

Responsive Local Government Article

“Can We Afford A Municipal Manager?”

If your municipality is asking this question, here's some help with answering it

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Even if yours is a small municipality, before you answer “no” to the title question, rephrase it and ask, “Can we afford municipal management?” It may be easier to get general agreement on a “yes” answer to the question. Once we do that, we can focus on the best way to get that management. If, along the way, you find yourself turning the question around and asking yourself, “How can we afford not to have city management?”, that’s fine. That’s what this article is about.

Benefits of Hiring a Manager

What is this thing called management anyway? A management text might describe it as “the effective utilization of human and material resources to achieve the objectives of an enterprise.” The specific activities involved in managing are planning, designing, organizing, communicating, decision making, motivating, monitoring, and controlling. This list of activities suggests that the manager is not directly involved in producing the final product or service. Of course, good managers have to be doers, but in order to truly manage they have to be thinkers and planners also.

This is where many municipalities miss out on the most important benefits of having a manager. The elected officials see things getting done already: roads being maintained,

fees being collected, police patrols being conducted, permits being issued. How will they explain to the citizens what they will be getting that they didn’t have before? In areas subject to development pressure, the cost of hiring a manager may seem today to be a very large chunk of the municipal government. So the elected officials decide, “After we develop, after the population and tax base have increased, we’ll be able to afford a manager.” By taking such an attitude, they disregard the primary reason for having a manager. They choose to wait and hire a manager to deal with the problems created by growth and development rather than hire one to plan for the development while the opportunity to do so is still available. Once an opportunity like this is missed, you’ll never get it back. Of course, you can always plan for the future, but you’ll never have the chance to plan for the 1980’s again.

One community had this problem pointed out to it in an abrupt fashion. It thought it had made reasonable allowance for development pressure when all of a sudden a new building came to a screeching halt as a result of a moratorium issued by the Department of Environmental Resources due to concerns over the quality of water supply. Public water and sewer systems

were suddenly a necessity. The engineering studies, feasibility studies, and changes to established plans were more than the elected officials were equipped to deal with. The need for a full-time manager was now immediate and unquestioned. The municipality hired one, realizing that it hadn't seen the last of the new issues it would be forced to cope with.

It may be easier to justify hiring a manager by showing that you need one to deal with serious problems that community faces. But isn't it more effective to hire one to help you avoid the problems before they happen? When the Department of Community Affairs begins to provide assistance to a distressed community, one of the first recommendations that usually arises is, "Hire a city manager."

Many communities try to decide on the need by looking for ways the manager can earn or save the municipality enough actual dollars to pay his or her salary. Most municipal managers could come up with such a list each year, if they had to in order to justify their jobs. But such an exercise would give a very short-sighted view of the manager's true value.

The assumption that "we can't afford a manager" can cause a municipality to do strange things in the name of saving money. In one community, the use of the municipal engineer to write letters to developers, make inquiries, and do nontechnical inspections caused engineering fees to increase by 1600 percent in four years. The municipal solicitor is another handy person to ask to draft policies, correspond with businesses, or do research. Not only must such advisors charge fees that reflect the value of their time, but also they don't have the management authority to follow up on their findings, to make decisions on behalf of the municipality, or negotiate resolutions to problem situations. No matter how skilled

they are in the area, they just don't have the working knowledge of the municipality's total situation that a full-time manager would have.

Responsibilities of the Manager

In some cases we find that, regardless of the cost-benefit argument, elected officials just have trouble getting past the idea of doing things a new way as may be required by the presence of a manager. "I'm afraid I'll lose control," as they say, "I'm elected to make decisions and I don't feel it's responsible to turn that responsibility over to a nonelected person. How can a manager feel directly responsible to the voters the way an elected person does?"

First of all, deciding to hire a manager is not an abdication of responsibility. It is an indication that the elected body realizes its responsibility, not only to make decisions that are in the best interests of the municipality, but to see that those decisions are actually carried out and that they work the way they were intended to work. The manager is the elected body's agent to do this.

If you fear that a manager is not answerable to the public, consider that in certain ways he or she is even more answerable than the elected official. Unless, there is serious misconduct, normally the only time an elected official can be fired by the voters is at the end of a term of office. The manager normally serves at the pleasure of the elected body and can be terminated by a majority of them at any time. The fact that keeping the voters happy usually keeps his elected "bosses" happy tends to make the manager very responsible to the public.

Keep in mind that although you are not hiring a manager to make your decisions for you, this does not mean the manager can't

help you to reach better, more informed decisions. How often have you had to postpone action on a particular topic at a meeting because you felt you needed background information, statistics, or other types of data? Maybe you weren't sure how the municipality had handled a similar situation before, whether projected revenues allowed for an expenditure, whether citizens have been asking for or making use of a service.

How do you deal with such situations now? You can assign members of the elected body to gather the data, do research, talk to people, add up the figures, but what do you do if they don't have time, or if they don't have the skill to analyze important figures, or raise pertinent questions? What do you do when you find yourself at the next meeting with no more information than before? Or, maybe worse, with more information but in a form that is more confusing than before?

How Well - Managed Is Your Municipality?

Ask yourself the following questions (assume the position of an elected official):

- Is new housing and/or industry being built, planned, or talked about in your municipality? Has its effect been discussed by the governing board?
- Does your municipality operate a utility (electric, water, sewer)? Do you know how efficiently it operates? Are all users billed, and are attempts made to collect unpaid bills?
- What would your municipality's employees say if asked who directs the work? (There are a lot who say "nobody.")
- Do you feel you know enough about your municipality's employees and their jobs to fairly evaluate their performance? Does anyone?
- When your elected body meets, do you know in advance what subjects are scheduled to be dealt with?
- Will your municipality be required to make major expenditure in the next three years (land acquisition, new employees, major road repairs, new equipment, etc.)
- Do citizens have a place they can contact with questions about municipal services from which they can get an answer without unreasonable delay?
- How often do citizens come to you directly with questions or problems to which you do not feel equipped to respond?
- Have you ever been told that your municipality was delinquent in filing a required report to a state, country, or federal agency?
- Do you know where your municipality's funds are deposited? Do you know whether any other place or any other types of accounts were considered other than those now in use?
- What fringe benefits do your municipality's employees receive? Leave, insurance, or retirement? What are the eligibility requirements for each?
- Does anyone know the cost to the municipality of those benefits?
- Are you asked to sign things as an elected official that you really don't understand? (When you ask, is the explanation, "It's just a formality," or "It's required by the code.")
- Are your municipality's ordinances currently having the effect that was intended when they were enacted?
- Do you know who has the authority to make purchases and expend money on behalf of the municipality? Do you know where to find a record of such expenditures?

- Do you know how your budget and tax rates compare with surrounding municipalities? Do you know the reasons for the major differences?
- Are any municipal employees covered by union contracts? Do you ever bring any demands to the negotiating table? With whom does the union meet during the bargaining?
- Does your annual budget take into account realistic costs of future needs, or is it prepared by just adding a few percent to what was spent the year before?
- How much are repair costs on your road maintenance equipment? How do these costs compare with the cost of replacing certain pieces of equipment? How do these costs compare with the cost of renting equipment or contracting out certain operations?
- How would your municipality cope with the loss of a building or vehicle through fire or accident? Is insurance coverage adequate? Is the small municipality insuring vehicles or facilities that it no longer owns? How long ago was this checked?

Still... “Can We Afford It?”

Even if you agree that your community needs to be better managed, you may still not be convinced that you can afford the costs of a full-time manager. Salary levels will vary greatly depending on education, experience, and the level of expertise and responsibility you expect the manager to assume. Various organizations, including the state municipal associations such as the Pennsylvania State Association of Boroughs and ICMA, publish salary figures that may be helpful. Rather than assuming that someone else’s average is what you’ll have to pay, start by deciding what you *need* in a manager, then determine how much it will cost to fill that need. Before you ask another elected official “How much do you pay your

manager”, be sure you are asking someone with a manager who is dealing with the same types of problems you are facing.

Of course, saying that “We just can’t afford good management” is not an acceptable answer to the salary problem. Force yourself to look at the alternatives. Sharing the services of manager is only one possibility, although it is one that DCA is attempting to encourage through the circuit rider program. Making better use of your resources is another possibility. Management ability may exist in your municipal secretary, your public works superintendent, or other employees. Such people may already be assuming these responsibilities out of desperation. If you are lucky enough to have a well managed municipality because current employees saw the need for management and decided to fill the need on their own, then you should at least start planning for the day when the luck runs out. Put policies and procedures in writing, start training backup people for your key employees, put controls in place for spending, purchasing, and money handling, not just to catch wrongdoers, but to protect your honest employees and elected officials against undeserved problems. Do something to make advanced planning (is there any other kind) a regular part of the governing process.

In our society, where elected people come and go, there’s no way to guarantee that your municipality will forever run smoothly. But programs and procedure that work well tend to keep working. You can at least leave your successors with the treat of finding a system that works so well they won’t want to throw it out.



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