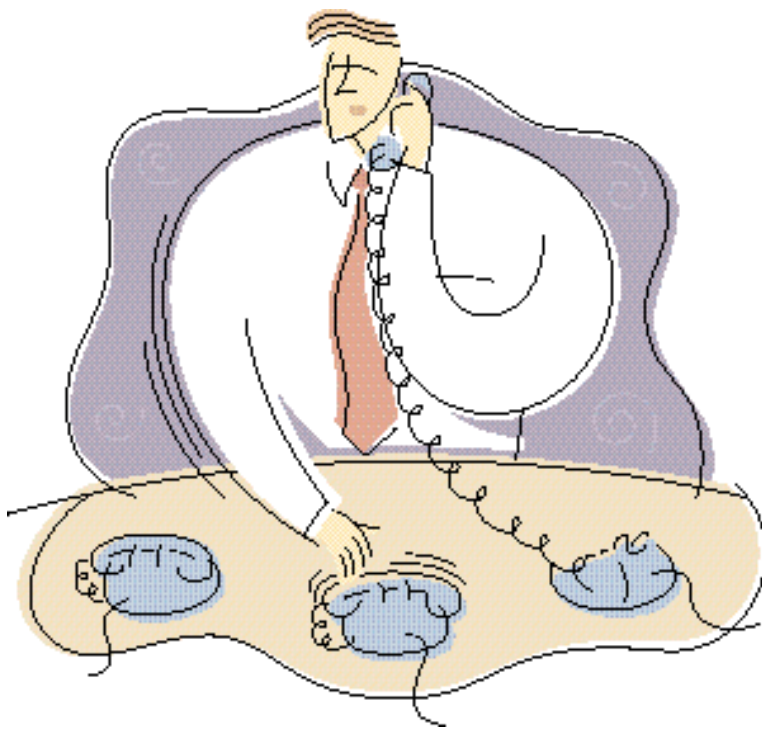


‘May I speak with the manager?’

Councils, commissions, citizens and neighboring communities place diverse demands on city and county managers, redefining the administrator’s role.



By Beth Wade, Managing Editor

In 1908, Staunton, Va., became the first U.S. city to institute the City Manager position. By ordinance, the manager was charged with overseeing the day-to-day business of the city, preparing and administering the budget, and managing personnel.

In those respects, the job remains the same; today’s city and county managers are their communities’ chief executives, they are responsible for

local budgets, and they retain the power to hire and fire personnel. However, 90 years of change have redefined the manager’s role in ways that many had not envisioned 10 or 20 years ago.

“In the past, local government was in the business of building infrastructure to serve a booming industrialized country, and managers were chief administrative officers who ensured

that the job was completed,” states a 1995 report from the International City/County Management Association, Washington, D.C. “There were more resources and fewer demands; ... there were fewer federal and state mandates sapping local resources. Roles were more sharply defined throughout society, and, in local government, the council and the manager ‘knew their places.’”

Today, local government managers retain their administrative duties, but their jobs have moved beyond that “traditional” role. Populations are changing, economic bases are shifting, infrastructure is aging, and there is a modern emphasis on environment and quality of life. In an effort to keep up with and stay ahead of the changes, city and county managers not only are administering policy and budgets, they are expanding their roles in policy-making and reshaping internal and external relationships.

EXTERNAL EXPERTISE

City and county managers increasingly are asked to cross boundaries that once separated them from councils, commissions and neighboring communities. “Managers are becoming more involved in policy development than they were in earlier years,” says Bruce Romer, chief administra-



I find myself being asked to make policy recommendations in addition to handling the administrative requirements.

— Bruce Romer

tive officer for Montgomery County, Md. Romer began his public service career 32 years ago and has served as city manager for Rockville, Md.; Davenport, Iowa; Sidney, Ohio; and Brighton, Mich.

“Traditionally, there was always a dividing line between policy and administration; the elected officials did all the policy work, and the appointed administrator did all the administration, and you’d better not cross that line,” Romer says. “That’s changed. I find myself being expected to make policy recommendations in addition to handling the administrative requirements.”

“I think many managers were involved in policy (in the past), but, in the last 20 years, it’s become fully legitimate,” says Norman King, executive director for the San Bernardino (Calif.) Associated Governments and former city manager for the California cities of Claremont, Palm Springs and Moreno Valley. “Council members likely come from different backgrounds — business or homemaking or whatever — and the manager has the ability to lay out different options and articulate the pros and cons of various positions. Obviously, that will involve making a recommendation.”

In addition to becoming recognized partners in policy-making, managers are working to engage citizen involvement in planning and problem-

solving. “The manager’s role has evolved into [one of] consensus building,” King says. “He spends a lot of time dealing with council members, commissioners, businessmen, community associations and neighborhood associations. It is much more of an external role than used to be the case.”

That certainly is true in Fairfax County, Va., where County Executive Robert O’Neill recently spent a day meeting with various community groups. At one gathering, he met with neighborhood residents to discuss a revitalization plan; at another, he met with a group of not-for-profit entities and county agencies to discuss a set of programs focusing on health care for children from low-income families;

CITY/COUNTY MANAGEMENT

Governments gain by retaining risk managers

Today, every dollar a public entity pays for insurance buys far more coverage than it did just a few years ago. In such an environment, some county and city managers may question the need to retain a risk manager on staff. After all, they reason, a risk manager’s key responsibility is to review bids and buy insurance, which is not a difficult task when prices are low.

In fact, risk managers bear responsibilities beyond bid review and selection. Recognizing that insurance premiums represent only a portion of a public entity’s cost of risk, many local governments are emphasizing claims management and loss prevention. Risk managers are elemental to the success of those efforts because, managed effectively, risk management programs can save more money than they cost.

For most communities, those savings can be quite substantial. For example:

- In Anaheim, Calif., Risk Manager Thomas Vance created and implemented a 15-point, citywide “safety action plan” that reduced the city’s disabling injury rate by 76 percent and cut temporary disability pay costs by 61 percent over a 13-year period;
- In Orem, Utah, Risk Manager Sue Stewart instituted loss control and risk management programs that resulted in a nearly 50 percent reduction in workers’ compensation costs over a six-year period; and
- In St. Paul, Minn., Risk and Employee Benefits Manager Ron Guilfoile negotiated contribution caps on

retiree benefits, reducing the city’s unfunded liabilities by 65 percent.

Although risk management often is associated with medical risks, local governments face a growing number of potentially costly risks outside the health arena. For example, there are risks related to government deregulation and devolution, environmental regulations, pension plans and the burgeoning field of employment practices claims litigation.

As the field of public risk has evolved, so have the responsibilities of the risk manager. Today’s risk manager not only has to assess the types of risk and their potential effect on local entities, but he also must have a sophisticated knowledge of risk financing. He must understand portfolio management, loss portfolio transfer and finite risk insurance, and he must combine the coverage and funding alternatives to best conserve the public entity’s limited revenues.

Local governments seeking to curtail or eliminate risk managers because of a soft insurance market are overlooking the benefits of aggressively pursuing risk management programs. A risk manager offers the expertise and leadership to take full advantage of loss prevention methods, claims management and financing vehicles. ☆

This article was written by Steve Haynes, a director of public risk management for Coregis Insurance, Chicago. He also is a former risk manager for Lewisville, Texas.

Labor guide is available

Public officials with questions about the minimum wage, overtime compensation, child labor and other employment issues can find answers in "1998 Fair Labor Standards Act: A Public Sector Compliance Guide." Published by Los Angeles-based law firm Liebert, Cassidy & Frierson, the manual translates statutory and legal terminology into layman's terms; illustrates how to apply laws and regulations; cites up-to-date court decisions and Department of Labor administrative letter rulings and regulations; includes sample policies and forms; and more.

The cost is \$95 each for two guides and \$85 each for three or more. For more information, contact Jay Dover at 310-645-6492. ☆

and, finally, he met with law enforcement and school representatives to discuss school security.

"When I first got in this business, the chief administrative officer dealt more with the technical skills that he brought to the job, whether they be finance or engineering or whatever the background that he might have had," says O'Neill, who was city manager for Hampton, Va., for 13 years prior to becoming county executive last year. "The major transformation that I've seen is that the role of the county executive has become more that of a broker."

"We operate in a competitive environment," says Frank Benest, city manager for Brea, Calif., and former city manager for Colton, Calif. "We compete with other communities for residents, businesses, visitors, service users, discretionary income, attention and political support. We compete for everything. To be successful, you have to be very conscious of your customers, how you're involving them and what you're doing to make sure they support you."

NAVIGATING NEW BOUNDARIES

Although the role of Manager as Broker takes many managers outside the government organization, it has equal importance internally, Benest notes. "It's expected that the city manager is a strong leader," he says. "That's externally, in terms of other governmental agencies and in engaging citizens and business people, and internally, in terms of staff and departments."

More than ever, manager's offices are being tapped to coordinate interdepartmental projects. "Most cities are organized as silos, with the police department doing its thing; development services doing its thing; and so forth," Benest says. "But the big issues of the day cut across the silos."

For example, he notes that recreation and community services departments are working more closely to provide "a more human service-oriented approach to recreation —

not just balls and bats anymore." Police departments are moving from strict enforcement to community-oriented policing; and development services and community development departments are mutually involved in neighborhood revitalization. "You have to find ways of having different departments work in a collaborative fashion," he says.

In addition to coordinating their own departments, managers also are building relationships that allow their local governments to extend their services to other localities and to enlist help in delivery. For example, Fairfax County recently began working with not-for-profit groups to meet the service demands of a growing and increasingly diverse population. (The county's population is 940,000, and, as the general purpose local government, Fairfax County rather than the cities within its borders is responsible for providing all public services except transportation.)

"We've had huge immigration into the county from the Far East, South America, Eastern Europe and the Middle East," O'Neill says, noting that more than 100 languages are spoken in the county's school system. "We need to have enormous language capabilities in our service delivery component, and we've got to understand not only the language issues but, in many cases, the cultural differences," he explains. "[As a result], we have to do more in teams, and we

have to do it in partnerships with not-for-profit groups that may have more knowledge about the cultural basis for many of these communities."

The chief executive can have a significant impact on how smoothly local government departments adjust to changing demands, O'Neill says. He estimates that he spends as much time building consensus internally as he does externally.

"I try to create an environment where we can change our organization and be responsive to what the new reality is," he says. "That means working with employees and explaining the changing dynamics, helping them understand how those will affect them and engaging them to have some influence on that."

THE ESSENTIAL MANAGER

City and county managers come in a variety of packages, including Administrator, Executive, Director, General Manager, Community Manager and Executive Secretary. Regardless of their titles, however, the skills needed to succeed are the same.

"The ideal manager would be someone who is respected by his or her employees and can deal well in the political realm of the city council and community leaders," King says. "That's a hard thing to gauge, but, if you could



***The manager's role has evolved into [one of] consensus building. It is much more external than used to be the case.
— Norman King***

Charlotte adapts the ‘Balanced Scorecard’

For more than 25 years, Charlotte, N.C., measured government efficiency and effectiveness by setting objectives and tracking performance against them. Although the method served the city well, it focused primarily on the past. Therefore, the city began searching for a performance measurement system that emphasized strategic planning for the future.

In the early '90s the city manager researched the “Balanced Scorecard,” a concept introduced in the private sector by Robert Kaplan, the Marvin Bower Professor of Leadership Development at Harvard Business School, Cambridge, Mass., and David Norton, president of Renaissance Worldwide, a Newton, Mass.-based business and technology consulting firm. Charlotte adapted the model to apply to the public sector, becoming the first U.S. city to do so.

service delivered. (Routine services, such as sidewalk installation, garbage pickup or fire suppression, are better addressed on a department or division scorecard.) Instead, the scorecard reflects the processes that must improve in order for the council to meet its strategic goals.

“A Balanced Scorecard provides substantial focus, motivation and accountability in government ...,” Kaplan says. “The scorecard ... communicates to external constituents and internal employees the outcomes and performance drivers by which the organization will achieve its mission and strategic objectives.”

In late 1996, after Charlotte’s council had established the city’s “corporate” scorecard, the process was repeated by the planning, transportation, engineering and property management, and police departments. Department-

Charlotte’s Corporate Scorecard

| | | | | | | | |
|---|----------------------------|---|---------------------------------|-----------------------------------|---|----------------------------------|------------------------------|
| Customer perspective | Reduce crime | Increase perception of safety | Strengthen neighborhoods | Improve service quality | Provide safe, convenient transportation | Maintain competitive tax rates | Promote economic opportunity |
| Financial accountability perspective | | Maximize Benefit/cost | Expand non-city funding | Grow the tax base | Maintain AAA rating | | |
| Internal process perspective | Increase positive contacts | Promote community-based problem solving | Secure funding/service partners | Improve productivity | Streamline customer interactions | Increase infrastructure capacity | Promote business mix |
| Learning and growth perspective | | Enhance knowledge management capabilities | Close the skills gap | Achieve positive employee climate | | | |

The Balanced Scorecard promotes the establishment of tangible objectives and measures that relate to an organization’s mission, vision and strategy. It focuses on four critical success indicators: customer service, financial accountability, internal work efficiencies, and learning and growth. Priorities are set within the major categories, first at the corporate level and then at division, department, team and even individual levels.

In 1990, Charlotte City Council chose five areas — community safety, transportation, economic development, neighborhoods and restructuring government — on which to focus its strategic plan. Those priorities were later modeled (see the accompanying table), representing the “corporate” level of the city’s scorecard.

The Balanced Scorecard emphasizes strategic processes over routine processes. In Charlotte, the council’s scorecard does not and cannot include every important

level objectives were matched with council-level objectives to ensure that the city would achieve its highest priorities.

Today, all of the city’s departments have scorecards, but it will take three years before the measurement system becomes a routine part of the city’s business. The concept of having only a few performance indicators has been troublesome since previously there were unlimited measures. However, with the council’s support and the participation of the departments, the city has been able to clarify its critical objectives, identify the processes necessary to meet them and produce a concise model to assist officials in tracking the city’s progress. ☆

This article was written by Charlotte City Manager Pamela Syfert and Budget Analysts Nancy Elliott and Lisa Schumacher.

Most cities are organized like silos. You have to find ways of having different departments work collaboratively.

— Frank Benest



(gauge it), hiring a manager would be as simple as that. You could hire a successful manager every time.”

In the absence of such a gauge, existing managers point to some essential skills, noting that local government managers should be able to:

- communicate with people;
- build a trusting relationship with the council or commission;
- recognize how political issues can affect decisions and maintain impartiality;
- engage citizens to ensure support for the city;
- market the community;
- negotiate and build consensus;
- have a sense of The Big Picture, understanding that progress can be made only incrementally; and
- assist in developing the resources for each increment.

“The skills around facilitation are going to be increasingly important,”

O’Neill predicts. In fact, because managers are involved in that role, some cities and counties are hiring assistant managers to oversee operations.

That is the case in Brea, where the assistant city manager serves as a chief operations officer, handling budget, labor relations and day-to-day business. “The city wanted a strong external leader,” Benest says. “[Having an assistant city manager] allows me to be very involved in the development and redevelopment issues, as well as in some regional governance and other external issues.”

In addition to representing their communities across internal and external boundaries, future local managers will need to devote increased attention to employee relations, Romer says. “There is an intensified need for personnel management training,” he explains. “Case law in [Americans With Disabilities] issues, sexual

harassment, and age and gender discrimination have forced us

all to be more aware of constraints that are on us as managers. It’s [opened up] a whole area that we as managers need to be very good at.”

Additionally, although technology demands will continue to grow, King notes that technological training is not a requirement for good management. “It’s not very important for the manager to have technology experience, but he has to have some ability to understand what applications might be of assistance and to hire people who can deal with it,” he says.

‘A PRETTY GOOD DEAL’

As city and county managers juggle the demands of citizens, councils, commissions and neighboring commu-

nities, it might be easy to lose sight of what pushed them into public service in the first place. Not so, O'Neill says.

"I started an internship in college and sort of got hooked on it," he explains. "It is interesting because you deal with policy and the implementation of that policy, and you can see its impact, whether on an individual, a group or a whole community. Being able to work in partnership with communities to make them better and seeing the results of that are very stimulating."

"[I went into it] because it gave me the ability to [work on] real constituent issues and city council concerns of potholes and trimming trees, as well as the ability in the same day to get involved in larger policy issues of air quality or planning or that kind of thing," King says. "I've enjoyed that kind of balance."

At the end of the day, the job is about fulfilling a collective vision, Benest says. "A developer recently came into [Brea] and wanted to put gates on a high-end residential pro-

ject, but one of our mission statements is that we're an inclusive community," he says. "I was very strong in saying that gates do not reflect who we are and who we want to be as a community, and I was able to make a difference (defeating the developer's request). When I walked away that day, I was able to say, 'Hey, I just made this a better community.' If you can walk away with a few of those situations, where you helped bring to life certain kinds of values, that's a pretty good deal." ☆

CITY/COUNTY MANAGEMENT

Performance measures: What's the score?

Are performance measurement systems necessary competitive tools that finally are catching on? Cities that use them attest to their usefulness (see related story on page 28), but many still are reluctant to adopt them.

"It is a risk," says Norman King, executive director for the San Bernardino (Calif.) Associated Governments. "Obviously, if performance indicators are comparable or represented to be comparable to other cities, you run a risk of not looking good. On the other hand, if they're put in the context of an assessment, they can assist you in embarking on a program to improve [in areas] where you're a little weaker than you should be."

That is what happened in Fairfax County, Va., where County Executive Robert O'Neill oversaw the implementation of a performance measurement system last year. "There was a lot of apprehension [on the part of board of supervisors]," he says. "You know, [they worried about] what happens if you don't meet your targets."

Their fears were unfounded, however; following the release of the county's "baseline" report card, community feedback was favorable. "People knew this was a work in progress," O'Neill says. "We got lots of compliments from civic organizations and community groups that appreciated having the information."

The county's measurement system begins at the department level, where, based on individual performance evaluations, department heads submit their recommendations as part of the budget document. At the executive's office, the recommendations are reviewed "to see if the sum of the activities is going to get us where we want to go, and we make some adjustments to that," O'Neill explains. "Then we focus on the measures themselves, focusing on outcomes and return on investment."

The process has proven useful, O'Neill says. "It is important because it has to do with accountability to the community. It also helps focus discussion around the things that are most important and transferring resources from the less important," he explains. "The more perfor-

mance information you have, the easier it is for the community and the governing body to have that discussion."

Setting performance indicators also can assist local governments in quantifying their services, King says. "With the increased emphasis on the possibility of privatization, there's a heightened awareness of the need for performance indicators, whether or not you privatize the operation," he says.

"Privatization forces some quantification of what you expect for the money you're spending," he continues. "For example, in a parks maintenance project, how many square feet are we dealing with? What kind of treatment is going to occur? What measures of aesthetics and standards are you going to apply to hold the firm that gets the bid accountable? You should know what you're doing when you privatize, but you also should know what you're doing when it's your own service. [Setting indicators] can help you determine whether or not you should perform the service yourself."

The concept of performance measurement is relatively new in the public sector, King says. "Indicators clearly are evolving and have really been developing only in the last five years," he notes.

In the absence of standard indicators, attempting to compare one city's results to those of another city can be difficult, O'Neill says. "Communities in different states classify departments and operations differently," he explains. "That makes it difficult to pick up a financial statement from San Diego County, for example, and compare it directly to the financial statement for Fairfax County. We tend to compare ourselves to the area closest to us because we know the community, and we can make those translations."

Despite the risks and the lack of standards, O'Neill stands firm on the benefits of performance measurement. "I think it does two things," he explains. "It tells you how well you are doing, and it tells you whether you are focused on the right things." ☆

— Beth Wade