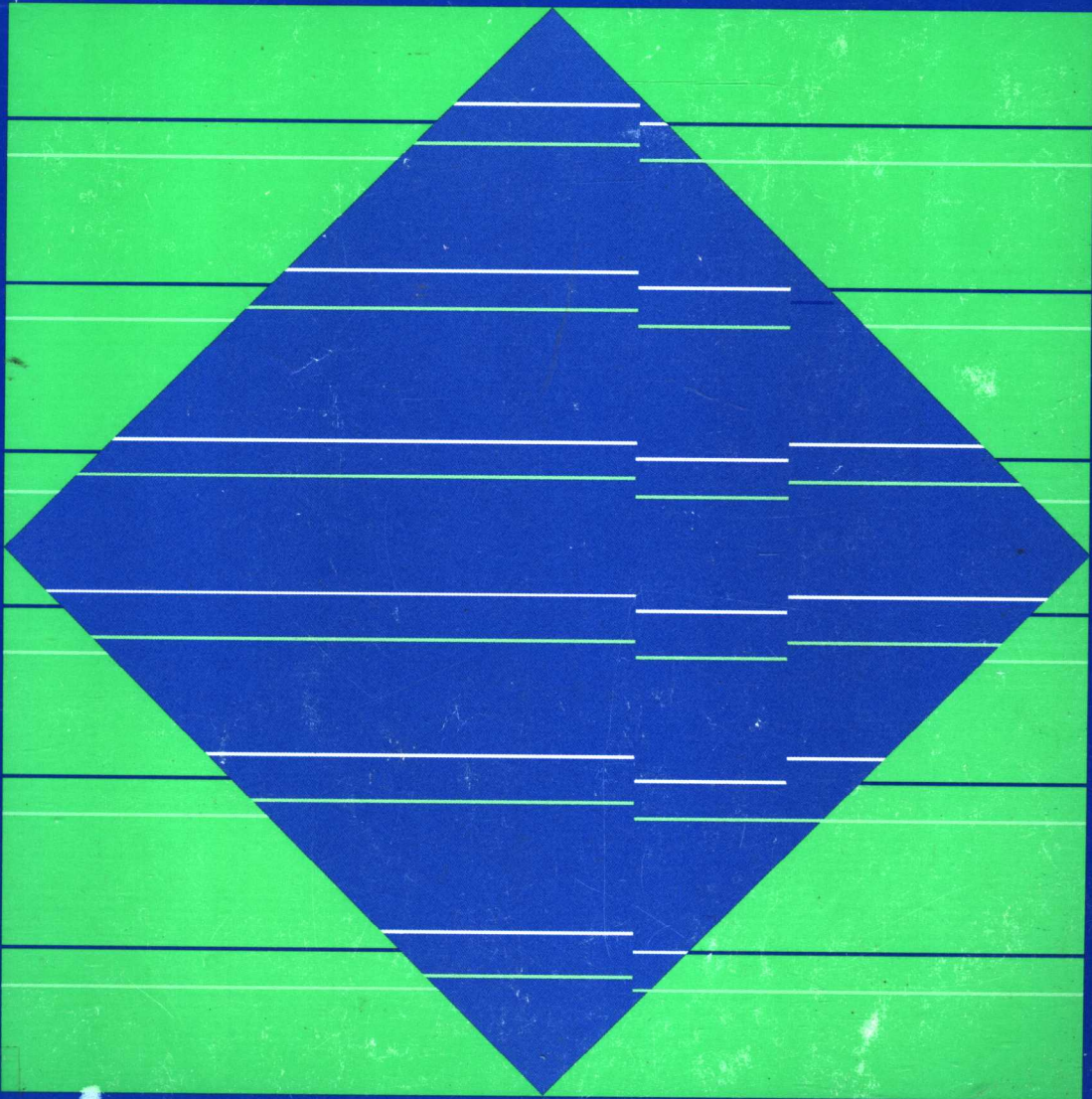


Managing Local Government: Cases in Decision Making

Second Edition



Municipal Management Series

Managing Local Government: Cases in Decision Making

Second Edition

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City/County
Management
Association**

**Editor
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Northern Illinois University**



Municipal Management Series

Managing Local Government: Cases in Decision Making

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The International City/County Management Association (ICMA) is the professional and educational organization for appointed administrators and assistant administrators in local government. The purposes of ICMA are to enhance the quality of local government and to nurture and assist professional local government administrators in the United States and other countries. To further its mission, ICMA develops and disseminates new approaches to management through training programs, information services, and publications.

Local government managers—carrying a wide range of titles—serve cities, towns, counties, councils of governments, and state/provincial associations of local governments. They serve at the direction of elected councils and governing boards. ICMA serves these managers and local governments through many programs

that aim at improving the manager's professional competence and strengthening the quality of all local governments.

ICMA was founded in 1914, adopted its City Management Code of Ethics in 1924, and established its Institute for Training in Municipal Administration in 1934. The institute, in turn, provided the basis for the Municipal Management Series, generally termed the "ICMA Green Books."

ICMA's interests and activities include public management education; standards of ethics for members; the *Municipal Year Book* and other data services; urban research; newsletters; a monthly magazine, *Public Management*; and other publications. ICMA's efforts toward the improvement of local government management—as represented by this book—are offered for all local governments and educational institutions.

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Foreword

Managing Local Government: Cases in Decision Making first appeared in 1990 as part of ICMA's enduring effort to maintain a strong link with the academic programs that educate tomorrow's local government managers. This link has its formal institutional expression in the ICMA/NASPAA Task Force on Local Government Management Education, composed of academic members appointed by the National Association of Schools of Public Affairs and Administration (NASPAA) and practicing local government managers appointed by ICMA. This task force proposed the first edition of this book, which was published in the Municipal Management Series, whose "Green Books" are developed with substantial input from those who teach in the various public administration specialties.

This second edition of the book was developed with the same objective as that of the first edition: to give readers and students a taste of the kinds of decision challenges that confront professional administrators working in governments at the community level. The second edition pays special attention to critical contemporary local management policy areas. It provides better and more up-to-date coverage of the personnel and budgeting functions. It includes a separate section on planning and economic development, concerns that are dominating so many local government agendas at the turn of the century. It also focuses more attention on privatization, with three different cases dealing directly with this managerial option and its implications.

The second edition has been expanded to twenty-one cases, including twelve cases unchanged from the first edition. Of the remaining nine cases, seven are entirely new, one

has been previously published in ICMA's *Managing Local Government Finance: Cases in Decision Making* (1996), and one case, "County Prison Overtime," was originally published in the first edition and then revised and published in *Managing Local Government Finance*. It is reprinted here in its revised format.

More of the cases in this book have been written by practitioners—the very people who confronted these problems in their own careers. Fourteen, or two-thirds, of the cases were written solely by practitioners. Scholars wrote four cases and collaborated with practitioners in writing the other three. Thus, seventeen cases, more than 80 percent, contain a practitioner's view of the problems confronting local government administrators.

As in the first edition, all but one of the cases in this book describe situations that actually happened and real problems to which an actual local government administrator had to respond. The single exception, case 11, is based on a composite of similar problems that the author, a practicing local government administrator, confronted or with which he was familiar.

To improve their usefulness for teaching and to protect the parties involved, all cases use fictitious names and have been edited to clarify issues and eliminate extraneous detail. While all of these cases are factually accurate in their critical components, ICMA and the editor do not intend for these cases to be regarded as wholly accurate factual portrayals of the events on which they are based. In two cases, the authors have asked that their studies be published anonymously to protect further the privacy of those involved.

On the recommendation of classroom instructors who have used the first edition of this book, this edition omits the aftermath from the cases; students will thus have to work on these issues without knowing what decisions were actually made or what the consequences of those decisions were. These case studies thus capture the flavor of local management, not by giving readers a formula for problem resolution, but rather by describing the complex legal, environmental, and human considerations that lead up to a managerial decision and then throwing the decision into the reader's lap. As such, the cases provide a basis for both discussions of real-life local government policy and simulated policy deliberations.

The case outcomes and their consequences, or aftermaths, are provided together with final discussion questions in a supplement to this book, *Supplement to Managing Local Government: Cases in Decision Making*, which is available separately from ICMA. Thus, readers and classroom instructors have the option to use these cases either with or without concluding information about how the case was ultimately resolved in real life. The supplement also contains the essay "The Case Approach," by John J. Gargan, which appeared in the first edition, as well as suggestions about how the cases might be used as decision-making simulations.

ICMA is grateful to James M. Banovetz for his diligent work in preparing this second edition. Dr. Banovetz selected the cases for inclusion in the book on the basis of a special editorial board's recommendations. ICMA extends special thanks to the members of the editorial board: Rita Athas, assistant to the mayor, Chicago, Illinois; Alexander E. Briseño, city manager, San Antonio, Texas; George A. Carvalho, city manager, Santa Clarita, California; Eugene H. Denton, county administrator, Johnson County, Olathe, Kansas; Priscilla Hernandez, deputy city manager, Peoria, Arizona; Mary Jane Hirt, assis-

tant professor, Department of Political Science, Indiana University of Pennsylvania, Indiana, Pennsylvania; Roger L. Kemp, city manager, Meriden, Connecticut; J. Thomas Lundy, county manager, Catawba County, Newton, North Carolina; Sylvester Murray, professor, Cleveland State University, Maxine Goodman Levin College of Urban Affairs, Cleveland, Ohio; Chardean Newell, regents professor, Department of Public Administration, University of North Texas, Denton, Texas; Roger Storey, deputy city manager, Stockton, California; and James H. Svava, professor and M.P.A. program director, Department of Political Science and Public Administration, North Carolina State University, Raleigh, North Carolina.

The editor wishes to acknowledge the valuable suggestions for the book made by Mark Levin, city administrator, Maryland Heights, Missouri, and current co-chair of the ICMA-NASPAA joint task force that suggested the development of the first edition of this book; Ruth Hoogland DeHoog, University of North Carolina at Greensboro; Paul Nordin, Fountain Hills, Arizona; and Jeffrey Straussman, the Maxwell School, Syracuse University. A special note of appreciation is owed to June Kubasiak who provided secretarial assistance to the editor and managed all of the communications with the editorial board and case authors. Finally, the editor expresses his special appreciation to his wife, Audrey, who provided multiple kinds of assistance and put up with many hours of loneliness to see this book completed.

Several ICMA staff members contributed to the project: Barbara Moore, director of publishing and data services, provided editorial leadership and guidance; Verity Weston-Truby served as project editor; Jane Gold copyedited the manuscript; Julie Butler provided administrative support; and Dawn Leland supervised production.

William H. Hansell Jr.
Executive Director, ICMA

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Part one:

Introduction

The nature of local government

James M. Banovetz

Persons born at the turn of the twentieth century experienced what may have been history's most interesting time to be alive. It was a time of radical change. In the space of a single lifespan, society went from the horse-drawn carriage to the horseless carriage, to the automobile, to the airplane, to the spaceship. Labor went from the sweatshop to the assembly line to the robot. Calculation went from the adding machine to the mechanical calculator, to the electronic calculator, to the computer. African Americans went from the farm to jobs in unskilled labor to factories, to colleges, and to positions of leadership in business, industry, and government.

By the turn of the century, local government, too, had come a long way from the days when Tom Lincoln, Abe's dad, had his property taxes reduced if he used his horse and farm implements to maintain the county road that bordered the Lincoln farm in Kentucky. Local government had grown from a self-help, neighborly arrangement to a very large and very corrupt business, especially in urban areas. In fact, the condition of local government was such that James Bryce, in *The American Commonwealth*, wrote: "There is no denying that the government of cities is the one conspicuous failure of the United States."¹

This condition, too, changed dramatically in the twentieth century. Like every other institution, local government was affected by advances in transportation, changes in industrial methods and technology, and vast sociological transformations. At the same time, local governments moved to reject the characterization given them by Lincoln Steffens when he wrote *The Shame of the Cities*.² The operations of local government were significantly altered by the good government movement, with its Australian ballot, nonpartisan elections, use of the referendum and recall, elimination of corruption, and emphasis on merit and the Protestant ethic in public service; by structural reforms that produced at-large elections and the council-manager system; by the invention of the private automobile, federal housing programs, and the resulting emergence of suburban communities and government; by *Baker v. Carr* (which established the one-person, one-vote principle), the reemergence of wards for legislative representation, and decennial reapportionment; and by the Nineteenth Amendment and the civil rights movement, which opened the door to participation in local politics and government for people who had been excluded.

Democracy and local government

Through all these changes, however, the basic nature and function of local government remained the same. Local government has always been the government of the community; it is the social, economic, and political ordering of people's activities where they live and work. It is interaction among neighbors for the common good.

In the earliest American communities, local government was simply the social organization of people who lived in the same frontier community—people who helped each other with barn raising, birthing, and healing; people who

farmed, hunted, worshiped, and sometimes fought together for the common defense. As communities grew, the structure of social organization—of government—became more complex with the selection of leaders and the assignment of duties. Even then, however, government retained its essential linkage to the people: it still drew its leadership from the local citizenry and provided the social organization and the physical services needed to support people as they went about their daily tasks.

Local government also was the cornerstone of the governmental system. The New England township, the Atlantic coastal city, and the southern county offered the structure within which colonial citizens met, interacted, and debated the issues of the day, and from which they sent representatives to serve in their legislatures. It was in these local governments that American democracy first emerged. It was to these local governments that Thomas Jefferson referred when he spoke of the “cradle of liberty” and “grass-roots democracy.” It was from these local governments west of the Appalachian Mountains that Andrew Jackson brought his concept of “government by the common man” to the nation’s political culture. And it was from the small towns of the Midwest—the New Salems, Vandalias, and Springfields—that Abraham Lincoln brought his sense of government “of the people, by the people, for the people.”

Local government today

Even today, local government is still the level of government that is closest to the people and that delivers the public services that are a part of people’s everyday lives. Henry Churchill best captured the relationship between the people and their local government in the title of his book *The City Is the People*.³

National and state governments are housed in distant capitals. Their leaders are persons who make a business of government and politics, and who depart from their home communities to legislate, execute, and adjudicate the laws. National and state governments are responsible for crucial functions—for example, national defense, maintenance of economic stability, protection of civil rights, economic regulation, environmental protection, public health, and interstate highways. They are responsive to citizen action and opinion, but most citizen interaction with these governments is channeled through interest group activity.

Local governments, on the other hand, are close to home. Except in the largest communities, their leaders are friends and neighbors who hold elective office on a part-time, temporary basis, serving out of a sense of civic obligation rather than career ambition. These local governments provide another array of services. They build and maintain streets, parks, and schools; supply clean water and treat sewage; pick up and dispose of the garbage; provide police services, ambulances, and fire protection; offer aid to the impoverished and the handicapped; support mental health services, senior citizens’ programs, and youth activities; and are the first source of assistance in emergencies. In short, they provide the direct public services on which people depend every day. They, too, are responsive to citizen action and opinion, and most citizens deal directly and personally with their local officials without the intervention of lobbyists or interest groups. This means that pressures from constituents are more immediate and direct at the local level. As Churchill noted, local government “is the people.”

Local government administration

Local governments are served by administrators, who are responsible for the basic public services the governments provide. The way in which these ad-

ministrators perform this function ultimately affects not only the effectiveness of local government but also the viability of grass-roots democracy. In this sense, local public administrators are custodians of democracy, discharging the “sacred trust” about which Woodrow Wilson wrote in the 1887 essay in which he laid the foundation for professional public administration.⁴

The evolution of professional local government administration was a major plank in the reform platform of the good government movement that emerged late in the nineteenth century. Professionalization evolved during one of those rare times in history when everything came together:

The American middle class . . . was growing as the nation’s economy changed from artisanry to industry. Public service professions were forming, beginning with public schools and public health in the mid-19th century and expanding later as associations of public officials were formed in finance, planning, recreation, parks, personnel, and city management.

It was not enough to organize a campaign and elect a reform mayor and council. Local governments had to have accountants, engineers, planners, and park and playground superintendents. From there it was just a short step to the manager.⁵

A strong commitment to professional administrative leadership and the merit concept in employment continues to be a cornerstone of the Model City Charter promulgated and kept up-to-date by the National Civic League.⁶

Despite its efficacy at producing good government in an era of politics and corruption, professional local government administration grew slowly and, initially, only in cities. It was not until after the Second World War, at midcentury, that professional local government administration really took hold. Council-manager government became the most common form of government in the nation in medium-sized and large cities; strong mayor-council governments began to incorporate professional chief administrative officer (CAO) positions; and county governments began adopting county administrator forms. Special districts, municipal leagues, councils of governments, and associations of local government officials also relied with increasing frequency on professional administrators to function as their CAOs.

With such administrators serving as role models and emphasizing professional competence as a standard for performance and promotion, the trend toward professionalism radiated outward and downward in local government organizations. Clerks and treasurers established programs of professional certification for these offices; administrative departments—especially in police, fire, public works, planning, finance, personnel, health, parks and recreation, and social services—were increasingly headed by persons with professional education and experience. Currently, the trend toward professionalization is reaching to such middle-management supervisors as police sergeants, fire lieutenants, and public works division heads, and to such specialists as management analysts, planning aides, health officers, accountants, data management technicians, and social workers.

The difference a professional makes

The presence of professionals in local government does not mean that government is raised above the level of the common citizen. Professionals supplement, rather than replace, the civic-minded community leaders whose assumption of local government office ensures that these governments are run for and by local people. Professionals perform a role quite different from that of the elected leadership. Specifically, they add four values to the operation of local government:

1. Technical competence based on training, experience, and access to information

2. An informed, long-range vision of contemporary trends and their intersection with community needs
3. Political neutrality
4. A principled commitment to serve the public interest.

Ideally, professional administrators should be selected on the basis of their training, experience, and demonstrated competence in both organizational leadership and technical skills. Administrators should know how to acquire the information they need to perform their jobs and to advise on policy matters, and they should be expert in methods of analyzing that information for policy makers. They must be skilled at working with constituents, elected officials, other administrative leaders, subordinates, and representatives of other agencies. They must, in short, be capable of solving a local government's problems, not by reflexively turning to "the way we handled this the last time," but by creatively applying new knowledge and experience.

Such problem-solving technologies should also encompass long-range vision. Democratic notions of responsiveness—calling for official accountability at intervals corresponding to the timing of elections—tend to emphasize short-range, immediate consequences in public sector decision making. Increasingly, however, the public interest requires a longer-term perspective. Although city councils are elected for two- or four-year terms, they are most effective when working to improve the quality of life five to twelve years in the future.⁷ To achieve that time perspective, they need the help that professionals, trained to study long-term trends, can give in terms of vision, insights, information, and empirical analysis of the likely consequences of alternative courses of immediate action. They need both encouragement and support from their professional staffs if their work is to venture far into the uncertainties of the future.

The tenets of professional public administration demand nonpartisan official behavior from the local government administrator. Such a position frees the administrator from dependence on electoral time frames as well as from electoral politics, thus facilitating long-range planning and policy making. But the principle of nonpartisanship in administration means much more: it means that professional administrators are committed to "serving equally and impartially all members of the governing body of the (local government) they serve, regardless of party."⁸ It means that they leave politics and legislative policy making to elected officials while they concentrate on the delivery of public services to the community.

These objectives of professional public administrators are reinforced and supplemented by the professionals' principled commitment to serve the public interest. That commitment is extended by the codes of ethics adopted by the American Society for Public Administration (ASPA) and the International City/County Management Association (ICMA).⁹ As articulated in those codes, professional local government administrators are expected to "demonstrate the highest standards of personal integrity," "serve the public with respect, concern, courtesy, and responsiveness,"¹⁰ "recognize that the chief function of local government at all times is to serve the best interests of all the people," and "be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the (administrator) may merit the respect and confidence of the elected officials, of other officials and employees, and of the public."¹¹

All these attributes are meaningless, however, if professional administrators are not responsive to the people they serve—the citizens of the local community. In a democracy, the ultimate test of efficacy is less efficiency than it is responsibility, less effectiveness than it is responsiveness. Professional administrative leaders are better than political appointees only if they are equally responsive. To promote such responsiveness, local government practice has

been to appoint local CAOs to serve “at the pleasure of the council” instead of for a fixed term. As county and city managers are wont to say, “My term of office lasts until the next council meeting.” Since the council can remove them at any time, they trade job security for public responsiveness, thereby achieving this last, and ultimate, value for professional administration.

Professionals, elected officials, and the public

As powerful as it is, the imminent threat of dismissal is not by itself a sufficient base for defining the relationship between professional administrators and the political system they serve. That relationship also encompasses three other considerations: the role of elected officials, professional principles, and public accountability.

Role of elected officials

Of the above considerations, the most functional on a daily basis is the role of the elected officials. They are the central elements in the organizational structure of local government; they are the foundation of the representative system, ensuring that local government remains the government of the common person run by local people. Local elected officials typically are long-time residents who are elected because of the breadth of their personal contacts in the community and the esteem in which they are held locally. Their contribution to local government is based not on their knowledge or experience in dealing with the technical issues of government administration, but rather on their ability to reflect community values in policy discussions and to work with local residents in building support for needed public policy changes.

The rudiments of the relationship between elected officials and professional administrators are typically defined by law—that is, by state statute or local ordinance spelling out the duties of the administrator. The *Model City Charter* articulates a standard format for this relationship: All powers are vested in the council except for those specified elsewhere, an exception that includes the delegation to the manager of specific responsibility to make appointments, direct administrative operations, enforce the laws, prepare and administer the budget, and advise the council on policy matters.¹²

Strict adherence to such a delineation of roles can prove to be more troublesome than helpful, however, and the prudent manager will work out an understanding with the council relative to their respective roles rather than standing inflexibly on statements of principle. In practice, the manager may become involved in some questions that could be construed as policy; similarly, the manager may find it useful to consult the council on key personnel appointments, even though these are technically the manager’s responsibility. The local government administrative structure functions best when its participants—selected officials, the CAO, administrative staff, department heads, and employees—work together as a coordinated team, performing mutually understood roles and supporting one another.

The responsibility for defining roles and relationships is best left to negotiation between the administrator and elected officials, not to the language of statutes, ordinances, and codes. Such negotiations should be repeated, at a minimum, whenever new persons assume elective office. Most important, the negotiations must always be based on a mutual recognition that it is the elected officials who most directly represent the citizens, who are the direct link with democratic theory and principles, and thus who must carry the burden of reporting to, and interacting with, the citizenry.

Professional principles

This recognition of the role of elected officials, however, does not reduce the administrator's responsibility. Indeed, the second consideration defining the administrator's relationship with the public in a democratic system—professional principles—demands no less. No fewer than seven of the twelve tenets in the ICMA Code of Ethics refer to the administrator's relationships to elected officials and responsibilities to the public. The code requires dedication to “the concepts of effective and democratic local government by responsible elected officials” and to “the highest ideals of honor and integrity in all public and personal relationships,” and it directs administrators to provide elected officials “with facts and advice on matters of policy” and to “keep the community informed on local government affairs.”¹³

Public accountability

Keeping the community informed is an important component of public accountability, the third consideration defining the professional administrator's relationship to the political system. Public accountability—the need to operate in the goldfish bowl of public information and to submit to public observation of official behavior, public oversight, and public reaction to administrative activity—is a constant in local government administration. The intensity of such accountability, of having to work within the narrow confines of open meeting laws, freedom of information acts, publication requirements, and neighborhood-level public hearings, serves both to limit the administrator's freedom of action and to ensure direct and immediate responsiveness to the public. Perhaps more than any other administrator in either private or public organizations, the local government administrator must work closely with, and under the direct supervision of, the individual members of the public being served.

What does it all mean?

Local government, and the professional administrator's role in it, is a big job. It is big not just because of the number of people or the volume of resources involved in it on a national scale, but because it is so important to people's everyday lives.

Local government serves the people directly, immediately, daily, and personally. It is the part of government that citizens can best understand and appreciate, to which they can most easily communicate their grievances, from which they are most able to achieve responsiveness, and against which they can most effectively retaliate when they are dissatisfied. It is the cornerstone of their democracy, the base from which their political principles have been derived and from which they will continue to evolve. It is the ultimate manifestation of “government by the people.”

Because the professional administrator serves a central role in local government, whether as CAO, department head, or supporting staff member, the challenge of serving at the local level is enormous. It is a challenge that manifests itself in the big issues, such as economic development, neighborhood design, and tax policy, and in the everyday matters of cost containment, humane and fair treatment of citizens and employees, and relationships with the public. The administrator's response to this challenge contributes significantly to the success of local government and, consequently, to the quality of life in the nation's communities and the quality of democracy at its grass roots. In this sense, the responsibility of the task is awesome.

The administrator's success in fulfilling this responsibility is best measured