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DREISBACH: This is Tristan Dreisbach and Steve Strauss with Innovations for Successful Societies. We’re talking with Mayor Peter Buttigieg. It’s July 16, 2018. I know you worked for McKinsey, you had some different experiences. What shaped your thinking about how innovation and technology should be used to make government better?

BUTTIGIEG: I had a background in consulting, so I guess that was where I learned about things like data, data structure, the power of data, and about how to try to take processes and just make them better, make them simpler, make them more efficient. That’s what you do constantly in the business world. And it turns out, in many cases, it’s what you should be doing constantly in the government world as well. Part of what motivated me to run for mayor was that there was a pretty urgent need for economic development thinking around here to shift, and also for government to go through something of an update. It was just a very traditional kind of set up that you might expect from a smaller midwestern community in this kind of pocket in the industrial Midwest. And we really needed to up our game. In fact, the financial pressures that we were under made it even more important than it otherwise would have been to make sure that we were applying every advantage that we could find and using every tool or tactic, whether it’s from the business world or somewhere else, to try to run government more effectively.

DREISBACH: When you’re campaigning and you’re getting started here as a mayor, who is advising you on these kinds of issues about innovation, about using technology? Who is the core team you’re looking to?

BUTTIGIEG: A lot of it is informal. During the transition period, I learned a lot from other cities, people on my staff who had been exposed to what they were doing in Washington, for example. They were implementing a CapSTAT system which, in turn, was modeled on the CitiStat system in Baltimore, so I became conversant in that. Harvard has a good program, kind of a rookie school, at their Institute of Politics, and it’s a good place to see what your counterparts or doing or what they’re thinking about.

And then I began to discover a community around civic innovation which I think was pretty new at the time. Somebody had heard of Code for America and put me in touch with them, and we wound up getting fellows. It may have been as early as my first year, but pretty early in the administration we wound up getting a Code for America fellowship here which really helped seed the administration with some people who thought about technology and innovation in new ways. And then we also formed a partnership with EnFocus, the program for some ESTEEM graduates at Notre Dame, which, in turn, led to not only the engagement, but the creation of the Office of Innovation. That’s how we found Santi [Garces]. And so much depends on having a handful of champions who can really drive these things.

DREISBACH: I think some can be skeptical, a city like this – I’m from Michigan – I know rust belt cities face a lot of problems. They might be skeptical that these kinds of innovations, they seem small compared to the big problems you’re trying to face. How can what’s going on here help with the abandoned buildings we see, trying to gain some of those jobs that have been lost as industry faded away, how does this fit into that picture?
BUTTIGIEG: We really try to apply civic innovation to the toughest problems that we face. We view that fact that we are somewhat under the gun fiscally as an imperative to innovate, and we also view our scale as very beneficial for successfully innovating. Because we’re 100,000 people, because we’re comparatively low income and very diverse, it means that we’re a very good test bed for ideas. We’re big enough that when you try something here you will hit the issues you would, at least a little bit, you would at least taste the issues that you would experience in a big city, but we’re a small city. So we can be more nimble, we can be more creative, and I think we can, in some ways, take more risks.

But, also, when you have some of the economic challenges that we had – double digit unemployment when I took office and so many vacant and abandoned properties, we weren't sure how many there were – and the need to really pivot in terms of our economy, it really forces you to find new solutions to the toughest issues. One that started before I got here, and then we’ve taken it to the next level, is the example of the sewer technology and using that in a smart way. If we get our way with the EPA, that will save us $500 million. I can’t think of a bigger impact, certainly fiscally, from any process. That’s bigger than even a traditional policy tool like a tax increase. It delivers more than anything else we can think of, and it’s all because we were, as a community, open to using newer technology and then applying it in a way that made sense.

DREISBACH: You mentioned EnFocus. So Santi was part of that first class of EnFocus fellows. What was it that you saw or was there someone else who pointed out to you, hey, this is a guy who we really should try to keep in the team and get some more to do. What was it about him that stuck out?

BUTTIGIEG: Well, I think what we saw in Santi and a lot of his peers was a great combination of intellect and motivation. We talk a lot about being a place where talent meets purpose. So there’s a lot of talented folks in the word. There’s talented folks at places like McKinsey and in the private and public sector and certainly in academia. The key is to find people who are very capable and are really motivated by the opportunity to be part of a project like bringing a city like ours back from the brink and begin moving forward again.

So you could certainly sense that in Santi. Somebody who had a passion for the city, even though he hadn’t grown up here, it was his new home. But I think a lot of people come to feel a greater sense of home in a place that they can help shape. And that’s certainly true of what I call the urban patriots, the people who are really helping build South Bend. It's people who I think, part of their understanding of how they fit in here, is the awareness that they can help shape the city. And only sometimes does that have to do with being in a formal position of authority.

Often, the people who are shaping our city are the people who are launching businesses, convening community groups, creating Instagram feeds or podcasts that help us tell our story, so there’s a lot of different forms that it can take. But for somebody like Santi, the form that it took was optimizing and even revolutionizing what we were doing. And we needed that because we’re under a tax structure where you can’t, as a general rule on property taxes, for example, I can’t raise them if I want to, not that I necessarily want to, but if I did
it wouldn't matter. So we've got to take whatever resources we have and use them better if we want to do anything new.

STRAUSS: Just curious, the reason you can't raise the property taxes, I assume that's through the state legislature?

BUTTIGIEG: Yes. State mandated. Not even the legislative. The legislature acted to cap property taxes at one on a house, two on a business, three on a – or two on a farm, I think three on a business. That's now been encoded in the constitution for state, so without a lot of room for maneuver.

STRAUSS: So you can't even, for example, decide you're going to tax certain businesses at a higher rate, certain businesses at a lower rate.

BUTTIGIEG: A couple little exceptions. You can do some things with food and beverage and hotel and motel, but the short answer is no. And so it means anytime we want to do something better or do something new, we either have to get rid of something else or we have to be more efficient. And it turned out there was actually plenty of room for more efficiency. Tax payment form that was 17 pages that we were able to get down to two two-sided sheets, some basic technology stuff.

Although I also caution that innovation and technology are not the same thing. This isn't about just looking for technology. I can go to the U.S. Conference of Mayors and come back with business cards of 200 people who would be happy to sell us all kinds of technologies. Some of them would really help us answer these issues, and some of them would be nice to have but are not what we need right now.

DREISBACH: So when you picked Santi as someone who could take on some of these interesting new projects here, what did you tell him? How did you articulate the mission and the goal? I know he started as a contractor here. What were you saying that he should do?

BUTTIGIEG: Early on we were trying to do what would now seem like some basic things like establish a 311 center, and so part of what he was doing was just project managing some these really important initiatives. There was no muscle memory in the city on how to do this. We had limited project management ability outside of traditional roles, and we were trying to create something totally new. So I think part of what appealed to him was the chance to shape something and to really imagine it.

He was also deeply involved, if I remember right, he was deeply involved in the Code for America engagement too. And so I think he understood that he was able not just to do interesting projects, but to really have an impact on the organizational culture of this administration and, through that, maybe even the broader culture of the city.

DREISBACH: I think this is interesting timing. So he started not long after you left the country for seven months. So was there any difference that you noticed between – and I know you were still pretty connected to what was going on here – was there a difference you noticed between when you left and when you returned in terms of how things were working here in the city?
BUTTIGIEG: Yeah. A part of me wondered if I should get deployed more often. The team did such a fantastic job, and I think it was that they knew the general direction, I wasn't in their hair, and there was a really strong sense of purpose that animated everything we did. So they didn't need me to lean in and micromanage all of the projects. They knew what the goal was. They knew what the deadlines were, and they knew that I was going to come home in six or seven months and hopefully be able to show me at least seven months' worth of progress, and that's exactly what happened.

DREISBACH: So he started out as a contractor, then he's given this new role as a Chief Innovation Officer. Where did that idea come from? Did you see examples of similar positions in other cities you wanted to copy here? Was there someone else on your team that was saying hey, I think we need to formalize this role a bit more? Where did that idea come from?

BUTTIGIEG: It's interesting. As you know, there are tons of different ways to structure this, and there may be no kind of easy answer as to what the best model is. But what we knew was we needed to find a way to position innovation and technology, which are not the same thing, but they're obviously related. We needed a position that, from the human organizational perspective, was something other than a help desk. We had a help desk, and they were very good. But this wasn't just about fixing my computer. This was about finding the tools to help us do our jobs, either faster, better or cheaper.

And so there's no magic formula on how to do it, but we believed that a Chief Innovation Officer would help elevate the importance of this function within our organization, help mobilize some of the talent that we already had from within the administration by giving them that touchstone, and also invited him to really invent a system for IT governance which he proceeded to do. And then we had a really reimagined Department of IT that is now joined at the hip with innovation, all by just making sure we had people like him who had enough room for maneuver within this building to get things done and to be creative.

DREISBACH: Looking at his time as Chief Innovation Officer, what do you point to as the biggest, most successful projects that have come out of that time? In the last few years, what are the biggest things that have come out of that office?

BUTTIGIEG: It's been like my own tenure in that there are things you can point to and count that are concrete, and then there are some other things that are harder to measure but may be more important. So what I mean by that is there are a lot of specific things that happened. Again, creating a different kind of IT function. We just unveiled the new website today, so changing the web presence in the city. Establishing not just the 311 – that's nice – but establishing the back end of the 311 where we take the data. The biggest reason for the 311 was we were hungry for data we could use to do a better job. The open data portal and policy, which was some of Code for America fellows got going, but really has been up to Santi and his team to pick up and run with.

The creation of a deep bench of capable business analysts that work with Santi who have been able to give me a whole different level of insight into the operations that we have been running all along. Again, this isn't all newfangled stuff. Some of the most productive meetings of the SBStat program that Santi
has helped launch have been with Parks and Recreation and Police Department and the Fire Department. They’re not all about technology, but they’re about new thinking to help us deal with old issues.

One of the things I found most interesting was the process of mapping out what parks maintenance supervisors actually do. I don’t know if you’ve seen this body of work, but they call it subconscious operation. So what they realized was that, for example, one guy, the supervisor, goes through at least sixteen steps before he does his first task, but he doesn’t think about them. They just happen in the back of his head. It’s so intuitive, it’s almost autopilot. But it’s everything from realizing that if it’s a Thursday before the first Friday of the month he needs to double check that we’re geared up for the downtown South Bend first Friday events to looking at the weather and knowing whether certain assets need to be sidelined because they won’t work in the rain or the snow, without ever thinking about it. So the problem is, if this guy retires we’re screwed because we need to know what’s in his head to get in on paper. And he’s going to look into retiring.

So that then invites us to go back then and ask, okay, what are the steps that we go through without even thinking about it? And the interesting thing to me is that most of the old school people around here who were skeptical of technology will point to the role of human intuition, and they’re not wrong, in a way. So, for example, we have a technology I’m very excited about, that will scan roads, dash mounted iPhone camera that will help us do some predictive analytics on road failures and potholes, a very exciting project. But I got one guy on the City Council that worked the streets department in the 60s as a kid when his dad was mayor that says, look, if you had a halfway decent foreman he already knows when a road is going to fail, and why are you going through all these elaborate steps to do something that a good human being could tell you? And I think there’s a really healthy tension, actually, between those two ways of coming at it.

What’s interesting is that, as our handling of data gets more and more sophisticated and we get into machine learning, AI, and data analytics, that is beginning to detect nonhuman understandable patterns and apply them without us ever knowing what’s in them. That’s what we’re doing with the model on the sewer stuff, for example, last couple years. We’ve been able to apply modeling that uses tens of thousands of simulations. Some of the stuff, I’m not even sure we can comprehend it, which is different from regular data. Regular data you look at it, you comprehend it and then you make a better decision. What I would call big data – I know this isn’t a rigorous definition – but what I would call big data is when you gather the data, you’ll never comprehend it, but you can still use the insights which, oddly enough, is not that different from intuition. Things that we can sense but not explain, things that we know but we don’t know how we know. And we don’t have to know how we know in order to use them. Those things can be learned but not taught. And so there’s really a new frontier of how not just cities but organizations in general can meet their mission. And Santi and his team are, I think, at the forefront of it. So I can point to all kinds of tangible specific things they did from the optimization of fire truck routing that he did I think as an EnFocus project all the way to today’s unveiling of the new website.
But what's equally important is what I call the permission to believe. So by doing this work well, he's attracted interest from around the country. It's funny, I'll go to a national gathering of mayors and something somebody will say, oh, you must know Santi. Like I'm the guy who works with Santi, and that's a great sign. He can take his place among counterparts from some of the biggest and most innovative cities in the country.

That has intangible benefits to our reputation and our ability to attract philanthropic support, the fact that the media come here, venture capitalists from Silicon Valley come here to see what the Midwest is all about. You're here. That's got a harder to measure effect, but I think it's very powerful, but I think it's one of the better things to happen to South Bend in years is that in his shop and in some other areas we've been able to just have a different self-perception and a different reputation.

DREISBACH: What is your role in operations of his department? How often are you meeting with the team? How often are you giving your input about things that you'd like to see happen? How personally involved are you?

BUTTIGIEG: For one occasion or another I'll see him every few days. But we've tried very hard to make sure innovation isn't just the departments and nobody outside the department has to do it. We've actually literally made it one of the values on our – we try to make everybody memorize these city values that characterize how we function as an administration, and one of them is innovation. And a lot of times Santi's hand is at work in a meeting that's not his meeting. So when we sit with, again, the SBStat process as an example, when I'm sitting with the utilities and parks and the fire department in those quarterly meetings. Which are arguably the most important meetings those department heads have with me, the most in-depth discussion I have about fire operations with the fire chief for that quarter, that meeting is enabled and framed by the work of Santi's colleagues in the analytics shop who have gone in, framed it, and supported the chief, the fire command staff, who need to be, and are, as literate in the ways of innovation as anybody else in this building.

DREISBACH: When you're talking about changing business processes within government, you're talking about changing the way people do their jobs, some of the people that have been doing these jobs for a long time. You also are maybe are rethinking the staffing that you need. That could result in people getting moved around. How do you deal with the resistance that's naturally going to come out of that?

BUTTIGIEG: Some resistance is inevitable. I think you need to have some regard for where people are coming from, people who come to work every day and have tried to do a good job for the city, and often have, but we're asking them to do things differently. And we need to, first of all, respect what knowledge they bring to the table and to realize there are maybe things we're not paying attention to, and anytime I'm pushing something I might be wrong. But there also comes a certain point where you have to commit and lock in, and you have to make expectations very clear.

And what we found is that, for the most part, if somebody's really insistent on sticking with an outdated way of doing things and we're really insistent of changing it, then they will find their way out. They'll self-select out. And it
doesn't even have to be hard feelings if they realize that this doesn't fit the way they like to work then we're happy to see them go succeed somewhere that's more aligned with how they're used to doing things.

You don't want it to be a cudgel that you're beating people up with data or with the need to use data or any other innovative process. But you do need to show a level of commitment that this is how we're doing things now. It's not a program, it's not an initiative, it's the way we do business in the city. Because we think it helps us deliver, as our mission says, deliver services that empower everyone and thrive. That's what we're here for. And, by the way, if we're pushing some change and no one can explain to you why it's helping us in delivering services and empowering people to thrive, come back to us and push us because we shouldn't be doing it if it doesn't help in some way.

DREISBACH: I just read a long article about your wedding in The New York Times. You're getting a lot of attention, obviously. You were running for DNC Chair. I'm curious about how you're using that capital that you have. Now people around the country know you. You seem to be this rising star in the Democratic Party. How do use that to help facilitate the innovation work that's going on here? It seems like you have this interesting asset.

BUTTIGIEG: Having more of a national profile is definitely something that can be used to benefit the city, and I think a lot about how to do it. Part of it is as our reputation has grown, it's allowed us to attract more talented people to be here, whether it's recruiting in general or whether it's people coming for a fellowship or an internship or whether it's a partnership with outside organizations. So we've seen a real surge in philanthropic interest in the city working with bloomberg.org, working with Walmart and Google foundations, working with some AmeriCorps initiatives, U.S. Conference of Mayors all backing us in some project or initiative we want to do which is fantastic.

So some of it is just literally just bringing your resources here, some of it's drawing very capable people to think about wanting to be here. And part of it is just riding the wave of cities in general, I think attracting a greater degree of talent than would have been possible, especially in a smaller city a generation ago.

DREISBACH: What advice would you give to other cities? I mean, these are conversations that you've had. Other cities are trying to do similar things, set up similar offices, maybe they're looking at different models, but they're trying to say how can we make things more efficient, how can we improve service delivery in our cities? What kind of advice do you give? What are the two or three things that you say, this is what you have to keep in mind when you're taking on this project?

BUTTIGIEG: A couple things. One is finding the right partnerships right away. So we benefitted from having an emerging data industry here, from having, obviously, a strong academic sector here, and we put that to work right away. For another city it might be different. It might be an industry partner that takes the place of what here is done by the University of Notre Dame. But the first thing is don't try to do it alone. And also, plug into the national community of people who care about civic innovation because it's a growing scene. It's a fun one; it's full
of great people who have the right kind of spirit of public service, but it can also really help you.

The second thing I would say is strategic focus. So these things are hard, and you need to think about which things matter most. If you just throw up a banner and say we’re going to be innovative now it could be everything, and therefore, it winds up being nothing. You got to pick the two or three things, the boulders you really want to move and stick with them.

The great thing is once you’ve done a couple good efforts or implementations of projects, then you have some knowledge in the organization, some muscle memory on how to do it in general that you can apply to the next project. But getting it down to three big things and not a hundred is really important because it takes sustained effort, it takes healthy feedback, and it takes a level of commitment and stamina.

DREISBACH: In just talking about prioritization, picking what boulders to move, how – especially when this is first coming together in the early days of your administration, how did you identify those boulders? Did you say is it the easiest things to do right now and we do those first or these are the most important things? How you choose those priorities?

BUTTIGIEG: It was a mix. I think the most important thing to do is listen to residents. So a lot of our early efforts centered around vacant and abandoned houses. This effort to deal with a thousand houses in a thousand days. Now, it wasn’t just a code enforcement thing, we also had our best IT minds working on tools to map the issue and analyze it and assess it and even help the public keep track through an online scoreboard that created the accountability that propelled us to get it done on time.

But all that’s because when I was knocking on doors I was meeting people and asking them what their number one issue was, and the thing I heard most was boarded up houses around town. So you don’t want to be a solution looking for a problem. Start with whatever the biggest problem was. The biggest problem in the mind of the public was a thousand houses. The biggest problem in terms of dollars was our Clean Water Act and compliance and the CSO issue which we applied a lot of tech there.

Now, then there’s some opportunistic things. When I came in and I saw that we were using a program called Group Wise from the ’90s to do all of our email and calendaring, and it wasn’t even possible to check your email on your phone in 2012. That meant – I don’t believe in low hanging fruit, but sometimes there are things that are fairly obvious that you got to get on top of. And then it turned out that, again, in terms of the muscle memory, just becoming an organization able to do something like implement a different kind of software backbone for some of our basics, that gave us some of the capacity in our organization to do other things.

So it’s always going to be a mix of things that come along, things you notice that you just think need to be dealt with right away. But above all, you have to be solving problems somebody has, either a resident or employee. And so when you’re trying to ask employees to do something different, a big part of how you want to do that is to solve a problem they have. So code enforcement
inspectors, when I took office, there were literally stacks of paper to the ceiling in that office. If we had just come in and said we want to get rid of paper and do it all online just because the mayor is really into tech, that would have been one thing. But if we had said, okay, what's slowing you down? What's the biggest pain in your day, and tell us about it, and then we'll go see if there's a way we can use some of these tools to fix it.

And it turns out – Santi can tell the story better than I can – but there were clearly moments where waiting on a letter to clear a certain process was just dumb, and it was taking time, and it's a little demoralizing. If we can solve the problem for an employee who's trying to do a good job then they're much more likely, of course, to embrace the project, and it's more likely that the project's justified.

DREISBACH: So your age comes up a lot when people talk about you. You're the youngest mayor in a city of a hundred thousand people. We're about the same age. I'm just curious, do you think that has an impact on your approach to governance? You mentioned Sim City in a quote once, and I used to play Sim City growing up. I'm curious, do those kinds of experiences, the internet was more a part of your upbringing than it would be for someone ten, twenty years older than you. Do you think that's had a difference on your perspective toward governance, or is that something that maybe is a little overblown?

BUTTIGIEG: Maybe. I've commented sometimes when you run for office in your 20s your face is your message, and so you're viewed as the candidate of technology and innovation even if you don't like technology and don't have any new ideas. People just see that in you. It also means if you win it's a mandate to do those things. So that's one area where my age came into play. I think it's probably true that I'm a little more intuitive with technology than maybe the average mayor because I grew up on it more. But that's also changing. I actually haven't been the youngest mayor of a city of a hundred thousand for a while. Every year someone new gets that. I mean, Tubbs over in Stockton is 26 or 27, and somebody will take over for him pretty soon because we all get older.

Our interns, I have some crazy conversations with our interns sometimes about tech. I had one that got in a car, and I had NPR going on and she said, I didn't realize you could get NPR over the air. She listens to NPR, just doesn't use a radio to do it. And so I'm aware that we also need to tap into people's expertise who are using tools that I'm not comfortable with and see what those can gain.

And yet, an initiative is only as good as the impact it can have on our most vulnerable residents. So we got a lot of people who are not online who are seniors or low income or both, and if we're not making them better off then there's no point. And so we try to make sure that even though you're not a technology user you can be a beneficiary of a good technology application either because we save money on your rates or because you don't see or deal with the backend, but it's made you experience when you pick the phone and call 311 better. It has to be making people better off even if they're not into the technology party.

DREISBACH: I want to give Steve a chance to – we just have a few more minutes – is there anything else you want to bring up in the conversation?
STRAUSS: How's the McKinsey experience play into this? I think you touched on that a little bit before. I just want to loop back to it. I'm picking up several things here, the importance of talent which is -- you've had a lot of problems where you need to attract the right people, data.

BUTTIGIEG: Like anything, it can be taken too far. But the extent to which you can bring in someone who's bright and motivated and you can trust that they can figure out the details. I didn't know anything about business, and they hired me, right? But they taught me what I didn't know and leaned on what I did know, and then I became competent. So I think that's something I brought in with me for sure. I think some level of comfort in taking a mess of problems and just breaking it into chunks that you can actually get your arms around is common in consulting. It's also common in the study of philosophy, and I think both of those experiences contributed to applying that tactic here.

And I think there's really -- I think of objectivity there that if you came on an answer, even if the answer -- you know, there's a story that they're very proud of -- I don't actually know the basis for it, but I remember hearing an anecdote about them landing some big engagement for a client who was evaluating going into China. They stood up this massive team to advise their China expansion, and pretty quickly the conclusion they reached was you shouldn't have a China expansion. They kind of advised themselves out of a big contract, but it did serve them well in terms of their reputation for trustworthiness with the clients.

So we try to be really candid here as the facts develop or as something we're excited about the answer changes, but that's okay if the answer changes. It's okay if it turns out we were wrong as long as we admit it and shift gears. I think on some level that's also -- I think good consultants have that ease of...

STRAUSS: Communications was what McKinsey taught you about urban principles.

BUTTIGIEG: For sure. Feedback and models for giving feedback is important and realizing all the different ways you can communicate and I think also team-oriented style of doing things. You can't do the whole organization at a time. You can pull a few people together around a problem and really hash it out and you get somewhere.

DREISBACH: Santi was talking about how there's a tolerance for risk here. I thought that was really interesting because I think in some of the governments I've explored that's definitely not the culture, people are trying to play it very safe and protect their careers. But here it seems there's an expectation that things can fail, and that's okay.

BUTTIGIEG: A lot of people in government have a compliance mentality, so their job is to make sure nothing gets screwed up, no laws get broken. It's very important to make sure no laws get broken, of course, but if that's all your thinking about -- some people think that if they come to work every day they don't break a law then they should keep their job. And for some people we need more than that. We need something different than that. So getting people into a results mentality is really important, and I think you have to accept a certain level of risk if you want to have transformative experiences in how you get results.
Government is different from business, and so there are some reasons for the risk aversion. The tech sector talks a lot about failing fast and failing forward, and we allow some room for that in some initiatives. But we also deliver water, and we can't fail even once. If our job is to get you a glass of clean, safe drinking water that doesn't poison your family, we can fail at that exactly zero times. It turns out that even within your strict left and right boundaries of what you can allow to happen that's bad, there's plenty of room for maneuver if you understand that certain things won't work out and we can still learn about it, then it just creates a much higher level of energy, and I think also mutual trust and respect in your team.

DREISBACH: Thanks so much. I really appreciate it.