



## Stepping Up to Leadership: Turning Today's Crisis into a Sustainable Future

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*Mr. Sumek is a featured presenter at the 2008 TML Annual Conference and Exhibition in San Antonio. His session at 10:30 a.m. on Thursday, October 30, will be repeated at 2:30 that afternoon.*

In my 35 years working with city leaders, I see 2008 as a scary time for a city. As a leader, you are faced with five major challenges:

### 1. Uncertain Economy

Economists' opinions vary from recession to slowdown. Regardless, cities are faced with a decline in revenues and the citizens' reluctance to pay more for city services.

### 2. Slow Housing Market

Homebuilders have significantly reduced their housing starts, delayed new residential developments, or stopped developments entirely. Cities find decreases in assessed

property values, less income from fees and permits, and a growing number of foreclosures.

### 3. Reduced Local Sovereignty

Throughout the country, state legislatures are restricting the authority of cities by restricting economic development tools, reducing or eliminating revenue sources, devolving services from state responsibility to local responsibility without funding options, and service mandates and regulations increasing the costs of service delivery.

### 4. Rising Cost of Doing Business

Like the residents, cities are facing significant increases in the cost of government (for example, fuel for vehicles;

basic materials like asphalt, concrete, or steel; and health insurance and post-retiree benefits).

### 5. Growing Service Demands

Cities have residents demanding more services and higher service levels. Special interest groups and community organizations faced with decreasing contributions have turned to cities for funding and support by city staff. While the impact and severity of these challenges vary from city to city, the reality is that city leaders are having to "step to the plate" and make critical decisions about the future.

Many cities have responded to these challenges by concentrating on the immediate crisis and laying off staff; imposing 5 percent, 10 percent, or 15 percent budget reductions by departments; tapping financial reserves; increasing fees and adding new fees; and delaying capital projects and equipment purchases. These cities will get by this year and over the short-term. Their decisions and actions are guided by the moment and may be mortgaging the city's future.

True city leaders are stepping up to refocus the future by reassessing the vision for the city and the mission of city government. This is an opportunity to redefine city government, to create a sustainable city, and to add value to residents' lives.

**Vision** is the destination for the city in 5, 10, and 15 years. An effective, usable vision describes the city and community through a set of value-based principles. Visions have been developed, but are long forgotten. Can you name 3-5 points about your city's vision for the future? When was the last time anyone referred to the vision? For example, a principle may

be “family-friendly,” which could be defined as: housing opportunities for all family generations; leisure activities that are affordable for youth to seniors; quality education system (K-12); feeling safe and secure at schools, in the community and at parks; family-oriented community events at no or low costs; opportunities for generations to interact. Cities can work with their residents to focus on what is critically important about the community and develop a vision for the future.

**Mission** is the responsibility of city government as defined in services. There are four levels of city services:

**Level 1** – Core services that the city has no choice but to provide (for example, community governance and public records)

**Level 2** – Core services that the city has chosen to provide and are

necessary for daily living in the community (for example, water and wastewater)

**Level 3** – Quality-of-life services that the city provides that distinguish the city and are the reasons residents choose to live here (for example, recreation programs and competitive athletics)

**Level 4** – Community add-on services that the city has chosen to provide. Many times, these services are added because of requests by influential individuals or special interest groups (for example, community events and festivals)

Over the years, the community add-ons and quality-of-life services have increased significantly. For these services, true city leaders are taking time to inventory services and evaluate the actual costs of delivering the services and the value to the residents—today and in the future.

The vision and mission can be used to guide critical decisions about services, service levels, revenues and who pays, policy direction on key issues, capital investments, and opportunities in partnership and leveraging city resources with the private sector and community organizations. This will create a sustainable future for the city in which there are resources to support valued services and residents see value for their tax dollars and fees.

In order to manage the challenges of today, true city leaders should be guided by an old Chinese proverb—“Actions without Vision and Mission lead to Chaos”—or the truckers’ saying: “If you drive down the road looking in the rearview mirror, you crash.” ★

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