

Step VI: Five-Year Plan Implementation and Process Renewal

The EIP is an ongoing process, and a plan should be evaluated, adjusted, and adopted each year. A master implementation schedule for the recommendations contained in the Plan is provided in Appendix A and specifies the key deadlines for each objective set forth in the Plan. This schedule will serve to monitor whether or not individual departmental objectives are being met, thus providing a means by which the local government can measure its overall progress in implementing the Plan.

Any successful implementation of a plan requires the involvement of the functional administrators and the strategy formulators. It is essential that department directors and key staff members are involved in the implementation process. Likewise, it is critical that management personnel who have been involved in the development of the Plan also stay engaged during the implementation process.

The following management issues are central to a successful implementation process:

IDENTIFYING HIGH-PRIORITY GOALS – In Step V, the top five priority goals were identified. These goals were based on the most important critical factors for the success and sustainability of the City organization. The criteria used for the prioritization of these goals focus on sustainability, as follows:

- Economic health
- Human capital
- Environmental quality
- Social equity

DEVELOPING ACTION ITEMS - In Step V, the action items associated with each goal and a schedule for completing each action item were identified.

ESTABLISHING ANNUAL GOALS - Establishing annual objectives will assist the City with the implementation process. The purpose of establishing annual objectives is to provide the following:

- Guidelines for actions and efforts
- Justification to stakeholders for activities
- Standards of performance
- Source of employee motivation
- Basis for organizational design

The City should appoint an Implementation Manager who will work with management and key staff to establish the appropriate annual objectives to support the implementation process.

ASSESSING STRUCTURE - Changes in strategy sometimes require changes in organizational structure, because structure often dictates how policies will be established and how resources will be allocated. It is therefore important to determine if organizational structure changes are necessary in order to pursue new strategies. There are times when an attractive strategy must be abandoned because it becomes cost prohibitive if it would require a massive change in the organizational structure.

IDENTIFYING RESOURCES - Many organizations spend time, money, and effort in developing a plan, but little thought or commitment of resources to the implementation of the plan. The Implementation Manager should work with the City to identify the resources that are necessary to implement the Plan and to develop a funding strategy that identifies and accesses those resources.

DEVELOPING AN EVALUATION FRAMEWORK – The Implementation Manager should work with City management and staff to develop a strategy-evaluation assessment matrix that identifies, for each strategy, whether major changes have occurred in the City’s internal and external position and whether the City organization has made progress in satisfactorily meeting stated objectives. Strategy evaluation should be designed to provide a true picture of what is happening in the organization. For this reason, qualitative evaluations should also be built into the process. This will inform the City Council and management as to what corrective action, if any, must be taken.

MEASURING ORGANIZATIONAL PERFORMANCE – The Implementation Manager should work with City staff to develop appropriate performance measures based on stated objectives for the priority strategies. Quantitative criteria that are commonly used are (1) comparing the selected factors over time, (2) comparing the City operation to its competitors or benchmark communities, and (3) comparing the department performances to statewide or national standards. Qualitative factors that should also be considered are turnover and absentee rates, quality of the services, and employee satisfaction.

TAKING CORRECTIVE ACTION - This activity is targeted toward making the changes that can reposition the City organization to achieve sustainability for the future. During this phase, the Implementation Manager should assist the City in analyzing organizational structure, reviewing organizational performance, or revising the organization’s mission. Corrective actions should be designed to capitalize on strengths, take advantage of key external opportunities, avoid or mitigate threats, and improve internal weaknesses.

The Plan should become institutionalized within the local government. The City should have its elected officials and key staff trained in order to ensure the successful implementation of the Plan’s recommendations. This section discusses the tools that are necessary in order to create the capacity and identify the financial and human capital necessary for successful implementation of the recommendations in the Plan.

GOAL 6: THE CITY HAS THE CAPACITY AND STRUCTURE FOR IMPLEMENTING THE PLAN.

Implementation of the EIP will require significant effort and implementation experience and will need to be the primary focus of a single individual or firm – especially during the early stages of implementation. With workloads that are already overwhelming, adding this responsibility to the workload of current City staff would greatly decrease the probability of successful implementation.

For this reason, it is recommended that the City employ or appoint an Implementation Manager for the specific purpose of implementing the Plan’s action items and achieving the priority goals. Working and reporting to the City Council and City Administrator, an experienced Implementation Manager will have a thorough understanding of the implementation processes and resources and can guide the effort to ensure that key action strategies are accomplished as scheduled.

The Implementation Manager would report to the City Administrator and City Council and work closely with the Implementation Committee to provide staff support, updates, and progress reports. The Implementation Manager would be responsible for the following items, among others:

1. Implementing action items
2. Establishing annual goals
3. Assessing structure
4. Identifying resources
5. Developing an evaluation framework
6. Measuring organizational performance
7. Recommending corrective action

A grant application should be submitted to the Department of Community and Economic Development (DCED) through its EIP Phase II as an implementation action item from the Plan that would support the appointment of an Implementation Manager. A detailed action plan is described below.

“The greatest strategy is doomed if it is implemented badly.”

BERNARD REIMANN

McKeesport EIP Financial Management Plan

Goal 6: The City has the capacity and structure for implementing the recommendations from the Early Intervention Plan.

To achieve this goal we must address the following critical success factors.

We must have...

- Specific action items that are prioritized
- A specific agent or contractor designated with the responsibility for implementation
- Resources to support the implementation process

We must be...

- Committed to effecting positive change through the implementation process
- Aware and educated about possible opportunities
- Forward looking and supportive of identified action items

To meet this goal we will...		Responsibility	Implementation Schedule (Years)		
			1 -3	3 -5	5 +
Action 6A	Appoint an Implementation Manager to oversee the implementation of recommendations from the EIP.	Administrator, Council	X		
Action 6B	Assign responsibilities and prepare work assignments as necessary for implementation .	Implementation Manager	X		
Action 6C	Work with Council to establish priorities and identify milestones for implementation of specific items.	Administrator, Implementation Manager	X		
Action 6D	Appoint an Implementation Ad Hoc Committee to work with the Implementation Manager to review progress and advance the goals of the Plan.	Council, Administrator	X	X	
Action 6E	Prepare progress reports and corrective action recommendations based on evaluations.	Implementation Manager	X	X	X
Action 6F	Update, adjust, and re-adopt annual plan with specific goals, objectives, and action items for the next year.	Implementation Manager, Administrator, Council, Key Staff	X	X	X
Action 6G	Continue updates and process renewal at regular intervals – review progress quarterly in order to make adjustments.	Implementation Manager, Administrator, Council, Key Staff	X	X	X

Discussion: Implementation Manager and Committee

It will be critical to the implementation of the Plan for the Implementation Manager to have a committee with significant authority and resources with which to work to undertake the implementation of the action items. An option would be to identify individuals in the government, business, and community who are willing to serve in this capacity for the long term. Because the City lacks the capacity and resources (both financial and human capital) and because several of the



recommendations of this Plan are broad-based and sweeping changes to the current organizational structure and community processes, the City should consider the appointment of an outside agency or consultant to be the Implementation Manager for the items included in this Plan. The Implementation Manager should work with the City Administrator, the City Council, and an Implementation Committee and should be

responsible for providing monthly updates on the progress of the implementation of the recommended items. By setting up such a structure, the EIP will be a living document that provides the basis for a reenergized focus and direction for the community leaders.

In appointing members for the Implementation Committee, the following guidelines should be considered. The Committee should be:

INCLUSIVE – With broad representation, the inclusive nature of this type of committee facilitates implementation in a non-threatening environment.

ORGANIC – The informal structure of the committee allows for changes in membership in response to implementation needs.

CONSENSUS-ORIENTED – The interdependent roles of committee participants ensure that implementation is based on consensus and avoids unilateral actions.

BROAD-BASED SUPPORT – The size of the committee demonstrates broad-based support for the Plan and is a positive influence in seeking funding and support from outside sources.

INITIATIVE-FOCUSED – The committee’s mission and purpose is centered around priority initiatives in the EIP Plan, strategically focused on specific actions, and therefore results-oriented.

The Implementation Committee may consider a task force approach, whereby committee members with specific skill-sets are charged with organizing task forces as needed that may be made up of volunteer subject matter experts with the expertise and experience necessary to carry out specific actions associated with the implementation strategy. Committee membership should encompass a broad stakeholder emphasis that is competency-based in appropriate areas of community and economic development. Specific action items are as follows:

STEP 1 – Develop a mission statement, goals, and objectives for the Committee.

STEP 2 – Identify additional Committee members as needed for implementation of specific items.

STEP 3 – Conduct an organizational/launching meeting for the Committee.

STEP 4 – Work with the Implementation Manager to identify action items from the priority goals that should be implemented in the first year.

STEP 5 – Organize subcommittees or task forces from within the Committee to assist the Implementation Manager with the identified action items.

STEP 6 – Build capacity through additional volunteer recruitment.

STEP 7 – Conduct a regular evaluation of progress on key action items relative to the implementation success during the first year.

STEP 8 – Take corrective action as necessary to address deficiencies, in order to meet target goals.

FIGURE 4 – IMPLEMENTATION PLAN PROPOSED PROCESS AND STRUCTURE



GOAL 7: A DETAILED FUNDING STRATEGY FOR ACCESSING FUNDS FOR IMPLEMENTATION HAS BEEN DEVELOPED TO SUPPORT RESOURCE ALLOCATION.

Resource allocation is a central management activity that supports strategy implementation. Without a planned approach to resource allocation, decisions are often made based on political preferences or personal beliefs. In a strategically planned environment, resources will be allocated based on priority goals and established annual objectives. The success of implementation will be directly related to the consistency of the resource allocation with the priorities that are identified in the approved annual objectives.

Organizations have at least four types of resources that can be used to achieve desired objectives:

1. Financial
2. Physical
3. Human
4. Technological

Resources in organizations are often not allocated effectively because of the reasons below:

- **Leaders are overprotective of resources.** Many elected officials, in principle, are adamantly opposed to any investment of additional resources in the development of organizational capacity, especially in the areas of training and professional development. This leads to short-term savings and long-term bankruptcy.
- **The focus is on short-term liquidity instead of long-term financial health.** Often, in order to achieve long-term sustainability, it is necessary to invest in professional staff, subject matter experts, and strategic vision planning processes. In many local government organizations, these activities are not accorded the value they deserve.
- **Decisions are made based on political orientation.** When the resource allocation is based on the political support in the community, the proper attention is diverted from high-priority goals and projects to addressing the immediate “hot issue” items in the community.
- **Targets and objectives are too vague.** Planning and annual objectives should be very specific, with performance measurements identified.
- **Leaders are reluctant to make changes or take risks.** Most organizations are resistant to change. Any change in structure, technology, personnel, or practices raises anxiety levels in an organization. Change should be viewed as a continuous process and an opportunity to improve the quality of the organization and the services it provides.
- **Leaders lack sufficient knowledge about what should be done.** Because the nature of local government leadership is naturally transient, leaders are sometimes unsure or uninformed about how resources should be allocated in order to advance organizational priorities. Likewise, the priorities are often not adequately communicated to key staff in the organization who are responsible for the organization and utilization of resources.

Effective resource allocation does not guarantee success, because other factors such as personnel, commitment, and effective programming must drive the implementation. However, no implementation can be successful without effective resource allocation.

In order to identify, organize, and capture the resources necessary for a successful implementation, the Implementation Manager should prepare a preliminary funding strategy that will position the City

to capitalize on the best opportunities for securing public funds and for identifying project revenue generation. The strategy should identify short-, medium-, and long-term initiatives and funding sources that can be leveraged to achieve the redevelopment vision for the project area. The Implementation Manager will identify public-private opportunities, grants, innovative fund-raising opportunities, sponsorships, and other revenue-generating strategies.

McKeesport EIP Financial Management Plan

Goal 7: A detailed funding strategy for accessing county, state, and federal funds has been developed and implemented to support resource allocation.

To achieve this goal we must address the following critical success factors.

We must have...

- A resource allocation strategy that is planned and matches priorities
- A targeted funding strategy that is project-specific
- An informed legislative delegation to build support for City projects
- Detailed design and project budgets

We must be...

- Aggressive, focused, and targeted
- Organized and prepared for all funding opportunities that match our priorities

To meet this goal we will...		Responsibility	Implementation Schedule (Years)		
			1 -3	3 -5	5+
Action 7A	Identify, on an annual basis, resources necessary for each action item to be implemented.	Implementation Manager, City Administrator	X	X	X
Action 7B	Develop funding matrix that identifies the specific project priorities and budgets, with possible funding sources.	Implementation Manager	X	X	X
Action 7C	Prepare briefing books, one-pagers, and message statements for each priority project, including narrative, budgets, matching funds, and schedule for completion.	Implementation Manager	X	X	X
Action 7D	Prepare grant applications as funding opportunities become available.	Implementation Manager	X	X	X
Action 7E	Build political support with legislative delegations, funding agencies, and private investors.	Mayor, Council, City Administrator, Implementation Manager	X	X	X
Action 7F	Assist with grant administration, drawdown of funds, progress reports, and close-out documents.	Implementation Manager, City Administrator	X	X	X
Action 7G	Manage project schedules.	Implementation Manager, City Administrator	X	X	X
Action 7H	Regularly evaluate project funding success.	Implementation Manager	X	X	X

Discussion: Developing Funding Strategies

The Implementation Manager should identify and analyze potential funding sources available for eligible costs associated with the City's projects. A detailed matrix outlining resources available for the projects should be prepared and used to develop a comprehensive funding strategy. Utilizing the detailed implementation plan in Steps V and VI, the Implementation Manager should prepare detailed briefing books and message statements for each of the priority projects. As part of the process for identifying viable public funding opportunities, the projects should be discussed with funding agencies and other key staff as appropriate. Only the most relevant funding opportunities should be targeted, based on the unique needs of the projects. Programs that should be evaluated include but should not be limited to the following:

- **FY 2012 Transportation Appropriations** – The annual federal Transportation and Housing and Urban Development (THUD) appropriations legislation provides funding for costs related to transportation improvements. This opportunity involves direct contact with congressional staff and allows for the potential to address significant transportation needs for projects.
- **FY 2012 Department of Justice (DOJ) Community-Oriented Policing Services (COPS) Appropriations** – The annual DOJ development appropriations legislation provides funding for costs related to public safety improvements. This opportunity involves direct contact with congressional staff and allows for the potential to address public safety for projects.
- **Redevelopment Assistance Capital Program (RACP)** – Pennsylvania's RACP supports larger development projects that have a total project cost in excess of \$1 million.
- **Business In Our Sites (BIOS)** – Pennsylvania's BIOS grants and loans focus on infrastructure and site preparation costs that transition undeveloped sites to "shovel-ready" sites. Although funding for this program is very limited, there have been discussions in the General Assembly about recapitalizing the program as part of the next state budget.
- **Pennsylvania Infrastructure Bank (PIB)** – PIB is a program developed by the Pennsylvania Department of Transportation (PennDOT) that offers low-interest loans (one-half of prime) for transportation improvements. The loans can be repaid with federal funds. PIB is especially helpful in accelerating phases of transportation projects that must move at a pace that may not coincide with the timeline for delivering federal funds.
- **Foundation Programs/Funding** – A review of potential foundation resources should be undertaken to determine support for components of the projects that are candidates for funding. Resources such as senior centers and other public services may increase the opportunity for foundational support.
- **Pennsylvania State Energy Funding** – Energy independence programs offered through multiple agencies, including the Department of Environmental Protection (DEP), the DCED, and the Commonwealth Financing Agency (CFA), may provide potential sources of funding.



The Implementation Manager should provide advice and recommendations related to the following: (1) eligibility requirements related to each program, (2) assumptions regarding the proposed use of funds and consistency with program eligibility and compliance requirements, (3) structuring of funding uses and match requirements to promote efficiency while meeting program requirements, and (4) potential to supplement funding sources.

The Implementation Manager should review, prepare, and utilize economic data contained in this Plan for the completion of funding applications. Once funding applications have been submitted for the project, the Implementation Manager should assist in securing disbursement of funds for specific project uses. It will be important to manage communication with appointed and elected officials at the local and state levels and with various agency personnel for the purpose of securing the disbursement of public funding for the project. A comprehensive master project funding schedule should be prepared, illustrating the timing of funding availability in relation to the projects' development schedules and phasing plans. Additional activities might include the following:

- Meetings with members of the Pennsylvania legislature and congressional delegation in support of funding requests
- Meetings with program administrators to build support for the project
- Preparation of identified federal and state funding applications and appropriations requests, including all supporting documentation and post-award management
- Identification of local and private matching resources required to leverage public funds as needed

POST-AWARD MANAGEMENT PROCESS

Once funding has been secured, the Implementation Manager should assist with disbursements and compliance for federal and state funding awards. The disbursement process will vary in complexity and duration with the funding source employed. These post-award tasks include the following:

- Manage the post-award process to ensure that funding awards can be used efficiently to meet the project schedules
- Complete the post-award documentation to secure the release of public funding
- Communicate with local and/or state agencies for the purpose of project orientation
- Manage the project schedule
- Facilitate reimbursement approval agreements and other documentation associated with the release of funding

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Conclusion

The City of McKeesport has a long and proud heritage as an Allegheny County community that is home to over 20,000 people and a number of important industrial, commercial, and health establishments. But the City has experienced hard times over the past decade losing both business activity and residential stability. This reduction in economic activity and residential base has resulted in a declining property tax base and a reduced capacity to generate revenue to support City services.

The City has taken positive steps to increase its revenue collection, seek alternative revenue sources, to reduce staff where possible, to limit its costs for healthcare, and to improve pension investment performance. Nevertheless, unless there are major improvements to the City's tax base or major cuts in personnel costs, the City will be hard pressed to meet its current operating expenses over the next several years.

Compensation in union contracts will continue to drive overall personnel costs. Benefit costs will continue to rise by at least 10% per year over the next three years and the City will continue to carry substantial liabilities for pensions and other post-employment benefit obligations. The City is years away from any significant revenue enhancement that will have an appreciable impact on its ability to support the City operations at its current levels. Without intervention, there will most certainly be continuing structural deficits in the core operating funds over the next five years.

Implementation of the EIP Plan recommendations for revenue enhancement and cost containment must become a priority. Without intervention by the decision makers and remediation for the City financial condition, the City may be headed towards a financial meltdown in the future. Through this Plan, the City leadership has the tools and the detailed map to make a difference in the City's future. It will be important for City officials and staff to identify the proper resources, process, and structure to get the job done.