



Government of the District of Columbia



Office of the City Administrator

Testimony of
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City Administrator

**Public Oversight Hearing on the Performance of
the Office of the City Administrator during
Fiscal Year 2012 and Fiscal Year 2013 to Date**

Council of the District of Columbia
Committee on Government Operations
The Honorable Kenyan McDuffie, Chairperson

March 11, 2013
10:00 a.m.

Room 500
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairperson McDuffie and members of the Committee on Government Operations. My name is Allen Y. Lew and I am the City Administrator of the District of Columbia. Thank you for this opportunity to provide testimony on the performance and activities of the Office of the City Administrator (OCA) during fiscal year 2012 and fiscal year 2013 to date. Joining me today are members of my staff including Warren Graves, our chief of staff, and Natasha Campbell, who is director of the Office of Labor Relations and Collective Bargaining.

The mission of the Office of the City Administrator is to facilitate the effective and efficient implementation of the Mayor's policies by providing leadership, support, and oversight of District agencies. To carry out these functions, OCA is composed of two major divisions: (1) the Government Management and Oversight division, which provides support to District agencies in the areas of budget, management, and policy implementation, and manages the District's performance management program; and (2) the Office of Labor Relations and Collective Bargaining (OLRCB), which represents the District as the principal management advocate during labor negotiations and administers the District's labor relations program.

Within those divisions, the Office of the City Administrator is divided into the following core teams:

1. Performance Management and Analysis Division: The Performance Management and Analysis ("PMA") Division is composed of program analysts who working across all agency clusters. The staff in this division oversee agency performance planning and accountability, provide agencies with policy guidance throughout the year, and assist in coordinating multi-agency and multi-cluster services and activities.

The Performance Management Division is also responsible for more in-depth oversight of agencies in the Government Operations cluster, including both agencies that focus on internal operations of the government, such as Department of Human Resources, Office of Contracting and Procurement, and Office of the Chief Technology Officer, and public-facing agencies, such as the Department of Motor Vehicles and the Department of Transportation.

2. **Policy and Legal Resources Division:** The Policy and Legal Resources Division is responsible for legislative and regulatory review and formulation within the Office; provides legal guidance to program analysts; and provides legal and policy analysis and advice to the City Administrator. This division also houses the grants oversight function of the office.

3. **Public Affairs/DCStat Division:** The Public Affairs/DCStat Division performs internal and external communications functions for OCA and operates DC Stat — a performance-based accountability program that identifies opportunities to make District government run more efficiently while providing a higher quality of service to its residents. This division is also responsible for ensuring that data and other information of the Office are transparent and accessible to the public. As part of the effort to carry out this responsibility, the OCA website has been revamped to provide better access to existing data and a more comprehensive overview of the functions of the office.

4. **Office of Labor Relations and Collective Bargaining:** The Office of Labor Relations and Collective Bargaining (OLRCB) serves as the executive's representative in negotiating collective bargaining agreements and is responsible for representing the District as the principal management advocate in the administration of a comprehensive labor management program. OLRCB's areas of responsibility include representing management before the Public Employee Relations Board; representing the Mayor and District agencies in collective bargaining negotiations; developing and presenting cases in mediation and arbitration proceedings; and advising the Mayor and District departments, offices, and agencies concerning all aspects of labor relations.

The Deputy Mayor for Education, Deputy Mayor for Health and Human Services, Deputy Mayor for Planning and Economic Development, and Deputy Mayor for Public Safety and Justice all report to the City Administrator, and the Office of City Administrator works continuously with those offices to ensure that multi-agency activities are coordinated across government clusters, District-wide policies are implemented by all agencies, and to generally assist in the successful operations of agencies reporting to the Deputy Mayors.

OCA is also the main liaison with the Office of the Attorney General and the Office of the Chief Financial Officer as well as many public authorities including the Washington Metropolitan Area Transit Authority (WMATA), DC Water, Events DC, and the Metropolitan Washington Council of Governments (COG).

To carry out these functions, the Office had a budget of \$3.6 million in FY 2012 and has a budget of approximately \$3.9 million for FY 2013. Of the total budget for OCA, over 90% is dedicated to personnel services, which supports 26 FTEs. Approximately half of the total budget and approximately half of the FTEs are dedicated to the Office of Labor Relations and Collective Bargaining.

Actual expenditures in FY 2012 were \$3.348 million dollars. Of that amount, \$3.18 million, or approximately 95% of total expenditures, was spent on personnel services. Of the remaining \$170,000, approximately \$32,000 was expended on supplies and telecommunications and approximately \$136,000 was expended on contractual services and other services and charges.

In FY 2012 and FY 2013 to date the OCA has worked aggressively to implement Mayor Gray's vision for the District.

For example, OCA led the efforts of the Mayor's Task Force on the Prevention of Flooding in Bloomingdale and LeDroit Park, which I co-chaired with DC Water General Manager George Hawkins. This Task Force was established in response to overland flooding and sewer backups that occurred during the summer of 2012 in the Bloomingdale and LeDroit Park neighborhoods.

The Task Force was charged with an ambitious scope of work and an aggressive schedule for developing mitigation measures, while at the same time tackling substantial engineering challenges. Catch basin enhancements, installation of underground storage systems, and distribution of rain barrels, which will help control the flow of stormwater and reduce flooding, are short-term mitigation measures that have already been implemented.

In December, Mayor Gray announced that the District and D.C. Water would also proceed with more substantial infrastructure investments

recommended by the task force. These investments, labeled the Northeast Boundary Neighborhood Protection Project, will be completed in three phases. The first phase consists of the construction of two new water storage tanks at the McMillan Sand Filtration site, which will hold up to 6 million gallons of stormwater. This will help reduce the excessive pressure that currently causes sewer backups and overland flooding during heavy rain storms. This phase is scheduled for completion during the first quarter of 2014.

In the second phase, a new tunnel will be built under First Street, NW, to store an additional 6 million gallons of stormwater and wastewater from a combined sewer line. That construction will be completed by the spring of 2016.

The third phase of the project is the Northeast Boundary Tunnel; although this tunnel was planned before the task force process, we plan to accelerate the design and construction of the tunnel by three years. The original completion date was scheduled to be 2025; based on the recommendations of the task force, we have accelerated the completion date to 2022.

OCA is also leading the efforts of the Mayor's Power Line Undergrounding Task Force, which I co-chair with Joe Rigby, Chairman of the Board of Directors at Pepco Holdings. The task force was created after a series of powerful storms hit the District in 2012, resulting in significant disruptions to electric service to residents and businesses. The main goal of the Task Force is to identify practical options for power line system improvements that will increase the reliability of service, particularly during severe weather events.

As part of that effort, the task force has analyzed the technical feasibility and reliability implications of undergrounding existing overhead distribution facilities. Through this work, the task force identified opportunities to underground the most problematic feeder lines and to sequence the undergrounding work with other projects being performed within the District, to help ensure that maximum synergies and cost benefits are obtained. We hope to issue a final report with a detailed set of recommendations in the next few weeks.

Another important activity of the Office of the City Administrator is the Streetcar Financing and Governance Task Force, which I also chair. Created to provide recommendations to the Mayor on the planned DC streetcar system, the Task Force is charged with a number of tasks, including:

- Providing detailed cost estimates for the construction of the 22-mile priority segments of the planned 37-mile system;
- Providing detailed cost estimates for the operation and maintenance of the streetcar system for the initial years of operation;
- Examining potential sources of funds for the construction of the streetcar system, including District capital funds, special assessments, tax increment financing, private investments, and value capture mechanisms;
- Examining potential sources of funds for the operation and maintenance of the streetcar system, including District operating funds, special assessments, fare box revenue, advertising revenue, regional contributions, and federal funds; and
- Examining potential forms of governance for the construction and operation of the streetcar system, including the establishment of an independent agency.

The task force includes 14 members, 8 of whom are from District agencies and 6 of whom are public members with expertise in transportation systems, public-private partnerships, financing, or economic development. One of the public members, Jair Lynch, serves as vice chair, and his contributions, and those of all the public members, have substantially advanced the work of the task force. I anticipate that by the end of the year we will submit a report to Mayor Gray that will provide findings, recommendations, and priority actions to facilitate successful implementation of the streetcar system.

Turning to performance management, OCA has continued to use the DCStat program to provide targeted oversight and management of a variety of service areas. These DCStat sessions have helped ensure that the Summer Youth Employment Program operated successfully and without incident and that summer recreation programs opened on time and were appropriately

staff. Through the DC Stat program, OCA has also played a key role in coordinating the Sustainable DC Initiative. DC Stat sessions have also been held on a variety of other topics during the past year and a half, including heating season preparations for District government facilities; school openings; crime prevention; taxicab reform; Medicaid reimbursement; and procurement reform.

OCA has also worked closely with the Executive Office of the Mayor to incorporate the goals of the Mayor's One City Action Plan into our performance management program. OCA has worked with the Office of the Chief Technology Officer to develop an interactive website to track progress on the One City Action Plan, and that website will be unveiled later this month. Our goal is to eventually merge the One City Action Plan website with a new, comprehensive performance management website that will track all agency performance measures, providing government managers with tools to track trends and overall performance, and make government operations and priorities more transparent.

As City Administrator, I also serve as chair of the District's Interagency Council on Homelessness (ICH), which is comprised of District agency directors, homelessness advocates, and homeless service providers. ICH meets bi-monthly and continues to make significant progress on its goal of improving services to individuals and families experiencing homelessness.

ICH members' accomplishments in FY2012 included:

- Housing 1,181 individuals and families;
- Connecting 112 self-identified homeless residents with employment through the One City One Hire program;
- Training over 50 staff within the Department of Human Services, the Community Partnership for the Prevention of Homelessness, and shelters to assist homeless consumers with applying for Social Security Insurance benefits;
- Maintained a 92% retention rate in the Department of Human Services' permanent supportive housing program; and
- Providing over 3,000 households with homelessness prevention resources.

In FY2013, Mayor Gray appointed me as chair of the DC Water Board of Directors. Staff members in both the Office of the City Administrator and DC Water are supporting me in this role. Since becoming chair, DC Water issued its Blue Horizon 2020 Strategic Plan, which presents a focused course of action and detailed implementation plan for the next seven years. In addition, at its last board meeting, the board approved the new Blue Plains Intermunicipal Agreement (IMA), which is an agreement between the District, DC Water, Fairfax County, Montgomery County, Prince George's County, and the Washington Suburban Sanitary Commission that governs the collection and treatment of wastewater at the Blue Plains treatment facility. These activities were previously governed by an outdated 1985 agreement. The successful negotiation of the new agreement took about 10 years and is a major achievement for both DC Water, the District, and the suburban jurisdictions.

Another major accomplishment of the Office of the City Administrator in FY12 and FY13 was successfully coordinating the effort to end the longstanding *Petties* litigation, under which the District's special education system was overseen by a court master. My office led an interagency team focused on meeting the court-ordered conditions for exit from *Petties*, and after 17 years of federal court oversight, the class action lawsuit was finally dismissed. I would like to emphasize that this achievement would not have been possible without recognizing the extraordinary efforts of the State Superintendent of Education, Hosanna Mahaley, the director of OSSE's transportation services, Ryan Solchenberger, and OSSE's school bus drivers and staff. I should also note the significant efforts of Attorney General Irv Nathan, Deputy Attorney General Ellen Efros, and other attorneys representing the District in the *Petties* case, and the support provided by staff at a number of other agencies, including the Department of Motor Vehicles, Department of General Services, District of Columbia Public Schools Department of Human Resources, Office of the Chief Technology Officer, Department of Public Works, Office of Contracting and Procurement, and the Department of Transportation. Finally, I would like to thank the court master, David Gilmore, and his team for their substantial support and assistance to the District.

In addition, my office worked closely with the Department of General Services to ensure a successful startup. DGS has integrated over 148 school properties, 644 non-school properties, and approximately 30 million square

feet of building space into its portfolio and completed over 55 capital projects in Fiscal Year 2012, including the LEED Gold Consolidated Forensics Laboratory and the LEED Double Platinum 200 I Street, SE, building.

Moreover, DGS' Energy and Sustainability Division is developing an aggressive energy efficiency program with the goal of reducing energy consumption in targeted buildings by 20 percent over the next 20 months. Recent innovative purchasing efforts have resulted in a 25 percent reduction in the rate the District pays for electricity and a 42 percent reduction in the rate the District pays for natural gas. DGS also streamlined its procurement process and has focused on identifying service contracts for bid by CBEs only, resulting in contract awards to CBE vendors of over \$8.5 million.

In the area of labor relations, OCA has continued the Administration's robust efforts to work cooperatively with the unions that represent District employees. That process has led to improved labor relations and a renewed sense of trust and confidence in the labor relations program.

During FY 2012, my office continued its quarterly briefings with labor leaders. The purpose of these briefings is to engage labor collectively on issues impacting the workforce and to hear labor concerns and suggestions. All of the labor organizations representing District government employees are invited to these meetings, including the American Federation of State, County and Municipal Employees, the American Federation of Government Employees, the National Association of Government Employees, the Fraternal Order of Police, the Service Employees International Union, the Washington Teachers' Union, the International Brotherhood of Teamsters, the District of Columbia Nurses Association, the International Association of Fire Fighters, and the Doctors Council of the District of Columbia.

As City Administrator, I have taken an active role in meeting with agency directors and labor leaders to discuss various issues. This process has led to the resolution of a number of issues and has served to prevent potential labor unrest. I also directed the directors of OLRCB and the Department of Human Resources to facilitate sessions with union leaders to provide information and address the unions' questions and concerns regarding how DCHR implements, interprets, and administers certain provisions of the District Personnel Manual.

In addition to addressing the specific concerns raised by labor, the administration also collaborated with labor on a number of initiatives. Some of these issues include:

- Compensating employees for the four furlough days implemented in Fiscal Year 2011
- Restoring health benefits contribution rates
- Advocating rescission of legislation that decreased the annual leave accrual hours of employees
- Resolving a number of outstanding grievances at the Office of the State Superintendent for Education, the Child and Family Services Agency, and the Department of Transportation

All of these efforts illustrate Mayor Gray's commitment to our workforce and the understanding that labor and management can, and must, work together as a "Team" for the District to operate at its highest and most productive levels.

One other success I would like to highlight is the collaboration of the Administration, labor leaders, and the general workforce to make the DC One Fund annual giving campaign a growing success. In just two years, we have increased giving from less than \$100,000 to over \$600,000 last year and over \$800,000 this year. Next year we hope to surpass \$1 million in contributions to local charities and nonprofit agencies.

Finally, Mayor Gray and the Chief Financial Officer recently announced that the District's financial health continued to rebound significantly in Fiscal Year 2012, with one of the largest surpluses in recent history and a dramatic increase in the city's savings account. The 2012 Comprehensive Annual Financial Report (CAFR) showed that the District ended the year with \$417 million more in its coffers, due to a \$277 million increase in revenue, \$50 million in agency underspending, and a \$90 million surplus in special purpose revenues. This resulted in an increase in the District's Fund Balance to \$1.5 billion over the \$1.1 billion in the fund at the end of FY 2011, and represents the largest fund balance in 7 years. The report marks the second annual increase in the District's Fund Balance since Fiscal Year 2005 and the 16th consecutive year of unqualified or "clean" audit opinions. In

addition, just last month the Chief Financial Officer increased his revenue estimates for the current fiscal year by \$190 million.

Many of these results are due to the emphasis the Gray Administration has placed on having agencies live within their means. One tool that has been used to achieve this goal is the establishment of an agency-wide requirement that the Office of the City Administrator approve all hiring requests and expenditures for travel and training. This procedure has proved effective at controlling costs without hindering agency performance

Thank you for the opportunity to testify today, and we are available for any questions that you may have.