



MLGMA

<http://www.mlgma.org>

**Michigan
Local Government
Management Association**

P.O. Box 1487, Ann Arbor, MI 48106
Ph: 734-662-3246 • Fax: 734-662-8083

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Ottawa County

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Farmington Hills

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November 2010

President's Update

Alan G. Vanderberg, Administrator, Ottawa County

Dear Colleagues,

Mr. Rick Cole, City Manager of Ventura, CA, was the featured Colloquium Speaker at the recent MML Annual Conference. Mr. Cole gave a great presentation and described how he turned one of the most down and out cities in his locale into the highest growth city in the region. His speech focused on planning and developing communities for people and not cars. We received a lot of compliments on his presentation. Ted Staton, City Manager of East Lansing, was awarded the John Patriarche Distinguished Service Award for his outstanding achievements as East Lansing City Manager and as a member and past president of MLGMA. Congratulations to Ted for this major achievement.

At its last meeting, the Board voted to support the idea of holding a Constitutional Convention. We had wrestled with this for the better part of the year and had several discussions on the topic. In the end result, most Board members stated that our state has major structural problems and that bold action is required and a constitutional convention could be the vehicle to make a lot of positive change. The potential negatives of holding a convention were discussed and it was decided that the positives outweighed the negatives.

The association received the signed copy of the Affiliation Agreement with ICMA and so we joined the ranks of states that have completed agreements this year. All of the Midwestern states with the exceptions of Iowa have approved the agreement.

The Board also approved the Michigan Leadership Legacy Program (MLLP) at its last meeting. The concern regarding the lower number of persons entering public service jobs including the ranks of city/county managers is well documented by ICMA and others. The MLLP is intended to help us all focus on tangible service opportunities that will spread the good word of professional management and how exciting careers in our field can be. Points can be earned for speaking in schools or service clubs, working with youth on boards and commissions, helping Boy and Girls Scouts earn civics merit badges, assisting with 4H, Boys State, Girls State, Youth in Government and other youth government and leadership programs. There are other opportunities as well. Points will be self reported to a system managed by the MML. More will be presented soon on the MLLP and we are excited make an even greater impact for our profession throughout our state. Colleagues attending the State Officer's Round Table and Midwest Regional Meeting at the ICMA Conference were very impressed with the MLGMA Legacy Leadership Program.

Approximately 50 Michigan Managers attended the ICMA Conference in San Jose last week and more than 40 attended the MLGMA Dinner at the San Jose Loft Bar & Bistro. We had a great time of fellowship at the dinner.

Best Regards,
Al Vanderberg

Constitutional Convention—Letter to the Editor

By Steve Brock, City Manager, Farmington Hills

This November's ballot in the State of Michigan contains a proposal (#1) to hold a Constitutional Convention (Con-Con). The last time one of these was held was back in the early 1960's. A lot has changed since then and I believe it is time to hold another. The State Constitution that was developed back then contained many things and is the template for how our State runs (it also includes a provision to hold a vote on the matter every 16 years). It worked well for many years when our bread and butter were manufacturing. Our Michigan isn't running very well these days and that is one of the main reasons the time is right to "act boldly", as George Romney, a Con-Con delegate back then said many times throughout his life. Since 1963, the world has changed a great deal – especially around here the last few years! Our tax system is a mess, both public and private, and now way too complicated to change legislatively. The Legislature/Governor can barely balance a budget on an annual basis without the threat of shutting down, and after the federal "stimulus" monies are gone next year, a \$1.7 BILLION hole will have to be filled! Term limits, while perhaps well intended, have been and are a big part of the problem and the initiative to change them just isn't there in any meaningful way. By most accounts, there are too many cities, villages and school districts and we know how hard consolidation can be given turf and accountability issues. Court funding is inequitable. Road and mass transit funding are sorely lacking and the formula for distribution is a mess. And the list goes on and on. More and more, people who know how Lansing operates are coming out in support of the Con-Con as they realize the current system of Legislature and Governor simply cannot or will not do what is necessary to make Michigan work again in the "new normal".

The only reason, in my opinion, to make the changes needed to get Michigan back in gear and into the 21 Century is through a Con-Con and the time is now! (Or, wait 16 years and hope things get better – FAST! Several big name entities have come out against a Con-Con including the State Chamber of Commerce, MEA and other unions and the Detroit News. So far, the Detroit Free Press, the Oakland Press and the Michigan Local Government Management Association (MLGMA) have come out in favor. Reasons noted to be against include cost, open to "outside influences" and single-issue groups, and the time it takes to do it. There are costs, although I believe the numbers thrown around are grossly overstated, and just about anyone of legal voting age can run and win, but with 148 members, it seems highly unlikely that the process could be hijacked by one or two people. When groups with vastly different agendas are against something like the Con-Con, it makes me wonder if we, the people, shouldn't be for it.

Are there possible risks? Yes. Are there possible rewards? Absolutely! But, nothing ventured, nothing gained. So, if you are happy with how things are in our State, then vote no. If you believe, as I do, that Michigan can be better, then please join me in voting yes on Proposal #1. Thank you.

Council-Manager Government: A Model of Flexibility, Strength, and Professionalism

By Darnell Earley, ICMA-CM, MPA

Local governments across the country are struggling to deal with declining resources and the rising cost of service provision. Add to that the 7-to-10-digit budget deficits in which many states currently find themselves mired, and it is no wonder that these tough economic times are unrivaled by any other in American history since the Great Depression.

During the course of many of the discussions about these issues, the ongoing debate over form of government has been thrust front and center as an option for addressing the particular needs of several Michigan communities. In Detroit, for example, voters have impaneled a city charter review commission to examine, among other things, whether to maintain the city's current strong-mayor system or to consider adopting the council-manager form of government. I have met with commission members on two occasions to discuss the pros and cons of both forms.

Under the council-manager form of government, city council members and often the mayor are elected directly by the voters. If not directly elected, the mayor is selected by and from among the council. Together, these individuals hire a professionally trained, experienced city manager to oversee the day-to-day management activities of the city. As in the private sector model, the city manager is the chief executive officer of the city and reports directly to the entire governing body, which serves as a policy-making board of directors.

Under the strong-mayor form, a popularly elected mayor becomes the chief executive officer, and that individual personally chooses key administration officials. This would all be well and good if the mayor consistently selected qualified and proven administrators to direct essential city operations. Too often, however, we watch as the chief elected official has filled key management positions with political allies and associates who often bring only a blind political loyalty to the arduous task of running a city.

When the City of Flint emerged from Act 72 emergency financial management in 2004, for example, the mayor at the time appointed his campaign manager in the position of city administrator. That person had neither the management

Please E-mail
Articles of Interest
for the
Manager to
Curtis Holt at
holtc@wyoming
mi.gov

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training, experience, nor educational background required to qualify for the single most important position in any unit of local government. The same mayor later appointed a second political ally, who also lacked the requisite professional credentials and experience in managing a large organization of *any* kind, to the same position. The City benefited from neither of these appointments.

The strong-mayor form of government also encourages well-documented contention between the mayor and the city council, as under this form, the chief elected official has veto authority over budgetary matters and council actions. One has only to check past court dockets in Flint and Detroit to see how well *that arrangement* has worked.

Now, lest I risk alienating some of my mayoral friends, this is not to say that all mayors are ineffective administrators. It is highly unlikely, however, that they were elected for their education and management skills, or for their experience in administering budgets, managing people, and assessing organizational service-delivery efficiencies. A mayor's effectiveness generally depends upon the ability of the people working in the mayor's office to carry out those functions, and more often than not, political appointees (rather than trained management professionals) fail to get it right.

Compare an inexperienced, politically appointed administrator to a professional city manager, who possesses the training, education, and experience required to oversee critical city functions. Couple that experience with accountability to an elected body that equally represents the entire community, and you have an opportunity to effect real change in the movement toward better governance.

Among the 533 Michigan cities and villages, 240 (45 percent) are chartered under the council-manager form of government. The structure originated back in the early 1900s as an alternative to the political issues that were inherent in strong-mayor form of government at the turn of the 20th century. Under council-manager government, the city manager hires most of the city's top-level employees and prepares and submits the annual budget to the mayor and city council.

While there are variations within the structure, the council-manager form places the critical operations and financial matters in the hands of a professional manager who is trained to run a multi-million-dollar operation. This city manager recommends actions to the entire governing body for final approval. Although council-manager cities are not without governance challenges and obstacles, the decisions that most managers make are generally devoid of political influence.

It is interesting to note that, in 2007, the City of Saginaw impaneled a charter commission to review its 76-year-old governing document. One of the measures recommended by that commission was to abandon the council-manager form of government in favor of the strong-mayor form. The measure was rejected by voters by a 4-to-1 margin. Today, Saginaw continues to hold its own, as evidenced by the accurate and timely financial reporting, transparency, and sound budgeting practices that have resulted in consistently balanced budgets, even while grappling with the same challenges as other cities during the current fiscal crisis.

According to ICMA, the International City/County Management Association, 49 percent of all U.S. cities operate under the council-manager form compared with 43 percent that operate under the strong-mayor form. The majority of cities with populations between 10,000 and 250,000 employ this structure, and according to ICMA data, more than 95 million residents live in communities that operate under the council-manager form. Of the 247 cities with populations greater than 100,000, nearly 60 percent (144) use this form of government. A few examples include Charlotte, N.C.; Austin, Dallas, El Paso, Fort Worth, and San Antonio, Texas; Las Vegas, Nevada; Oklahoma City, Oklahoma; Phoenix and Tucson, Arizona; Colorado Springs, Colorado; Anaheim and Sacramento, California; Virginia Beach, Virginia; and Wichita, Kansas.

When compared with strong-mayor cities, those that use the council-manager form are more likely to demonstrate greater efficiencies, stronger financial administration and reporting, and healthier organizational development. Council-manager cities are also more likely to pursue long-term goals through the use of strategic planning, to base service delivery decisions on equity and other financial standards, and to encourage open, transparent communication between residents and their local government. City managers who are members of ICMA also adhere to a professional Code of Ethics that is vigorously enforced by the organization.

It is also important to note that the council-manager form of government is flexible enough to meet the needs of just about every community; there is no "one size fits all" scenario. To address the need for increased political leadership, for example, today 67 percent of cities chartered under the council-manager form (Grand Rapids is one Michigan example) directly elect their mayor. The difference is that the mayor and council together recruit, select, and appoint a competent chief executive officer and empower that person to recommend the actions the local government should implement on a day-to-day basis. The value of empowering an individual with the requisite training and experience to oversee these critical management operations goes without saying.

At the same time, the council-manager system also enables elected officials to focus on what they do best—developing a community-wide vision for the city and establishing the policies required to realize that vision. Taken together, the respon-

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sibilities and authorities of the elected officials and those of the appointed city manager complement one another and blend the components of a well-managed, professionally run city.

To summarize, while a community's financial health and well being may not rest solely on its form of government, by its nature, the council-manager form is the best structure for ensuring the appointment of a management professional who possesses the training and experience required to oversee the day-to-day operations of the city.

Even in cases of Act 72 intervention, the State of Michigan seeks to appoint seasoned city managers to serve as emergency financial managers. This is evidenced by the successful appointment and the many reform measures implemented in the Detroit Public Schools by Robert Bobb. Mr. Bobb is a veteran city manager with a proven track record in many major cities across the country, including Kalamazoo. In Ecorse the emergency financial manager, Joyce Parker is also a proven city manager. Ms. Parker has served in a number of Michigan cities as well as in Illinois.

In my professional opinion, the communities in Michigan (and elsewhere) that operate under this form are more likely not only to survive the current economic crisis, but to emerge stronger and more efficient than those that do not. City leaders may well want to take note, and consider this as a viable option.

Darnell Earley is president of ICMA, the International City/County Management Association, in Washington, D.C. A public administrator for more than 30 years in Michigan, he is currently the city manager of Saginaw. Previously, Mr. Earley served as city administrator of Flint, deputy controller/budget director for Ingham County, and township manager in Buena Vista Charter Township in Saginaw County. Mr. Earley also served as interim mayor of Flint.

Positive Leadership in a Negative Environment

Michigan Local Government Management Association

2011 Annual Winter Institute

February 1 through 4, 2011

Westin Book Cadillac Hotel—Detroit, Michigan

Mark your calendars and join your fellow Michigan government leaders for networking, fellowship and educational sessions on a variety of topics, including:

- Diversity and Inclusion with speaker Dr. Steve Robbins
- Maintaining Core Values and Identity in Difficult Times with U-M Athletic Director Dave Brandon
- Business Leaders for Michigan
- Stormwater Permitting
- How to Contain Healthcare Costs
- Keeping a Positive Perspective with Robert Bobb
- Municipal Investing
- Strategic Operational Reviews
- Leveraging Technology
- Council-Manager Plan Advocacy Video
- Legislative updates with MML and Tim Scubick
- Executive Coaching Opportunities
- Hot Planning Topics
- Union Negotiations from a Different Perspective
- And much, much more...



Registration materials will be mailed in the coming weeks. For more information, visit www.mlgma.org