A particularly appropriate area for the City to investigate outsourcing opportunities is the maintenance and support of PC workstations. Currently, each department is devoting resources to this effort independently and some are even stocking parts inventories to do their own repair of PCs. By outsourcing the installation, maintenance, and support (PC help desk) of PCs, City employees could be made available to work on critical application backlogs and projects intrinsic to the City’s core functions. A Citywide support contract would eliminate the confusion of who to call, eliminate the need to stock PC parts (many of which become obsolete before they are ever used), and provide an overall higher level of service to PC users.

A second area where outsourcing could benefit the City is in the area of network management. 24-hour, 7-day per week coverage can be contracted, which would not only detect failures when they occur, but could often provide diagnosis of impending failures allowing fixes to be made before an actual failure occurs. Additionally, traffic and network load information can be gathered, allowing the city to anticipate bottlenecks...
and to plan for upgrades and expansion of service before network constraints affect applications and system availability.

Additional candidates for outsourcing include: PC hardware installation and support, network management and monitoring, training, data center operations, Internet hosting.
INFORMATION TECHNOLOGY: GIS INTERN PROGRAM

5-E
INFORMATION TECHNOLOGY: GIS INTERN PROGRAM

Problem Identification:
Developing the Geographic Information Systems (GIS) database is labor intensive and requires a base level of GIS skills. The development of the system could move much faster if additional resources could be employed for creating map overlays and maintaining the base map.

Recommended Action:
Create a geographic information systems (GIS) internship program.

Classification:
Cost Savings, Organizational, Service Improvement

Functional/Operational Area:
GIS Committee

Estimated Annual Impact:
Cannot be Estimated

Estimated Implementation Costs:
None

Barriers to Implementation:
None

Projected Implementation:
90 days

Next Steps:
Contact local colleges/universities to determine interest level in establishing a program. Initiate recruitment efforts.

Analysis:
GIS interns can provide a competent source of expertise for City GIS efforts. The City can provide valuable, real-world experience for the interns.
Executive Summary

Introduction: DEPARTMENT OF PUBLIC WORKS

At the request of Mayor Martin O’Malley, the Greater Baltimore Committee and the Presidents’ Roundtable were asked to review the operations of the City of Baltimore’s Department of Public Works (DPW). The DPW project team was led by Greater Baltimore Committee board members Donald A. Manekin, Senior Vice President/Partner, Manekin Corporation and Peter M. Martin, Chairman, President and CEO of Provident Bankshares Corporation and Presidents’ Roundtable members Tyrone Taborn, President, Career Communications Group, Inc. and Garland O. Williamson, President, Information Control Systems Corporation. The project team was divided into five subcommittees that focused on the following areas: fleet management, general services, solid waste, transportation, and water and wastewater. As part of the review process, members of the project team met several times with DPW’s senior management team, interviewed staff, conducted site visits, and studied the public works practices of other large cities. The project team leaders and the five subcommittees attempted to keep the review effort focused on identifying opportunities to improve the quality, effectiveness, and efficiency of the services that DPW provides. The project team’s recommendations can be encapsulated within the following five overarching themes. These themes form the basis for the recommendations designed to improve the Department’s ability to respond to Baltimore’s public works needs and to act on the O’Malley Administration’s service priorities in the most cost efficient and effective fashion:

- Focusing on Core Public Works Functions by Creating New and More Effective Management Structures
- Aligning Complementary Functions
- Improving Asset Management
- Utilizing Managed Competition to Reduce Costs
- Measuring to Manage
IX. Appendices

List of Study Team Members
List of Volunteer Business Executives
List of Volunteer Companies
List of Study Team Memberships

STUDY TEAM MEMBERSHIPS

1) Fire Department
2) Health Department
3) Housing and Community Development
4) Department of Public Works
5) Recreation and Parks
6) Information Technology
## LIST OF VOLUNTEER BUSINESS EXECUTIVES

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<th>John Hamilton</th>
<th>Laura Perry</th>
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David Donabedian
Edward Dopkin
Stan Dorman
Pierce B. Dunn
Kyle S. Durkee
Christopher Eddings
Mareco Edwards
Morad Eghbal
John Eller
Jan Albert-Elliott
Paul Ellis
Robert C. Embry, Jr.
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Ann C. Failing
Beth Ferguson
Don M. Files
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Amy E. Freeman
John Furman
Kathleen Galbraith
Frank Gant
William Garrett
Stan Gent
David Gildea
Sheldon D. Glass
Michael J. Goff
Edward Gold
Stuart Gray
Chickie Grayson
John L. Green
William G. Griffon
Adam Gross
Ed Haile
Don Hall
Nancy Hall
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Deborah A. Lindrud
Peter Lorenzi
Henry Louis
Sue Lovell
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Cleaveland D. Miller
Frank Miller
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Lynne Myers
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Osborne Payne
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David Starnes
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P. J. Widerman
J. Scott Wilfong
Kevin F. Wille
Joan H. Williams
Lisa B. Williams
Garland O. Williamson
Michael J. Williamson
Courtney B. Wilson
John I. Wilson
Steve Zentz
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Corporate Technology Group
CPHA
CSC Intelicom, Inc.
Daft-McCune-Walker, Inc.
Deutsche Banc Alex. Brown
DKI Public Relations
Dorman's Lighting and Design
E.V.A. International, Inc.
EA Engineering, Science & Technology
EDS/Maryland Health Information Network
Empower Baltimore Management Corp.
Enterprise Homes, inc.
ePlus
Family and Children's Services
Federal Reserve Bank
Ferris, Baker Watts, Inc.
Fidelity & Deposit Co. of Md.
FNMC – The Mortgage Company
Freestate Health Plan
FTI Consulting
Gallagher, Evelius & Jones, LLP
Gant Hart Brunnett
Genesis ElderCare
Gensler Architects
Glass Substance Abuse Programs
Global Government Industry Group
Good Samaritan Hospital
Goodwill Industries of the Chesapeake
Grant Thornton LLP
Heery International, Inc.
Hurst-Rosche Engineers, Inc.
Hyatt Regency Baltimore
Hyde Incorporated Interior Design
IBM Corporation
Information Control Systems Corp.
Innovations
J.J. Clarke Enterprises, Inc.
J.O.B. Marketing & Travel Consultants
JCM Control Systems, Inc.
Johns Hopkins Health System
Johns Hopkins International
Johns Hopkins University
Kaiser Permanente
ReVisions Foundation
Riparius Construction, Inc.
Polo Grill Restaurant
RM Blank Assn.
Rummel, Klepper & Kahl Engineers
Semmes, Bowen & Semmes
Senior Campus Living
Shapiro and Olander
Shawe & Rosenthal
Sheppard Pratt Health System
SIEMENS
Sun Trust, Maryland
Streuever Bros. Eccles & Rouse, Inc.
Sweetheart Cup Company
T. Rowe Price Associates, Inc.
T. Rowe Price Investment Technologies
TCI Communications of Baltimore
The Abell Foundation
The Baltimore Sun
The Daily Record
The Kornblatt Company
The Johns Hopkins Hospital Health System
The Richburg Group, Inc.
The ROC Realty Group
The Ryland Group, Inc.
The Terminal Corporation
Thomas Associates
Trout, Segall & Doyle, LLC
UMBC
United Way of Central Maryland
University of Baltimore
University of Maryland at Baltimore
University of Maryland Medical System
University of MD Baltimore County
VA Maryland Health Care System
Venable, Baetjer & Howard
WBAL-TV
Welsh Construction Remodeling Co.
Whiteford, Taylor & Preston
Whitman, Requardt & Assoc., LLP
WILLIS
Willis Corp. of Maryland
Wm. T. Burnett
Women’s Housing Coalition, Inc.
Yellow Transportation
Fire Department

FIRE DEPARTMENT

TEAM LEADERS

James L. Shea
Joshua C. Matthews

SUBCOMMITTEES

Management Systems

Joshua C. Matthews – Chair
Alex S. Katzenberg, III

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<td>John T. Dailey – Chair</td>
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<td>John Lurz</td>
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Health Department

TEAM LEADERS

Sister Helen Amos, RSM
John P. McDaniel
Morton I. Rapoport, M.D.
Victor C. March, Sr.
Percy Allen, II

SUBCOMMITTEES

Administration

John L. Green – Chair
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Kathleen Gailbraith
William Garrett
Robert Ingram
Victor Ribaudo
Guy Richardson
Jeff Seidman
Michael Soto
Brian Wajda

Health Service Management Audits

Barry Benjamin – Chair

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<tr>
<th>Maternal and Child Health</th>
<th>Communicable Diseases</th>
<th>Best Practices</th>
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<td>Amy E. Freeman</td>
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<td>Lee Kennedy</td>
<td>Robert McEwan</td>
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<td>Lynne Myers</td>
<td>Lawrence M. Beck</td>
<td>Julia Ro</td>
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Environmental Health

Barry Benjamin
Terry Hogan
Ron Trevino
Roland Campbell

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<th>Adult, School &amp; Community Health</th>
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<td>Terry Rossiter Harvey</td>
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<td>Robert Kritzler, M.D.</td>
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<td>Michael Steinberg, M.D.</td>
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<td>Lisa B. Williams</td>
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Baltimore Mental Health Systems

Paul Ellis
Bonnie Katz
Lori Raggio
Andrea Tolbert
Fran Stotsky

Baltimore Substance Abuse Systems

Sheldon D. Glass, M.D.
Carolyn Jacobs
Victor March
Michelle McBride
Diane L. Bell
Andrea Sanders
## Housing and Community Development

### HOUSING & COMMUNITY DEVELOPMENT

#### TEAM LEADERS

Robert C. Embry, Jr. – Chair  
John Hamilton – Chair

#### SUBCOMMITTEES

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<th><strong>Inspection and Permits:</strong></th>
<th><strong>Property Acquisition/Disposition Demolition:</strong></th>
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<td>Joseph Clarke – Chair</td>
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<td>Scott Bass</td>
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<td>Paul Brophy</td>
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**Day Care, Head Start, Homeless And Resident Services:**

- Marlene McLaurin – Chair  
- Sharon Caplan  
- Jacqueline Hrabowski  
- Danny O'Brien  
- Anthony G. Parker  
- Dr. Osborne A. Payne  
- Henry Thomas  
- George Liebmann  
- Paul Brophy

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- Barbara Reed Martin  
- Darryl A. Stokes  
- Louis B. Thalheimer  
- Paul Brophy

**Section 8:**

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- Ed Rutkowski  
- Barbara Samuels  
- P.J. Widerman

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- Karen Dates  
- Franklin McNeil  
- Emma Stokes  
- David Tait  
- Robert Rhudy  
- Gail Shawe  
- Marge Thomas  
- Paul Brophy

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- Denise DeLeaver  
- Mareco Edwards  
- Adam Gross  
- John T. Heagy  
- James H. McLean  
- Susan Thompson  
- Paul Brophy
## Department of Public Works

### TEAM LEADERS

- Peter M. Martin
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- Garland O. Williamson
- Tyrone Taborn

### SUBCOMMITTEES

#### Transportation:

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- Mark Butler
- Paul Crampton
- Gregory Dawson
- William Griffon
- Larry Simpson
- Andrew Jones
- Ed Dopkin
- David M. Pittenger
- Jan Moylan Wagner
- James T. Johnson, Sr.

#### General Services:

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- Peter Lorenzi
- Cleaveland Miller
- Chuck Phillips
- Mark Ruhe
- Dowell Schwartz
- Joseph L. Smith
- James R. Wallace
- Joan H. Williams
- Michael J. Williamson
- Ed Haile
- Anwer Hasan

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- Katrina R. Riddick – Co-Chair
- John Maynes – Co-Chair
- David Donabedian
- John Furman
- Larry Kamanitz
- Terry Niemeyer
- Lawrence D. Shubnell
- Morad Eghbal
- Anwer Hasan
- Jiang Li
- Donald C. Helm

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- Sterling H. “Skeet” Chadwick – Chair
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- Dowell Schwartz
- James R. Wallace
- George J. Kilroy

#### Solid Waste:

- John Keenan – Chair
- Bill Ewing
- Paul Harper
- David Kirby
- Tim Pula
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Recreation and Parks

**TEAM LEADERS**

J. Scott Wilfong  
Kenneth R. Banks

**SUBCOMMITTEES**

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Morgan L. Amaimo  
Greg Conderacci  
Gail Kaplan  
Paul F. Malstrom  
Rick Staisloff  
David Starnes

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Paul Shelton – Subcommittee Chair  
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Ward Classen  
Mark M. Deering  
Stuart Gray  
Leonard Kaplan  
Edward Kemery  
Drew Langloh  
Dan Lincoln  
James H. McLean  
M. Robert Rappaport

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Laura E. Perry- Subcommittee Chair  
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P. Michael Carey  
Steven L. Cornblatt  
Robert Dernoga  
Nancy Hall  
J. Drexel Knight  
David R. Noel  
Courtney B. Wilson
Information Technology

TEAM LEADER

Donald P. Ruthig

TEAM MEMBERS

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Patricia Diamond Fletcher
Don Hall
Linda D. Janette-Slack
MaryAnn L. Magee
Donald F. Norris
David Powell
Marc Rize
Karen Sorensen
K. Donald (Don) Vrooman