

# Looking at Managers'

## Budgetary and Administrative Powers

**Victor DeSantis**

Local government managers always have performed a variety of functions and worn many “hats.” The roles, functions, and powers of managers have been the subjects of extensive analysis by scholars and commentators interested in local government issues. While understanding the formal power of the manager is an important concern, how managers build and use their informal authority also is important in documenting their roles. This article, based on survey data compiled by the ICMA Council-Manager Plan Task Force, focuses on the formal and informal budgetary and administrative authority of local government managers. It represents the final article in a three-part series looking at the profession and its status at the close of the 20th century.

To get a better understanding of the manager’s formal and informal rights and powers, the Council-Manager Plan Task Force’s survey examined the manager’s role in administering the local government, preparing and coordinating the budget, and appointing department heads and other officials.

Generally, people recognize that managers in council-manager communities have substantial administrative authority. Research also has shown that managers in mayor-council jurisdictions, a growing portion of the profession, also are acquiring larger administrative and budgetary roles in their government settings. Data suggest a strong role for the manager in preparing and implementing the budget and in filling an administratively responsible role for both council-

manager and mayor-council cities. Importantly, the large number of localities that have adopted hybrid forms of government signals the growing acceptance of this organizational relationship and of the enhanced role of professional management in local government.

### Directing the Administrative Organization

Managers responding to the task force survey indicated a high level of authority in directing the administrative operations of government. As shown in Figure 1, more than 80 percent of the responding managers reported that they make all staff assignments and direct all of the administrative activities of the organization. Much further behind, fewer than half of responding managers (48.2 percent) reported that they direct *most* of the administrative activities, with independent officials or boards responsible for certain other administrative duties. These roles received the first and second rankings among the options when managers were asked to identify which of their roles they feel are most effective.

Overall, the data suggest that managers feel they are most effective with

**Managers in smaller communities (10,000 to 24,999 population) are most likely to make staff assignments and to direct administrative activities, while managers in the 100,000-and-over category are the least likely to have this higher level of administrative authority, at 42.9 percent.**

substantial formal authority to direct the administrative operations and that, in actual practice, they are given this high level of administrative authority. To remain effective, however, managers must be mindful of keeping their councils informed of their actions. Gary Gwyn, city manager of Grand Prairie, Texas, and current ICMA president, of-

fers the following advice for fellow managers: “Communicate with the council; tell them what you are doing and how you are doing it.”

Fewer managers find themselves in a situation in which the council or other governing board has the formal authority to direct the administrative operation. When the council is the primary authority, managers may be asked to act as the information center and conduit for staff assignments and activities. This role was reported as actual practice by 24.7 percent of respondents. Another possible role for the manager in this situation, reported by only 18.5 percent of respondents, is to serve the governing body by assisting in the coordination of administrative chores.

As shown in Figure 2, the authority of managers to direct the administrative operation is significantly related to several demographic characteristics. Managers from the larger (100,000 population and over) and smaller jurisdictions (under 10,000 population) were more likely than others to report that they direct most administrative activities, with independent officials and boards responsible for certain specific administrative tasks. Breaking down the data by region shows that managers from the Northeast (20.7 percent) and the West (18.0 per-

<b>Figure 1. Manager's Role in Directing the Administrative Organization</b>	<b>Actual-Practice Percent<sup>1</sup></b>	<b>Desired Practice Ranking<sup>2</sup></b>
Make all staff assignments and direct all administrative activities of the organization	84.9	1
Direct most administrative activities of the organization, with independent officials or boards responsible for certain administrative activities	48.2	2
Direct most administrative activities and staff assignments, under the oversight of committees of the governing body	23.3	3
Coordinate most administrative activities and staff assignments, with the governing body and/or one or more boards or independent officials making actual assignments	18.4	5
Act as an information center and conduit for assignments and activities, with the governing body or boards providing actual direction	24.7	4
<sup>1</sup> Actual practice: percent of respondents reporting “always” or “most of the time.” <sup>2</sup> Desired practice: rankings of effectiveness, as assigned by respondents, who were asked to identify the three most effective roles.		

cent) are likelier to use this arrangement than those from other regions.

Managers in smaller communities (10,000 to 24,999 population) are most likely to make staff assignments and to direct administrative activities, while managers in the 100,000-and-over category are the least likely to have this higher level of administrative authority, at 42.9 percent (not shown).

### Preparing the Budget

The municipal budget is important both as a fiscal and as a policy document for the community. The budget establishes spending guidelines and holds administrators accountable for revenue and expenditure targets. It also documents the policy and program priorities set forth by the elected officials. Traditionally, budget preparation has been considered a key component of the manager's position; he or she collects service delivery information from the various line departments and develops a budget package for council consideration. Gary Gywn makes this observation on budget development: "The process is more consensus-driven than when I entered the profession. There is more discussion among the manager, council, and staff. There is also more citizen involvement in the process today."

Managers use a variety of techniques in preparing the budget. As shown in Figure 3, managers' actual budget preparation practices generally match with what they feel are the most effective techniques. Almost universally, managers report working closely with department heads and other key staff as they develop the budget (99.5 percent). Managers recorded this technique as the highest-ranked desired practice as well. They are likely to use these discussions to gather information about current service delivery issues, personnel and equipment needs, expected changes in service delivery, and new program initiatives.

The second most frequent practice used by managers is to consult with elected officials regarding their preferences before developing the budget (74.6

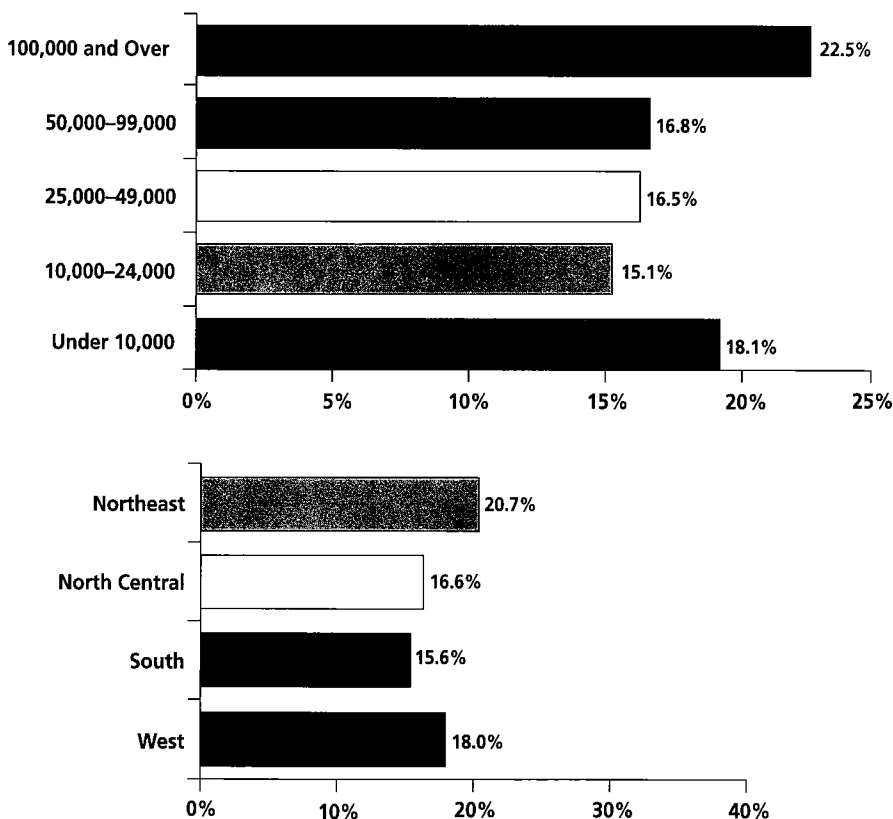
### Tell Us Your Opinion

In 1994, ICMA's membership approved a resolution from the ICMA Council-Manager Plan Task Force that included a commitment to participate actively in continued research on and discussion of council-manager government: how it is evolving to meet changing demands and needs, and how managers are successfully adapting their practices to respond to changes in their communities.

ICMA would like to encourage interested members—from current and former practitioners to academics and elected officials—to provide input on the changing state of council-manager relations and on the issues raised in this article. What do you find interesting? What do you agree or disagree with? What do the results suggest in terms of further research, discussion, and professional development opportunities?

Send your comments to Betsy Sherman, director of member services, ICMA (fax, 202/962-3500; e-mail, bsherman@icma.org), or to Victor DeSantis (fax, 508/279-6167; e-mail, vdesanti@ix.netcom.com). ICMA is planning to publish the responses received and to hold a session at the 1998 annual conference in Orlando at which these issues will be discussed and the dialogue on the profession continued.

**Figure 2. Manager Directs Most Administrative Activities of the Organization, with Independent Officials or Boards Responsible for Certain Administrative Activities**



<b>Figure 3. Manager's Role in Preparing the Budget</b>	<b>Actual-Practice Percent<sup>1</sup></b>	<b>Desired Practice Ranking<sup>2</sup></b>
Unilaterally develop recommended budget for submission to the elected officials	35.5	4
Consult with department heads and key staff to develop the budget	99.5	1
Consult with elected officials regarding their preferences before developing the budget	74.6	2
Gather community input throughout the year through surveys, citizen committees, or other methods, and use that information to determine community needs during budget preparation	49.2	3
Hold town- or neighborhood-based meetings specifically to solicit citizen input prior to developing the budget	17.3	5

<sup>1</sup>Actual practice: percent of respondents reporting "always" or "most of the time."  
<sup>2</sup>Desired practice: rankings of effectiveness, as assigned by respondents, who were asked to identify the three most effective roles.

percent). This approach gives managers a sense of the council's overriding political concerns and of new program priorities, allowing managers to take their councils' interests into consideration as they work through the multiple iterations of budget preparation. This technique may work more effectively than a manager's putting the budget together and then having to react to the council's concerns later in the preparation process.

Kevin Paicos, town manager of Easton, Massachusetts, and past president of the Massachusetts Municipal Management Association, advocates incorporating these techniques into the budget process: "Before a manager begins

the process of budget preparation, it is important to get a feel for the council or board's key budget priorities for the upcoming fiscal year. It also is very important to listen to the department heads and the mood of the community."

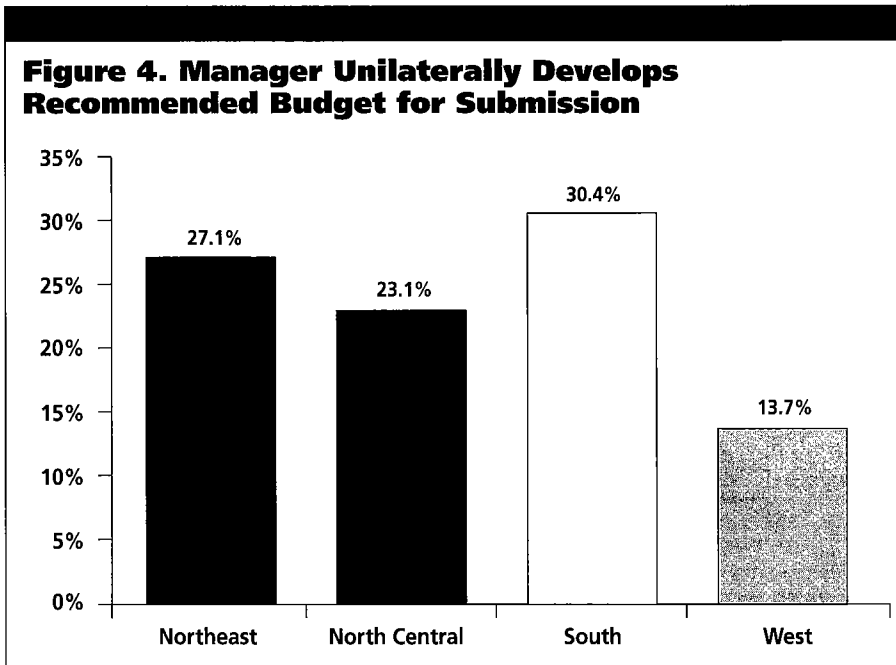
Only 35.5 percent of the responding managers reported that they unilaterally develop a recommended budget for submission to elected officials. As Figure 4 shows, substantial regional variation exists in managers' unilateral budget development, with managers in the South (30.4 percent) and the Northeast (27.1 percent) having the greatest likelihood of holding this authority.

Councils and managers use a variety

of methods to gather citizen input during the budget preparation process. Just fewer than half of responding managers reported gathering community input through surveys, citizen committees, and other methods (49.2 percent). Citizen surveys can be an effective technique of soliciting public opinion on satisfaction with municipal services, perceptions of proposed programs and services, and future directions for the community. According to Gwyn, his community "regularly uses citizen surveys and builds that information into the budget process." Few managers reported that their communities use town- or neighborhood-based meetings specifically to solicit citizen input during budget preparation (17.3 percent).

As shown in Figure 5, when broken down by a locality's population size, the data reveal that the use of citizen surveys ran highest in jurisdictions of more than 100,000 population (24.8 percent) and in those jurisdictions having 50,000 to 99,999 population (26.9 percent). The smallest communities (those with fewer than 10,000 people) were the least likely to use citizen surveys (15.6 percent). This technique of gathering citizen input also was found to vary by region, with the highest use reported among communities in the South (20.8 percent) and the West (20.3 percent).

Holding town- or neighborhood-based meetings to invite citizen input was found most often among communities of 100,000 and greater population (14.4 percent) and least often among



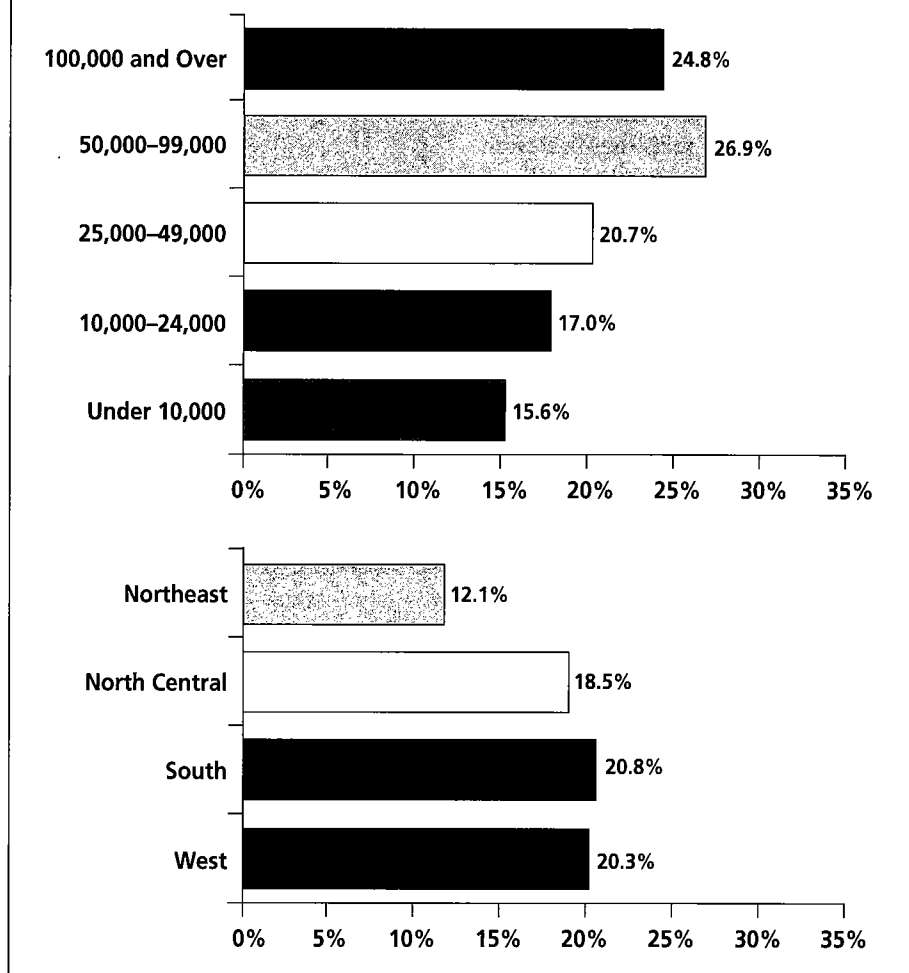
those with between 10,000 and 24,999 people (5.5 percent). Also, such meetings are most likely to be held in the West, at 9.7 percent, and least likely in the Northeast, at 5.6 percent (not shown).

### Consideration of the Budget

As shown in Figure 6, managers are much less heavily involved in the budget consideration phase than in the earlier phases of budgeting. Once the budget has been prepared and presented to the council for adoption, most managers take a less active role in the process. The primary role reported by managers is to make the proposed budget document or summary available to the public before adoption (94.6 percent). Very few managers reported that their communities send the proposed budget summary to residents for comment (10.8 percent) or that their communities send public information materials to residents to explain the budget process (20.4 percent).

As the data show, however, some managers are being asked to perform an important advocacy role, that of helping the council to sell the budget and new initiatives to the public. About one-third of managers reported that they coordinate with local media to highlight community input into the budget process

**Figure 5. Use of Surveys to Gather Community Input for Budget Preparation**



(33.5 percent) or that citizen groups or committees make formal recommendations on the proposed budget (31.8 percent). Interestingly, there was agreement

between what the managers reported they are actually doing and what they ranked as their most effective or “desired” practices.

<b>Figure 6. Manager's Role in Budget Consideration</b>	<b>Actual-Practice Percent<sup>1</sup></b>	<b>Desired Practice Ranking<sup>2</sup></b>
Formal recommendations on the proposed budget from citizen groups or committees	31.8	3
Coordination with local media to highlight the community input process	33.5	2
Sending special public information materials to residents to explain budget process while it is being considered by the elected body	20.4	4
Making proposed budget document or summary available to the public prior to adoption	94.6	1
Sending proposed budget summary to residents for comment during the consideration process	10.8	5

<sup>1</sup>Actual practice: percent of respondents reporting “always” or “most of the time.”  
<sup>2</sup>Desired practice: rankings of effectiveness, as assigned by respondents, who were asked to identify the three most effective roles.

Certainly, many managers believe that engaging in some forms of public education about local fiscal affairs can be a positive practice for their communities. Paicos reports that in Easton he develops and disseminates a three-year revenue and expenditure report before beginning the budget process, to give elected and appointed officials on all boards and commissions a sense of the principles and direction of the budget process. As he puts it, "The information has worked to create a strong sense of public confidence in the process."

When the data are broken down by

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community population size, several interesting relationships appear (no figure shown). Formal recommendations from citizen groups or committees during budget consideration are most likely to be made among communities with populations of 100,000 and more (21.2 percent) and least likely in communities of between 10,000 and 24,999 population (9.3 percent). Also, coordination with local media to highlight the community input process is most likely among communities with populations of 100,000 and over (15.2 percent) and least likely in communities with between 10,000 and 24,999 people (8.2 percent).

**Figure 7. Manager's Authority to Appoint and Remove Department Heads**

	Attorney	Chief Financial Officer	Police Chief/Sheriff	Fire Chief	Public Works Director/Engineer	Planning Director	Parks/Recreation Director	Assistant City/County Manager	All	None
<b>Actual Process Practiced in Your Jurisdiction</b>										
1. Manager appoints and removes position and then informs government body.....	3.2	39.8	30.8	28.9	45.4	43.5	42.5	41.6	11.1	21.0
2. Manager consults with governing body before appointing or removing position .....	11.6	31.3	34.7	26.1	33.4	26.9	24.5	24.3	14.7	23.3
3. Governing body directly appoints and removes .....	59.8	6.8	7.8	4.6	2.4	2.2	1.2	1.5	3.7	18.6
<b>In Your Opinion</b>										
1. These positions should be appointed and removed directly by the manager.....	13.8	61.6	55.6	52.2	65.7	61.6	60.5	59.9	34.1	5.4
2. These positions should require government body approval before appointment or removal .....	28.7	7.4	10.4	7.3	4.7	3.5	3.2	3.8	5.3	35.7
3. These positions should be appointed and removed directly by the governing body.....	43.4	1.9	3.3	2.3	0.7	0.9	0.4	0.8	1.2	32.7

## Making Appointments

The power to make key appointments within the administrative operation is an important indicator of managerial authority. Many managers clearly support the notion of having the authority to make appointments without ratification by the council. Here, Gwyn points out: "It is much more effective for one person to make an appointment because there is less potential for problems."

Many managerial appointments are made only after the council has approved of the selection. Managers may feel that the process of submitting their nominees for council approval diminishes their ability to lead the organization and causes some degree of ambiguity. Another option for council input that may be less controversial is currently used in Easton, Massachusetts, and other communities. This process allows the town board or the council to reject a manager's appointment within 14 days of receiving official notification from the manager. The procedure prevents a manager from getting too far out of step with an appointment and, as Paicos notes, "can provide a positive check and balance within the system."

Figure 7 shows the appointing authority for several department heads and other key officials. The data indicate that responding managers believe that managerial appointment authority should be strengthened. More than one-third of managers (34.1 percent) indicated that all of these positions should be directly appointed and removed by the manager, compared with 11.1 percent of managers who actually have appointment authority for all of these positions.

In practice, approximately 30 to 45 percent of managers have direct appointment and removal authority over department heads, from a high of 45.4 percent for the public works director to a low of 28.9 percent for the fire chief. Police and fire chiefs have a somewhat similar appointment pattern, with about the same percentage of both chiefs either directly appointed by the manager or

## Survey Conducted by The ICMA Council-Manager Plan Task Force

In the spring of 1996, managers in council-manager communities in the United States received a survey developed by the ICMA Council-Manager Plan Task Force to capture information on how council-manager government functions today. The survey, which was mailed to 2,787 jurisdictions, generated 1,301 responses, a 47 percent response rate.

Eleven questions covered the subjects of governing-body relationships, policy implementation, the role of the chief elected official, the manager's role in policy making, department-head appointment and removal, administrative activities, budget development, and manager evaluation.

appointed by the manager with council consultation. Finally, the major exception among the positions listed is the local government attorney; the manager directly appoints only 3.2 percent of these officials, while the governing body directly appoints 59.8 percent of them.

As citizens clamor for more input into local governance, there is a growing interest in using qualified citizens in making key appointments. Kevin Paicos is a supporter of using some citizen input in the selection of department heads. Although he retains the final authority for appointments, Paicos points to two positive aspects of citizen involvement: "There is great value in the different perspectives that a diverse screening committee can bring to the process. It also can be an important way of enfranchising the public into the process of local government."

## What's Ahead?

Regarding the themes in this article, the Council-Manager Task Force described several principles of successful council-manager government that should guide the profession in the years ahead:

- The manager directs the administrative organization of the government and is responsible for making significant assignments to staff. The manager exercises primary authority over the appointment, supervision, and termination of staff.
- The manager is primarily responsible for the preparation of the local government budget for consideration by the governing body. The manager is primarily responsible for the fiscal affairs of the government.

While it remains important for managers to hold substantial authority in the administrative and budgetary aspects of local government, there is a growing acceptance of the idea that managers must be more inclusive to remain effective. As councilmembers and citizens agitate for more information and a greater role in the decision-making process, the modern manager is called on more often to serve as the facilitator and consensus builder in the system. In addition, councils are capable of practicing a greater oversight role as they acquire more staff resources and enhance their professionalism.

Citizens are expecting higher levels of empowerment and involvement in the affairs of the local government and in service delivery matters. In fact, the task force focused on some of these issues in their discussions of how much community involvement and participation managers should seek in the appointment and budgetary processes. The survey results point to a greater recognition that local government managers should be proactive in enhancing public education and in building more opportunities for community involvement in the workings of local government.

Today's managers are comfortable using various methods of data gathering—including surveys, focus groups, and electronic mechanisms—to understand citizen viewpoints as they decide among budgetary priorities. A growing number of managers are soliciting citizen input in the selection

process for department heads and other key personnel, especially in hiring public safety officials. Such practices can work to build greater public support and to forge a stronger link between citizens and the local government, as well as providing more information to the manager on community priorities and values.

The increasing complexity of modern society may open more avenues of managerial authority as local governments are asked to take on more roles and tasks. Most often, the manager is the expert on the technical and legal aspects of local government issues and is relied on by the council to advise on policy options and to oversee the implementation of council prerogatives. Certainly, the relationship between the manager and the council also can work to enhance a manager's authority over administrative and budgetary areas. As Gwyn points out, "As a manager and council work together and a level of trust develops, managers often gain greater authority and are assigned more tasks."

It is a mistake to judge a manager's power and ability solely in terms of their formal authority and roles. Bill Stuart, city manager of Winston-Salem, North Carolina, and incoming president of ICMA, says: "Formal authority signals that this person should be listened to. However, an effective manager accomplishes 90 percent of what he or she does *not* by using formal authority but by using common-sense methods of interpersonal relations."

What does this information suggest? Quite simply, it means that the local government management profession and the council-manager plan are continuing to adapt to the demands of the environment and to respond to the desires of citizens. Of course, this is not much different from what the profession has been doing for the last century. **PM**

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