MANAGEMENT INSIGHTS FROM **BOB O'NEILL**

An anthology of perspectives on navigating management and leadership from Governing.com's Management Insights column

By Robert J. O'Neill Jr.
Executive Director, ICMA

ABOUT THE AUTHOR

Robert J. O'Neill Jr. is executive director of the International City/County Management Association (ICMA), the professional and educational organization for chief appointed managers, administrators, and assistants in cities, towns, counties, and regional entities throughout the world.

Prior to joining ICMA, O'Neill served as president of the National Academy of Public Administration from 2000 to 2002. He was elected as a NAPA Fellow in 1997.

From 1997 to 2000, O'Neill served as Fairfax County, Va., executive, where he was credited with developing a series of strategies aimed at revitalizing older residential communities and commercial areas as well as launching a series of initiatives focused on performance and results management.

O'Neill's "reinvention" of the government of Hampton, Va., as city manager from 1984 to 1997 was widely recognized; his many accomplishments include downtown- and waterfront-revitalization initiatives as well as development of a nationally recognized youth-at-risk program.

O'Neill is leaving ICMA as of December 31, 2016 after 14 years as executive director.

EDITOR'S NOTE

The columns in this volume were originally published on Governing.com. They have undergone minor copyediting to provide some updates and ensure consistency of style and punctuation with ICMA standards. ICMA retains the copyright to all the content herein.

ICMA

ICMA is the premier local government leadership and management organization. Its mission is to create excellence in local governance by developing and advocating professional management of local government worldwide. ICMA provides member support; publications, data, and information; peer and results-oriented assistance; and training and professional development to more than 11,000 city, town, and county experts and other individuals throughout the world.

Copyright © 2016 by the International City/County Management Association. All rights reserved, including rights of reproduction and use in any form or by any means, including the making of copies by any photographic process, or by any electrical or mechanical device, printed, written, or oral or recording for sound or visual reproduction, or for use in any knowledge or retrieval system or device, unless permission in writing is obtained from the copyright proprietor.

CONTENTS

FOREWORD 1

1 Trust, Leadership, and Courage: Keys to Local Innovation 3

2 Professionals Must Make Noise about Making a Difference in State and Local Government 5

3 A New Model for Disaster Response 7

4 Sustaining Community; Sustaining Our Profession 9

5 A New Alliance for Innovation 11

6 Looking Out for Tomorrow's Public Servants 13

7 Baseball and the Limits of Conventional Wisdom 15

8 Fueling the New Creative Economy 17

9 A Roadmap to Measuring Performance 19

10 Now Is the Time for Collaboration 21

11 Excelling in Times of Fiscal Distress 23

12 Stimulating Main Street 25

13 Retaining Top Performers 27

14 Supporting Top Performers 29

15 An Opportunity for Creative Destruction 31

16 How Top Performers Thrive 33

17 Building Better Communities by Aligning Interests 35

18 Energy Sustainability Down Under 37

19 Maintaining the Public Trust While Making Tough Choices 39

20 A New Model for Management 41

21 A Decade of Living Dangerously 43

22 The Coming Decade of Local Government 45

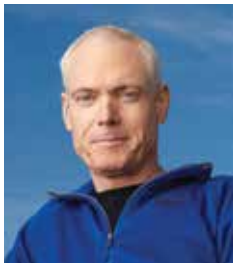
23 Making Citizens Part of Government 47

24 Is It Time for a Set of "Localist Papers"? 49

25 Local Government in an Era of Creative Destruction 51
26 Public Services and the Limits of Specialization 53
27 Local Governments' Enduring Reinvention Imperative 55
28 Why the Cult of Personality Is the Wrong Leadership Model for Government 57
29 Performance Management in Government: The Old Is New Again 59
30 The Critical Ingredients of Community Resiliency 61
31 Public Services and the Wonders of the Third Week in August 63
32 The Next Big Thing in Local Government 65
33 What the Presidential Candidates *Should Be* Talking About 67

FOREWORD

by Jim Collins



I first met Bob O'Neill at the ICMA national conference in 2006, and I was immediately struck by his passionate dedication to a simple idea: we cannot have a great nation without great city and county leadership widely distributed in communities large and small. These exceptional leaders are like the mortar in a brick wall; you often don't notice them, but without them, the wall would crumble. At their best, they are "Level 5 Leaders"—those who lead in service to a cause bigger than themselves, infused with an indomitable will to make their communities better, while having the humility to work quietly behind the scenes without high-profile adulation. Indeed, they understand that leading greatly means living the Harry S. Truman idea that you can accomplish almost anything, so long as you don't care who gets the credit. Bob has dedicated his life and career to building local and regional leaders infused with this Level 5 ethic, and who lead with disciplined practicality—disciplined people who engage in disciplined thought and who take disciplined action. Bob understood this from the beginning of his career, showing a strong commitment to the principle "First Who, Then What" as he worked, and continues working, to attract the right people into the key leadership seats in the public sector roles at the local and regional level.

This anthology is a testament to Bob's dedication to disciplined thought, and I encourage you to engage with each of his columns—read through them, discuss them with your team, share them with your friends. The collective wisdom housed in this anthology is a valuable resource from which we can all learn. Of course, disciplined thought without disciplined action is akin to laying out the flight plan and then never taking off. But Bob O'Neill has sent many planes into flight, and he shows no signs of stopping anytime soon. Bob has tried to do for the local government sector what Lou Gerstner tried to do for the business sector: transform a culture of bureaucracy into a culture of discipline. In a culture of bureaucracy, people have little freedom and lots of rules. In a culture of discipline, people have lots of freedom within a framework of responsibilities and values.

We live in communities. We work in communities. We raise families in communities. We contribute in communities. Bob O'Neill has mentored an entire generation of public sector leaders to continue turning the Flywheel of building great public organizations, and in doing so, building great communities. And in these pages, the enduring legacy of his mentorship continues.

Jim Collins
Author, *Good to Great*, *Built to Last*, and *How the Mighty Fall*
Boulder, Colorado
July 6, 2016

© 2016 by Jim Collins

1

Trust, Leadership, and Courage: Keys to Local Innovation

Highlighting Hampton, Fairfax County, Phoenix, Charlotte, and Bellevue, Bob discusses the characteristics that lead local governments to become innovators.

Elected and appointed officials in local government face enormous challenges. The speed and complexity of worldwide change are taxing every institution and complicating government processes and functions. The things that matter most to citizens—employment, education, safety and security, health care, and the environment—transcend conventional boundaries of our federal system and our public, private, and nonprofit sectors, so the burden falls on local government to grapple with these issues. Current approaches to federalism and the reality of the federal government's long-range financial projections demand that local and regional governments create innovative ways to address challenges and opportunities.

So what do we know about innovation in the local and regional context? How do we successfully develop and incubate new approaches to important issues? What sustains innovation and creates a culture of adaptation?

I have spent most of my career trying to develop a capacity for innovation in government organizations. I have studied some of the "best organizations" in each sector. Having worked very hard in Hampton and Fairfax County, Virginia, to develop the capacity to innovate and having observed the approaches used in places such as Phoenix and Charlotte, I have learned many lessons. One of my most important observations is that, while there are an infinite number of conditions and circumstances facing local governments, the innovators exhibit a number of similarities that are necessary to sustain innovation over time. These include strong citizen trust, managerial leadership and competency, and policy and managerial courage.

One of the most significant factors determining the success of local government is how it relates to those it serves. I believe that the working capital of innovation is citizen trust. Given the "fishbowl" in which local governments operate and the constant media attention drawn to their unsuccessful ideas, most governments are risk averse. Governments in which trust levels are low rarely try anything new, since failure is magnified. Governments with strong levels of citizen trust seem able to withstand the occasional failure and continue to innovate.

One has only to examine the city of Bellevue, Washington (pop. 117,000), to get a feel for the level of trust and community vision shared by citizens and their local government. The city is dedicated "to serving residents and providing them with . . . the resources . . . they need to maintain and improve their neighborhoods." The council's vision statement—which talks about the council and staff's commitment to customer service, quality, and partnership and how the city "cares about its citizens and employees and values its roots"—is prominently displayed on the city's website. And on countless occasions, Bellevue has

Originally published on Governing.com March 29, 2006.

partnered with citizens to preserve their vibrant and healthy neighborhoods.

Strong political and managerial leadership and competency also play a major role in determining a local government's level of innovation. Having leaders who can create meaning and a compelling vision within the strategy of change, support and protect a culture of innovation, and focus on results and accountability is an important prerequisite. Being able to synthesize information to create a persuasive case for change and to execute strategies designed to move an organization forward are at the heart of what makes a transformational leader. Never being satisfied with "good enough" and having a driving curiosity for what "could be" are essential. The value of senior management leadership is measured, in part, by how well the organization performs tomorrow. There is no substitute for managers who can develop and link vision, strategy, and results.

The city of Phoenix, Arizona (pop. 1.3 million), is particularly adept at leveraging the combination of political and managerial leadership. The elected officials let the city manager do what he does best while they focus on providing a far-reaching vision for the community. This successful pairing of political and managerial leadership has earned Phoenix the reputation as one of the two best-managed cities in the world and one of the two most highly ranked U.S. cities, according to the *Governing*/Syracuse University Government Performance Project.

Finally, there is no substitute for policy and managerial courage. Organizations that deliver results that matter to those they serve and develop extraordinary levels of trust are led by elected and appointed leaders who are unafraid to tackle tough issues in new ways. They nurture an organization that succeeds often and is not afraid to fail.

The city of Charlotte, North Carolina (pop. 540,828), exhibited this kind of courage during the early 1990s, when the city launched its City Within a City (CWAC) initiative. Charlotte officials easily could have written off the city's decaying neighborhoods in favor of channeling public resources toward its rapidly growing downtown financial center. Instead, in 1991, city leaders launched a comprehensive (and risky) series of strategies—including workforce development, educational attainment, crime reduction, small business assistance, and improvements in neighborhood housing policies and community appearance—aimed at meeting the community development and quality-of-life needs in its older urban neighborhoods and business districts. While Charlotte considers the CWAC initiative a success, those involved readily admit that much remains to be accomplished. Initiatives such as these, which tackle tough issues in innovative ways, are long journeys with sometimes changing destinations.

These are the important concepts we must adopt to better develop and support innovators. If local government is an "industry," it greatly "underinvests" in research and development. We need to do a better job of identifying the big ideas that will help shape our response to the larger issues facing local government. We can be more helpful to innovators in identifying leading practices and making them happen.

Local government leaders are a committed and dedicated force to improve the quality of life in our communities. While the challenge of innovation is formidable, the rewards for our residents are well worth the price.

2

Professionals Must Make Noise about Making a Difference in State and Local Government

Bob uses Public Service Recognition Week and the 2005 designation by the Government Performance of the Commonwealth of Virginia as one of the nation's best-managed states to encourage local government managers to toot their own horns about the "value proposition" of professional management.

During the first week of May, Washington, D.C., was alive with great stories about the outstanding contributions of the men and women who serve America as local, state, and federal government employees. The occasion? Public Service Recognition Week, the time set aside to "educate citizens about the many ways in which government serves the people and how government services make life better for all of us."

A few weeks ago, I also spent a day and a half with some of the extraordinary leaders who played a big part in the 2005 designation by the Government Performance Project (a joint effort of the Pew Charitable trusts and *Governing* magazine) of the Commonwealth of Virginia as one of the nation's best-managed states. Virginia was the only state in the nation to earn straight A's for its management of "money, people, infrastructure, and information," and then Governor Mark Warner held a press conference in January of last year announcing the prestigious honor.

Despite all the hoopla, I'd bet that less than 10 percent of Virginians were aware that their state had been so highly honored. I'd also venture a guess that an even smaller percentage of Americans nationwide were aware of Public Service Recognition Week or, for that matter, of the contribution that their appointed officials make to the quality of life in their communities.

All our research and experience suggests that one of the clearest predictors of success and performance in state and local government is the quality of the individuals who work in those organizations, and that professional leaders and managers matter. Yet very few people know who we are, what we do, or how we contribute.

So just what is the "value proposition" of professional managers to public service? What difference does employing a highly trained, skilled professional really make? The success of an outstanding organization is determined, in large part, by its ability to connect vision, mission, and execution, and professionals bring extraordinary value to this process. Our contributions revolve around six key areas of commitment:

- A Higher Level of Ethical Standards and Personal Integrity—Most professionals in public service are dedicated to a set of values, principles, and ethical standards that are essential to the integrity of the public enterprise. ICMA members, for example, subscribe to a Code of Ethics that is based on adherence to, among other things, standards of honesty and integrity that go beyond those required by the law. It is through commitment to

Originally published on Governing.com June 7, 2006.

a higher set of ideals that professional managers "affirm the dignity and worth of the services rendered by government and maintain . . . a deep sense of social responsibility as a trusted public servant." [1]

- Efficiency and Results That Matter—At the core of every outstanding public organization is a group of expert managers who are dedicated to the successful stewardship of the public's assets and resources. These individuals are committed to achieving results that matter most to stakeholders and to pursuing excellence and total quality in the design and delivery of public services.
- A Long-Term, Community-Wide Perspective—Our world view is framed by policies developed by anecdote and explained in sixty-second sound bites. With term limits and elections by district becoming more prevalent at the local level, professional managers may be the only ones who can bring a long-term perspective to discussions and strategies.
- Democratic Values—How often have we heard the lament: "If you would just run government like a business . . . or at the speed of the Internet. . . ."? Professional managers are constantly trying to balance business and process efficiency with the values important to preserving democratic institutions. Day after day we face the challenge of balancing processes based on "notice, transparency, and due process" with the "need for speed" made possible by state-of-the-art processes and technology.
- Developing and Sustaining Competency—Excellent organizations have a relentless focus on implementation and execution. Building and sustaining organizational capacity is a fundamental responsibility of leadership. Professionally run organizations are much more successful in attracting, retaining, and developing talent, particularly during times such as the present, when major generational shifts are taking place and cultivating the workforce of the future becomes critical.
- Equity—Great organizations are about inclusiveness. They consider those who may not have a "strong voice" or access to traditional sources of power and institutions. Professional managers strive not only to be inclusive but also to give attention to individuals and groups without access.

So—if the average citizen recognizes that these commitments are important and the value proposition of professional management is therefore clear, why is it so difficult for many stakeholders, including elected officials and the media, to understand the enormous contributions made by professional local and state government staff?

One answer lies in Jim Collins's *Good to Great*. The best executives and managers I have seen in public service are extraordinary examples of Collins's Level 5 leadership. As he describes it, "Level 5 leaders channel their ego needs away from themselves and into the larger goal of building a great company. It's not that Level 5 leaders have no ego or self-interest. Indeed, they are incredibly ambitious—*but their ambition is first and foremost for the institution, not themselves*." [2]

While it is this relentless pursuit of the organizational mission combined with personal humility that represents the very best of the public service professional, that personal humility presents a paradox: If we deflect the credit by first giving it to others, how do stakeholders recognize the contribution we have made?

As I discussed earlier, in today's world, it is often the person or institution with the loudest sound bite that draws the most attention, while the men and women who go about their work with little fanfare seldom are heard. Rarely do these highly trained, experienced professional leaders and managers receive the recognition or "celebrations" they deserve.

Our challenge is to balance humility with the need to educate stakeholders and constituents about what professional leadership and management are all about—and more importantly, why they should care. Only by telling our own story—through a few words delivered at a public forum or civic group meeting or coordination of our community's participation in events such as Public Service Recognition Week—can we foster an appreciation of the fact that good governance, effective policy, and the efficient delivery of services every day don't just happen. It is a partnership that is fueled by the momentum of dedicated, professional policy makers and those who execute those policies.

NOTES

1. ICMA, *ICMA Code of Ethics with Guidelines*, last revised July 2004, icma.org/en/icma/knowledge_network /documents/kn/Document/302085/ICMA_Guidelines_for_Compensation.
2. Jim Collins, *Good to Great: Why Some Companies Make the Leap . . . and Others Don't* (New York: HarperCollins, 2005), 21.

3

A New Model for Disaster Response

The networked approach to emergency management is a disaster assistance system that relies on a network of partnerships among cities and counties, supported by a sophisticated database of human and material resources for emergency response and recovery.

As I write, we are in the midst of hurricane season and have seen massive wildfires in the West. And, despite the considerable analysis and discussion that occurred following Hurricanes Katrina and Rita, we are still operating from basically the same playbook in our approach to emergencies—a "command and control" approach.

Consider the possibilities of a disaster-assistance system that relies instead on a network of partnerships among cities and counties, supported by a sophisticated database of human and material resources for emergency response and recovery. Consider, too, changes in the intergovernmental system that allow officials to cut through bureaucracies to get help into affected areas more quickly.

In such a model, assets could be identified and local government response teams could be certified, trained, and deployed for all four phases of a disaster: preparation, response, recovery, and restoration. The system would have multidisciplinary teams with a full range of local government expertise, not just police and fire personnel as first responders. The states' Emergency Management Assistance Compact would be involved in developing the precertification criteria, and the local government personnel would be certified to respond across state lines in specific functional areas, such as information technology, utilities, code enforcement, public works, finance and accounting, housing, EMS, police and fire, and other essential operations.

In addition to a comprehensive database of human and physical assets—from the public, private, and nonprofit sectors—available for rapid deployment, the system should include a geo-mapping tool to identify, select, activate, track, and manage response assets. Equipment and materials not in use would be stored in accessible locations, such as available military base facilities, which are well suited for this function. The network of relationships would need to include the military officials who have been tasked with support to local governments in disaster situations.

All too frequently, the initial outpouring of support after a disaster is not sustained. But look at how many local governments found ways to get help into communities affected by Hurricane Katrina through their personal relationships with individuals. Some regional teams provided recovery assistance for more than three months by rotating personnel and establishing clear management protocols. In this way, they were able to retain essential capabilities in their own regions while providing long-term assistance in another state. The regional teams included several cities and counties that had trained together and supported each other in earlier disaster recoveries.

Originally published on Governing.com August 16, 2006.

This networked approach makes available pre-certified local government professionals who can be deployed as individuals and/or teams to provide assistance in addressing the steps necessary for recovery. Elements of a recovery process would typically include restoring basic community services; identifying long-term housing solutions; coordinating with federal, state, and regional organizations; finding and managing public and private aid; and recruiting and managing volunteer networks. Recovery assistance from an individual local government would be provided on a relatively short-term basis, such as a 6- to 12-week period, rotating teams and individuals as necessary.

Restoration can take place over a period of years. It works best when communities that need ongoing, long-term support and technical assistance are matched with local governments able to provide such assistance. The assistance may include redevelopment advice and capacity building in areas such as housing, economic development, environmental management, and public works. The assistance would be provided over an extended period of time agreed upon by the participating local governments.

Local governments interested in participating would identify the technical areas in which they are willing to provide pro bono assistance, and this information would be maintained in the database for easy identification and retrieval. Reimbursable expenses would be limited to materials, equipment, and other nonlabor costs. By way of example, with financial support from the U.S. Agency for International Development, ICMA has been able to deploy local government teams to provide restoration support to areas in Sri Lanka devastated by the tsunami; there is no comparable system to assist devastated communities in the United States.

Historically, the United States has tried to manage disasters with a "command and control" approach. What is needed now is a dynamic and network-centered approach that has the flexibility to move resources and assets where they need to be, when they need to be there. Working together gives us the greatest hope of not repeating the past.

4

Sustaining Community; Sustaining Our Profession

Building on ICMA's 2006 Annual Conference and Michael Willis's challenge to ICMA members to make sustainability the "issue of our age," Bob outlines the four goals of ICMA's Next Generation Initiative related to sustaining the profession.

Sustaining Our Communities in an Uncertain World was the theme of the September 2006 Annual Conference of ICMA, the premier local government leadership and management organization. As 4,000 of my colleagues, their guests, and I shared information, networked, and enhanced our skills, I thought about the fact that so many elements of the conference converged under this theme, making the event "click" for me more than any other event in recent memory.

Sustaining the World by Sustaining Our Communities

The click began with the preconference publication in the August issue of *Public Management* magazine of an article on sustainability by Michael Willis, general manager, Blue Mountains City Council, New South Wales, Australia.[1] Willis had chosen sustainability as one focus of his year as ICMA president.

Originally published on Governing.com October 18, 2006.

In his article, Willis cites the old adage, "all politics are local," and discusses how, while debates on such megachallenges as global warming have become more prominent within the international political arena, public servants must effectively tackle these issues at all levels of government.

What it means for those of us in the public sector is that we must make ecological choices at the federal, state, and local levels that address current needs and enhance the livability of our communities today without compromising the capacity of future generations to do the same. It translates into smart growth planning, effective environmental management, greenhouse gas emission reduction, and brownfields redevelopment. In his article, Willis describes sustainability as elected and appointed officials adopting the kind of ecological mindset that integrates every environmental, social, and economic decision we make.[2]

Sustaining Our Communities by Sustaining Our Profession

In his *PM* article, Willis envisions public sector leaders as being in the "legacy business" of creating sustainable communities that encourage others to follow.[3]

My second revelation related to the ICMA Annual Conference was that we are building the future sustainability of our communities by developing an enduring pool of the best and brightest to lead them.

We're all aware of the statistics that predict staggering turnover among public sector managers as the baby boomers depart from their leadership positions

and head toward retirement or less-demanding careers. Nearly 50 percent of ICMA members working in local government today are older than 50; many will retire within the next five to seven years.[4]

What is the responsibility of public sector leaders in ensuring the continuation of a strong profession that is well prepared to serve all levels of government? It comes down to the four strategies under which ICMA has organized its "Next Generation" outreach activities:

1. Promote awareness of the challenges and rewards of public sector service and encourage individuals to consider careers in the field. Establish civic education programs that engage K-12 students in their governments, participate in college and university career fairs, and make professors in academic institutions aware of what public sector employees do and why it has value.
2. Help new and early-career professionals land their first jobs in local government. Increase the number of public sector internships, fellowships, and scholarships, and reach out to the best and brightest individuals when recruiting for open positions.
3. Engage local government management professionals early in their careers. Implement changes in the public sector workplace that address the needs of young professionals, including two-career families and those who value work-life balance.
4. Build the leadership pipeline by engaging and developing promising individuals so that they are prepared to step into leadership roles. Identify the best approach for meeting the leadership and skill-building needs of entry- and mid-level career staff, including mentoring and coaching programs and opportunities for core competency development.

These strategies work! As I interacted with the local government managers and staff who had traveled from communities throughout the world to join us at the ICMA conference, I was heartened by the fact that for the first time in years, a critical mass of new faces had appeared—not just young people (i.e., age 40 and younger), but individuals from nontraditional cultures and ethnicities and other walks of life, including the military and private sector. The event felt less like a gathering of the faithful and more like an exciting opportunity to welcome new recruits to the challenging yet rewarding world of public service.

Leaving behind a public service legacy is one of the most important things we as local, state, or federal leaders can do. Just as we must think globally and act locally on issues that affect our environment and communities, so too must we take responsibility for preparing and developing the next generation to sustain our profession and ensure the continuity of our society.

NOTES

1. Michael Willis, "Sustainability: The Issue of Our Age and a Concern for Local Government," *Public Management (PM)* 88 (August 2006): 8–12.
2. Ibid., 9.
3. Ibid., 10.
4. Results of ICMA's "State of the Profession Survey 2002."

5

A New Alliance for Innovation

The Alliance for Innovation has been created to fill the void among local governments left by the lack of investment in research and of active dialogue focused on innovation, and leading practices—a void that may diminish the vitality, integrity, and success of local government in the years to come.

Dramatic social and demographic changes are creating significant challenges for our communities and local government organizations. For example, schools have students with more native-language and cultural diversity than ever before. And the retirement of baby boomers will have a considerable impact on government coffers and the labor market. These sweeping changes, which cross organizational and institutional boundaries, are affecting the things that matter most to citizens—employment, education, safety and security, health care, and the environment.

All of these factors—and more—should prompt local governments across the country to ask, "What do we want our community to be?" and "What will success for our community look like?" Public officials also will have to answer the question of "how." And as the challenges change, the answers must, too; they must evolve out of research and innovation.

As a combined sector, state and local government is a huge industry by any measure. Yet, unlike the private sector, state and local governments have limited "risk" capital and invest only a fraction of what the private sector does in research and development. For local governments, a lack of investment in research combined with a lack of active dialogue focused on innovation and leading practices creates a void that may diminish the vitality, integrity, and success of local government in the years to come.

Filling this void requires a new approach to research, innovation, and the development of best practices. The newly formed Alliance for Innovation—a partnership among IG, the Innovation Groups; ICMA; and Arizona State University School of Public Affairs—is designed to respond to these needs by identifying the major forces that will drive local government over the next 10 to 15 years.

A major strength of the Alliance is its ability to bring together some of the best local government practitioners in the country, along with private sector partners and academics. The Alliance will create a forum where these thought leaders can discuss major trends, innovations, and leading practices. Their dialogues will contribute to the research agenda for the Alliance.

To ensure a comprehensive, multidisciplinary approach to research, the Alliance has also invited subject experts from universities around the country to participate in the development of the research agenda. Relevant disciplines, such as architecture, planning, engineering, and environmental studies, will be involved.

Initial research will focus on identifying leading or best practices that respond to current social and demographic forces. Often a practice may be an innovative and best response to a problem in one local

Originally published on Governing.com December 20, 2006.

government, but because of socioeconomic, political, or other forces, the practice may not be adoptable in other parts of the country. The research conducted by the Alliance will test the adaptability of a practice and make refinements to ensure its successful application.

Local governments will serve as incubators for best practices, and each step—implementation, modification, and refinement—will be subjected to analysis. Using the results, the Alliance will help develop strategies for countless local governments and regions around the world to improve the effectiveness of critical public services and the quality of life in their communities. Additionally, as local governments can be slow to incorporate innovations into practice, the Alliance will develop an approach to help local governments adopt innovations as quickly as possible.

Strong, competent, and visionary leadership will be key to implementing the organizational change necessary to ensure the continued success of our communities. Depending on the scope of the innovation introduced, new business models and new skills and competencies may be required among local government professionals. These changes can be unsettling and resisted at many levels throughout an organization or a community. A visionary and trusted leader can make the case for these changes.

The Alliance and its partners will make available to local governments the tools they need to support the introduction of innovative programs and practices in their communities. It won't necessarily create successful leaders, but the Alliance for Innovation can become an important resource engine for leaders with a passion for the vitality, integrity, and success of local government now and in the future.

6

Looking Out for Tomorrow's Public Servants

Attracting the nation's best and brightest to public sector service is a worthy and important goal considering (1) the impending retirement of the baby-boomer generation; (2) the preference of many young people interested in public service for pursuing nonprofit jobs before considering government work; and (3) the pay disparity between the public and private sectors for top talent. Bob also discusses the origins of ICMA-RC and the Center for State and Local Government Excellence.

No one would argue that attracting the nation's best and brightest to public sector service is not a worthy and important goal. This goal is elevated from "worthy" to "imperative" when you consider (1) the impending retirement of the baby-boomer generation; (2) the preference of many young people interested in public service for pursuing nonprofit jobs before considering government work; and (3) the pay disparity between the public and private sectors for top talent. It is not a foregone conclusion that we will be able to attract the talent required to manage the complex environment of tomorrow's state and local governments.

Identifying creative approaches to attract and develop a cadre of skilled, committed, and trained individuals to serve in state and local government is the vision of the Center for State and Local Government Excellence, which will launch this spring with support from the ICMA Retirement Corporation.

ICMA-RC itself was an innovative solution to an earlier problem. When ICMA formed the Retirement Corporation in 1972 with a grant from the Ford Foundation, public employees depended entirely on defined-benefit plans; they had no vehicle that would allow them to make tax-advantaged contributions to a retirement plan and then take those funds with them when they changed jobs. Since many defined-benefit plans required five or ten years of service before employees became vested, public service professionals who changed jobs with relative frequency often retired after a distinguished career to find themselves without a pension. Using the Ford Foundation grant, ICMA created ICMA-RC as a nonprofit corporation, establishing the first nationally portable retirement plan in the public sector. ICMA-RC currently has $28 billion under management and administers more than 7,000 plans for more than 5,000 sponsors and employers and 700,000 public employees.

Historically, public sector workers could expect decent pay and good benefits, particularly in the areas of retirement income and health care. However, tight budgets, the growing number of retirees and accompanying cost of benefits, and new Governmental

Originally published on Governing.com March 21, 2007.

Accounting Standards Board reporting requirements have cast pensions and other post-employment benefits in a drama that will be played out on the public stage. Without good information about the actual costs of these programs, state and local governments run the risk of managing these costs in a vacuum.

Today, state and local governments have a new set of issues to tackle as the baby boomers approach retirement age: How will we create and sustain high-performance organizations that can attract and retain top talent and produce results that matter most to citizens? How will we finance the pensions of the current workforce? How do we deal with health care for the large baby-boom generation of public employees? Are the current approaches to wages and benefits financially sustainable and attractive to a new generation of workers?

Enter the Center for State and Local Government Excellence. The center will focus on research in the areas of public sector retirement and retiree health savings security. Its executive board consists of national leaders who have served in the highest levels of government, the media, and state and local government associations. Specifically, the board includes National League of Cities Executive Director Don Borut, National Governors Association Executive Director Ray Scheppach, and Government Finance Officers Association Executive Director Jeff Esser.

Partnering with leading universities and researchers working in the areas of pensions and retiree health care, the center will produce studies on the impact of demographic trends on employers in state and local governments and will document leading practices to shorten the learning curve for employers. In addition, the center will develop—and advocate for—best-practice approaches to compensation, health care, retirement, and other benefits.

The center brings no ideological ax to grind on public sector pensions; it will simply work to ensure that the men and women who serve in our state and local governments can count on pension and retiree benefits. Simultaneously, it will work to engender support for the value a highly trained public sector workforce contributes to the quality of life in our communities. As the public discussion continues over how to ensure that public employees have the stable retirement they deserve, there is a growing need to ascertain the facts and bring common sense, level-headedness, and creativity to the debate. The center will do just that.

7

Baseball and the Limits of Conventional Wisdom

Referencing Jeffrey Pfeffer and Robert Sutton, whose work was featured in a January 2006 *Harvard Business Review* article, and the story of the Oakland Athletics' visionary general manager, Billy Beane, as described in Michael Lewis's *Moneyball*, Bob discusses evidence-based management and explains how one needs to have a crystal-clear understanding of where one wants to go.

Many of us who lead organizations view the steady parade of new management trends with wariness. Quality circles. TQM. Downsizing . . . rightsizing . . . and now . . . brightsizing! The list is endless, and the promised results often go unrealized.

Now along comes "evidence-based management," and some of us already wonder why we should pay heed to this latest trend. Unlike other such practices, evidence-based management is based on outcomes, uses up-to-date data, and directly influences daily decision making.

Before we dismiss this practice as obvious or too elementary, consider the ways in which many of our organizations currently make decisions. Jeffrey Pfeffer and Robert Sutton, whose work in this area was featured in a January 2006 *Harvard Business Review* article, explain that what often "passes for wisdom" in an organization is actually outdated information, unproven traditions, personal experience, our own highly held beliefs, and "casual benchmarking."[1]

Because information acquired firsthand, however inadequate, feels more reliable than solid research, many of us, say Pfeffer and Sutton, rely on strategies that worked for us in the past but may be inappropriate for our current organization's mission, stakeholders, and environment.

How can public sector managers move beyond conventional wisdom to practice evidence-based management? For starters, we can look to that great American pastime: baseball.

In his book *MoneyBall*, Michael Lewis describes how the Oakland Athletics' visionary general manager, Billy Beane, systematically assembled a team that for years has enjoyed sustained success, despite having one of the smallest budgets in the game. Beane knew he would never have a bankroll the size of many of his competitors, so instead he looked for "inefficiencies" in the game. Beane sought out "new baseball knowledge" that flew in the face of conventional wisdom, particularly about which types of players could make the grade.

So, how do we as managers replicate the success of Billy Beane and the Oakland A's? First, we need to be clear about what it is that we're trying to accomplish. Having a crystal-clear understanding of what our organization is best at, what it's passionate about, and what drives its economic or resource engine is what separates great companies from the merely good ones, according to Jim Collins, author of *Good to Great*.

Originally published on Governing.com July 4, 2007.

Further, we need to understand the distinction between outputs (what we do) and outcomes (what the impact of what we do is). It's easy to convince ourselves that measuring outputs, the product of our organization's performance—documenting the number of potholes we fill and taking a head count of the citizens we respond to in a given day—sufficiently demonstrates the value of our programs and services. Outcomes, however, measure the actual impact and benefit of a program or service to our customers and stakeholders. These metrics are critical for public organizations; if what we do doesn't make a difference, rather than waste resources we should reevaluate and realign our programs and services—or stop doing them altogether.

In implementing the practice of evidence-based management, it is critical to gather the most current data about our organization and use that information to establish appropriate performance objectives and measures. By rigorously assembling the right evidence and program metrics, we can document that what we do actually produces the outcomes desired, and in the most effective way. This is the Holy Grail of successful management.

Lastly, we must carefully consider what the data and information we've collected tell us about our organization's future direction. Evidence-based management forces us to consider which programs we should continue, which ones we should drop, and which new initiatives we should pursue. Only by rigorously weighing all the facts—and not the hype, the organizational sacred cows, and our own feelings, skills, and management styles—can our organizations deliver tangible outcomes.

One example of a local government that has employed evidence-based management successfully is Palm Beach County, Florida. Troubled by the increasing gap between the needs of its children and families and the resources available to address those needs, in 1986 citizens voted to establish the Children's Services Council of Palm Beach County.

Following two decades of operation and newly identified evidence-based programs in the fields of early childhood and after-school programming, the council was ready to move to the next level of program and system development and accountability. It did so by ignoring the conventional wisdom and, instead, developing a logic model system of nonprofit providers who focus relentlessly on improving outcomes for children based on documented evidence of program success.

"Working from an outcome and data-driven position provides Palm Beach County investors—the taxpayers— with the information they need to quantify their investments," CSC CEO Gaetana Ebbole says. This approach also provides CSC staff with validation of the value of their hard work. "Finally, and most importantly," says Ebbole, "the CSC's data-driven position lets the children and families that the organization serves know they can count on the council because they themselves have succeeded."

The 2005–2006 program results support the Palm Beach County CSC's approach. A few indications that the rigorous use of data to evaluate performance moved this organization forward are decreased infant mortality and teen birthrates; significant increases in the provision of services such as nursing home visits, family therapy, and case management; lower absenteeism and discipline referrals; and more school grade promotions among elementary school children who participated in one or more CSC programs.

The Palm Beach County CSC is just one example of how public managers can use evidence-based management to clarify the focus of their initiatives, curb waste, eliminate ineffective programs, and deliver results that matter to their constituents. Like most successful approaches to management, the theory behind the practice is deceptively simple. But just as Billy Beane of the Oakland A's ignored the conventional wisdom of baseball's front office to build one of the most successful teams of the last decade—a model now being replicated by other franchises—we as managers should use new knowledge, performance measures, and logic to implement this eloquently simple leadership practice within our own organizations.

NOTE

1. Jeffrey Pfeffer and Robert I. Sutton, "Evidence-Based Management," *Harvard Business Review* (January 2006): 63–74.

8

Fueling the New Creative Economy

In conjunction with the National Conference on the Creative Economy (held in Fairfax County, Virginia), a panel explored how communities can attract and retain creative people and solve community problems imaginatively. Here, Bob outlines eight insights learned from communities that have built, or hope to build, diversified, successful economies.

In late October, I joined a passionate group of forward-thinking individuals for the National Conference on the Creative Economy, held in Fairfax County, Virginia.

Richard Florida, best-selling author, professor, and founder of the Creative Class Group, delivered one of the three conference keynote addresses. He theorized that with America's transformation from an industrial to a "creative economy" (more than one-third of us work in fields related to the arts, sciences, culture, innovation, entrepreneurialism, and knowledge-based professions), the challenge now is to "tap and stoke" the energy required to fuel those creative industries and ensure the regeneration of our cities.

I participated on a conference panel that explored how communities can attract and retain creative people and solve community problems imaginatively. To prepare for this discussion, I identified eight insights learned from communities that have built, or hope to build, diversified, successful economies:

Originally published on Governing.com November 28, 2007.

1. Recognize worldwide competition

Competing in a global economy brings out the best in cities throughout the world. Florida's creativity index recognized Manchester, England, as Britain's most creative city for attracting a talented, ethnically and culturally diverse workforce fueled by a technology-driven economy.

2. Play to existing strengths

Cities and regions must take stock of existing assets and map skills and experiences from traditional disciplines such as industrial design—which served the automotive industry so well in its heyday—to knowledge- and entrepreneurial-based industries, such as information technology, bioinformatics, and modeling and simulation. Wellington, New Zealand's Creative HQ and satellite incubator was established in 2002 to capitalize on the region's strong creative competencies and foster the entrepreneurial growth required to create jobs and build economic activity.

3. Partner with initiators and accelerators to develop creativity

Universities, not-for-profits, chambers of commerce, and organizations with seed capital can jumpstart a region's economic development. Since 1999, the

University of Central Florida has worked with more than 80 emerging companies to generate 700 new jobs and more than $200 million in annual revenues.

4. Support institutions such as workforce training centers and community colleges

These mainstays of human capital development can move communities beyond a one-off success to build the momentum and scale that new economies need. Social innovator Bill Strickland, for example, used a handful of grants from federal employment programs, the Pennsylvania Council on the Arts, and eventually the National Endowment for the Arts to turn a near-bankrupt community training center on Pittsburgh's North Side into a $7.5 million, 62,000-square-foot vocational training and visual/performing arts center. Today the Manchester Craftsmen's Guild is considered one of the most successful models of its kind.

5. Leverage connections to other regions and networked approaches

Just as stand-alone information technologies are rarely successful, so, too, are self-contained industry clusters. The "hubs and nodes" model, in which research, development, and commercialization are spread across thousands of miles and locations, is quickly becoming the new industry standard. To succeed in this environment, communities must identify their strengths and then form nexuses with specialized networked regions that have complementary competencies and assets.[1]

6. Employ social networking and marketing

Cultivating relationships with established business leaders is no longer enough. Creative communities use social media (blogs, podcasts, and even Facebook) to engage, listen to, and respond to residents at all levels. Successful regions create a social "buzz" that galvanizes the community and supports residents' shared values and their vision for the region's future.

7. Use basic infrastructures and regulatory flexibility to support creativity

Creative companies are drawn to regions that can support their vision, and no data support the assertion that lower tax structures build better communities. Regions must "pay to play" in the new economy by combining tax and other revenues with regulatory flexibility to support mixed-use zoning and the development of nontraditional housing and arts districts. Charleston, South Carolina's Digital Corridor, for example, offers resources to the new business community in the form of "technology-enabled initiatives and business incentives, private business support and member-driven programming."

8. Create sustainable, ecofriendly communities that attract creative companies and people

Affordable housing, good schools, user-friendly parks, bike paths, strong transportation systems, and access to affordable telecommunications attract young, dynamic companies and their workers. But creating sustainable communities is as much about creating a balanced economy as it is about smart growth and recycling. Local governments are the key to ensuring that a community's or region's basic business practices support all of these elements.

Steve Miller of New Economy Strategies observes that "not every community can sustain a creative initiative, and certainly no one initiative can fit all regions." The most progressive and high-performing communities continually strive to innovate. And local organizations must do the same to effectively address those issues that threaten the social, environmental, and economic future of those communities. There are many paths to success. As public sector leaders, we are responsible for ensuring that our communities nurture innovation, competition, creativity, and sustainability.

NOTE

1. "From Clusters of Industry to Clusters of Knowledge & Competency: Briefing Paper 1," New Economy Strategies LLC (Washington, D.C., 2007).

9

A Roadmap to Measuring Performance

Performance data are essential to developing strategic plans, measuring progress toward goals, assessing policy alternatives, and making sound management decisions. Bob also discusses the creation of the National Performance Management Advisory Commission.

There can be little dispute these days among state and local government officials about the importance of communicating accurate, fair, and comparable data about the quality and efficiency of service delivery to citizens.

Performance data are essential to developing strategic plans, measuring progress toward goals, assessing policy alternatives, and making sound management decisions. Since 1994, the Center for Performance Measurement, created by ICMA, has helped participating jurisdictions improve the effectiveness and efficiency of their public services through the collection, analysis, and application of performance information. The ICMA center and other organizations have helped local governments to implement the following best practices:

Citizen participation: A diverse collection of local governments now routinely uses citizen surveys to establish priorities, get feedback from residents regarding city services, and examine community perceptions regarding quality-of-life indicators.

Originally published on Governing.com March 12, 2008.

Budgeting for performance: Other jurisdictions have effectively implemented broad performance measurement and management as a permanent tool when developing the annual budget—linking strategic goals with departmental objectives, establishing specific performance objectives, and identifying and adhering to best practices.

Long-term and cross-agency measurement: Some jurisdictions use performance management to align department services and programs with strategic priorities, report on service efforts and accomplishments, conduct multiyear comparisons, and provide quantitative information regarding the economic, financial, and demographic status of the jurisdiction.

Despite the increasing and successful use of performance management among state and local governments, there exists no commonly accepted framework or guidelines. In response to this challenge, 10 leading state and local government organizations have joined forces to create the National Performance Management Advisory Commission.*

The work of the Performance Commission will build on the successful model of the National Advisory Council on State and Local Budgeting, which was established in 1995 and whose three-year work plan produced a comprehensive set of budgeting principles and practices that has become the guide for state and local governments. The Performance Commission's two-year mission will be to design a voluntary, comprehensive framework for performance management that supports and guides state and local government efforts in accessing and implementing performance

management and measurement systems.

These guidelines will identify general approaches and practices that are characteristic of successful performance measurement and management; emphasize the value of evidence-based and data-driven decision making in delivering effective government services; and provide a flexible framework that is adaptable to the unique and diverse environments of state and local government. It is imperative that these guidelines reflect the issues and challenges associated with development and implementation of performance management systems from a broad range of perspectives, including elected and appointed officials and program and operational managers.

The resulting framework will help state and local leaders assess existing performance management and measurement systems and design new ones. The guidelines will not be prescriptive. Rather, they will be principles both general and flexible enough for state and local government organizations to adapt to their unique and diverse environments, while providing a common frame of reference and an arsenal of examples of leading practices.

The Performance Commission held an organizational meeting in early February, in Denver, Colorado, and the first meeting of the principals will take place in the spring. The group's work over the next two years will revolve around four phases that focus on identifying critical issues and challenges; researching best-practice case studies; producing a set of recommendations and a final report; and developing the tools, resources, and training opportunities state and local governments can use to implement performance management systems.

The National Performance Management Advisory Commission guidelines will significantly advance the state of the practice of performance management among state and local governments. I encourage you to learn more and to follow the Performance Commission's progress by visiting its website at www.pmcommission.org.

**The commission will be composed of elected and appointed officials representing each of the 10 sponsoring organizations: ICMA; the Association of School Business Officials International; the National Association of State Budget Officers; the Council of State Governments; the Government Finance Officers Association; the National Association of Counties; the National Association of State Auditors, Comptrollers, and Treasurers; the National Conference of State Legislatures; the National League of Cities; and the U.S. Conference of Mayors. The group will also engage leaders in the fields of management, research, and academia.*

10

Now Is the Time for Collaboration

Economic policies cannot succeed if driven by the federal government alone; states, regions, and local governments have a vital role to play in financing the policy and developing the program strategies in most nondefense initiatives.

The public tells pollsters that the most important issues facing our nation (other than the war in Iraq) are as follows:

- Security and safety
- Jobs
- Health care
- Education
- Environment
- Long-term economic security (retirement, Social Security, and Medicare)

None of these issues can be tackled without a national strategy. All of them transcend the boundaries of federal, state, and local governments and require the public, private, and nonprofit sectors to work together. Each requires a complex, multidisciplinary approach to policy development and execution.

Economic policies are unlikely to succeed if they are driven by the federal government alone. In any analysis of the long-term financial implications of current federal tax policy and expenditure requirements, it is clear that states, regions, and local governments have a vital role to play in financing the policy and developing the program strategies in most nondefense initiatives.

State and Local Government Leadership

Leadership from state and local governments is needed to test new approaches and to develop solutions that Americans will accept. Already many state governments are experimenting with new ways to provide health care to uninsured residents, giving a high priority to children's needs. Likewise, state and local governments are seizing the initiative to reduce carbon emissions through new legislation, such as banning engine idling in urban areas.

To make progress on climate change and sustainability issues, the United States will require a rarely seen collaboration among the levels of government and the private sector. A National Academy of Public Administration report on environmental management, *Taking Environmental Protection to the Next Level: An Assessment of the U.S. Environmental Services Delivery System*, describes the traditional regulatory strategies of the U.S. Environmental Protection Agency and the states as a prerequisite to implementing changes but insufficient to deal with today's environmental challenges.[1] Unprecedented dialogue and shared commitment to goals and strategies across 50 states and thousands of local governments are required to achieve significant results.

The wildfires last fall in California remind us of the complexity of our system of emergency response. In that disaster, we took pride in seeing an effective

Originally published on Governing.com June 25, 2008.

emergency response. The state of California and its local governments have an excellent reputation for emergency preparedness, and they worked well with their federal partners. However, when we consider the response to Katrina, we must acknowledge that our emergency management system has serious weaknesses. Federal, state, and local response and recovery strategies should not be unpredictable and idiosyncratic. Collaboration among the public, private, and nonprofit sectors should be practiced and expected. Open communication and discussion among all of these sectors should be the norm in developing national policy.

Working across Boundaries

One reason we struggle with these issues is that we pay scant attention to the difficulty and the importance of working together and across boundaries. Few forums are available for local, state, and federal leaders to openly debate strategies to address national priorities. To date, we have heard little in the presidential campaign on how the candidates will build the capacity to work on issues that require extensive and sustained collaboration among all levels of government and with the private sector.

Progress in these areas will only be made by restoring the relationships among all the intergovernmental partners and developing the institutional capacity to leverage these relationships to improve outcomes. For Americans to see progress in the areas that are the most important to them, we need a renewed commitment to work together on common goals. The success of the next president's domestic agenda will largely depend on the ability to build support across the intergovernmental system. A full understanding of the delivery system is essential because most major federal programs rely on states and local governments to bring services to our residents.

Plan for Action

It is time for bold action:

- Create an Intergovernmental Policy Council modeled after the Domestic Policy Council; staff it to support a consistent dialogue and to develop recommendations and supporting strategies that require intergovernmental and cross-sector execution.
- Establish a working panel of representatives from the major state and local government organizations to meet quarterly to assess progress on major issues requiring intergovernmental collaboration.
- Develop an institutional capacity (perhaps through NAPA) to assess the capacity of the intergovernmental system to meet the needs of the American people.

The stakes are high. The patchwork approach of recent years endangers to our security as well as our social and economic well-being. It is time for honest dialogue and pragmatic solutions.

This article was coauthored by ***Robert J. O'Neill Jr.,*** *executive director, ICMA; and* ***Elizabeth K. Kellar,*** *president and CEO, Center for State and Local Government Excellence.* *It originally appeared in the spring issue of* The Public Manager, *copyright 2008, The Bureaucrat, Inc., and is reprinted with permission.* *Further duplication without permission is prohibited. All rights reserved.*

NOTE

1. National Academy of Public Administration, *Taking Environmental Protection to the Next Level: An Assessment of the U.S. Environmental Services Delivery System* (Washington, D.C., 2007), www.napawash.org/wp-content/uploads/2007/07-07.pdf.

11

Excelling in Times of Fiscal Distress

Well-run organizations not only survive economic downturns but also create the momentum required to excel. Bob identifies the six characteristics that distinguish successful government organizations from the rest of the pack.

During my 30-plus years of experience in the public and private sectors, I have developed a theory that well-run organizations not only survive economic downturns but also create the momentum required to excel.

Six characteristics distinguish successful government organizations from the rest of the pack:

1. Establishing an early-warning system to discern which environmental trends and factors will have an impact on strategy and timing.
2. Reacting quickly to those trends and factors.
3. Having "migration" strategies in place early to weather the storms of changing environments.
4. Understanding community values and making choices based on priorities.
5. Applying the rigor required to determine whether programs are working.
6. Never being satisfied with the current level of performance.

Originally published on Governing.com October 1, 2008.

Establishing an Early-Warning System

Most of us can articulate the early-warning signs that preceded the current economic downturn: Global forces that dramatically changed the local, state, and federal playing fields. Skyrocketing fuel costs. A failing housing market that robbed our neighborhoods of vitality and our organizations of the ability to generate sufficient revenues. Property tax limitations.

Yet many of us failed to correctly interpret these early-warning signs in relation to their impact on our government organizations. Having a system in place to track and analyze changes in the environment that signal a potential downturn and the need for course corrections is essential to sustaining and improving our organizations.

Reacting Quickly to Environmental Changes

Changing course quickly can help an organization survive and even thrive during bad economic times. A cost-cutting strategy poll conducted by ICMA in August [2008] revealed that many local organizations moved quickly to manage revenue, service delivery, and personnel challenges:

- The majority (68 percent) added or increased user fees and charges for services.
- Fifty-five percent froze vacant positions.
- Nearly 40 percent rescinded previously approved capital expenditures, while 39 percent reduced services, and 38 percent contracted out at least one service.
- Thirty-six percent implemented shared services.

- More than a third increased utility, sales, and property taxes.
- Twenty-seven percent used volunteers to provide some services.

To align programs with current and future community priorities, 27 percent of responding jurisdictions also conducted a performance audit of one or more departments or processes to ensure that they were the *right* programs and that they yielded the desired results.

Implementing a Migration Plan

In the June edition of ICMA's *Public Management (PM)* magazine,[1] and in an August ICMA audio conference, Chris Fabian and Jon Johnson of Jefferson County, Colorado, describe how the county moved from double-digit growth in population, tax revenues, and spending in the 1990s to recognizing that the county's immediate and future fiscal well-being were in jeopardy.

The prognosis for the county's fiscal recovery was poor, with significant slowdowns in revenue, economic, and population growth; a projected exhaustion of reserves within two years; and an estimated general-fund shortfall of $10 million within a year.

To stop the bleeding and to stabilize the county's fiscal health, Fabian and Johnson convinced county commissioners that they needed to migrate to Plan B. This meant such changes as starting to spend within their means; establishing and maintaining operational reserves; understanding budget variances that led to fiscal volatility; being transparent about the "true cost of doing business"; and using trend data, economic analysis, and long-range planning to forecast revenues and expenses and monitor the impact of decisions on the county's overall fiscal health.

Using Community Values and Rigorous Program Evaluation to Make Choices Based on Priorities

Pessimistic about the prospect of increased revenue, Fabian and Johnson convinced the Jefferson County board that it should make future resource allocations based on the highest priorities of county constituents. This was achieved by carefully evaluating each service the county provided; understanding those services better within the context of local priorities; providing a higher level of understanding among decision makers, enabling them to rank services based on community priorities; and articulating to county employees and the public how services are valued and funded and how lower-priority services are divested.

Jefferson County eventually moved beyond stabilization to an ongoing state of fiscal health. The result was a $13.7 million reduction in the 2008 budget without a single layoff.

Never Being Satisfied with the Status Quo

In my March "Management Insights" column [see "A Roadmap to Measuring Performance," pp. 19–20], I discuss the importance of using performance data to make sound management decisions. Implementing broad performance measurement and management strategies is also essential to ensuring an organization's ongoing improvement. Never accepting the status quo means focusing on the strategic big picture and linking that picture to departmental objectives. It requires monitoring and adopting leading practices. It is about not only surviving, but continually striving to move beyond where you are today.

There are no miracle cures for addressing the ills of our fiscally challenged governments. However, demonstrating leadership by recognizing and reacting quickly to environmental changes, switching course when necessary, evaluating and prioritizing programs to ensure ongoing success, and focusing on continuous improvement can move a government organization from life support to a state of good health, and a community to a new plateau when the recovery happens.

NOTE

1. Chris Fabian, Scott Collins, and Jon Johnson, "Getting Your Priorities Straight," *Public Management (PM)* 90 (June 2008).

12

Stimulating Main Street

Bob discusses the importance of national infrastructure investment.

During the past few decades, the United States has cannibalized generations of infrastructure investment and substantially underinvested in its maintenance. We know that if the Obama administration and Congress significantly increase this spending as part of their economic stimulus plan, a few state and local governments that receive funding may not use it wisely. But if we do not make this type of investment—particularly in our critical infrastructure—we will not successfully create jobs, boost business development, or generate long-term revenues that will jump-start our economy and produce lasting effects.

Taking a long-term view of infrastructure investment is not new. We are surrounded by examples of what this kind of national investment can achieve: a world-class interstate highway system, broadband access to the Internet, and a system of airports that serves hundreds of thousands of passengers daily.

To underscore the importance of providing direct funding to local governments as part of the economic stimulus package, ICMA, the National League of Cities (NLC), and the National Association of Counties (NACo) presented a white paper to the Obama presidential transition team in December 2008.[1] In that paper, the three organizations stress that because the majority of U.S. infrastructure is built and maintained by our cities, towns, and counties, the most expedient way to create jobs and generate revenue is for the federal government to invest in "shovel-ready" (out the door within 120 days of funding) infrastructure maintenance projects.

According to the American Public Works Administration, for example, local jurisdictions manage 90 percent of U.S. transit systems, and they own and maintain roughly 75 percent of the more than four million miles of public roads and 50 percent of the nation's 600,000 bridges. The American Water Works Association estimates that more than 98 percent of the nation's water infrastructure investment has been made through local governments, and the Airports Council International–North America reports that local governing authorities own and operate 87 percent of U.S. airports. Virtually all U.S. public schools are owned and operated by local governments.

Investing in infrastructure—such as airports, housing, highways, roads, sidewalks, curbs, trails and bike paths, bridges, transit, clean water, sewer, schools, and communications technology—is not only critical to revitalizing our nation's financial viability. Without it, long-term prosperity is impossible.

This big-picture approach to economic stimulus served our country well in past recessions. While cutback management affords public and private sector leaders the opportunity to retrench and weather the storm of a temporary slowdown, a downturn on the scale of the current crisis calls for an aggregate view of investment.

In "Navigating the Fiscal Crisis: Tested Strategies for Local Leaders"—a white paper developed for ICMA by the nonprofit Alliance for Innovation and released just

Originally published on Governing.com February 4, 2009

last month—the authors discuss a number of strategies that have proven effective in addressing our country's fiscal woes while taking a long-term approach to fiscal revitalization.[2] For example:

- Tax cuts have less impact on economic recovery than do cash grants to governments.
- Capital-project support has greater impact than support for operating expenditures.
- Support for capital projects that have low operating costs has a greater impact than support for capital projects with high operating costs.
- Higher-level government projects and block grants speed economic recovery compared to formula grants.

Lastly, in addition to infrastructure investment, easing access to capital through the bond market for state and local governments will act as an accelerator for federal stimulus investment. Unlike in past recessions, neither the business community nor any single level of government can creatively manage its way through this current crisis on its own. Today the challenge of rebuilding our economic recovery requires a cooperative approach, a long-term perspective, and the thoughtful engagement of leaders from all levels of government and the private sector.

NOTES

1. ICMA, NACo, and NLC, "Local Government's Vital Role in National Economic Recovery," white paper presented to the Presedentuial Transition Team (December 2008), icma.org/en/icma/knowledge_network/documents/kn/Document/302429/Local_Governments_Vital_Role_in_the_National_Economic_Recovery.
2. Gerald J. Miller and James H. Svara, "Navigating the Fiscal Crisis: Tested Strategies for Local Leader," white paper prepared for ICMA (Tempe: Arizona State University, January 2009).

13

Retaining Top Performers

The key to retaining government's best people is knowing what makes them tick: They want to make a difference, and they thrive on complex tasks.

Recently I had a conversation with a city manager who was very concerned that he would lose his high performers during the economic downturn. His organization was facing position eliminations, salary freezes, and travel restrictions, and he acknowledged that his high performers are sought after and mobile.

My colleague's concerns may be well founded. In the April 2008 issue of ICMA's *Public Management (PM)* magazine, James Svara, a professor at Arizona State University and director of its Center for Urban Innovation, reports that conversations with Generation X and Millennial professionals suggest that these talented individuals "may become frustrated at how long it takes to move up unless they are willing to relocate to another jurisdiction to pursue a new job."[1] Svara notes that retaining many of the Gen X professionals who are likely to be the next managers "could be a challenge, if the right opportunities are not available."

The question then becomes, what can local government leaders do to retain their best and brightest? Since that initial conversation with my colleague, I have reflected on what we know about high performers and concluded that he has many options to recruit and retain high performers in this difficult time.

Originally published on Governing.com April 29, 2009.

When you ask high performers what they want in a position and from an organization, you consistently get the same answers. First, they want to make a difference. This is especially true of those who are drawn to public service and who have an interest in local government. They want to work on the issues that are most important to the community and the organization. They don't want to be permanently tied down to rigid job descriptions, organizational silos, and routine tasks. They want to test their creativity, leadership, and management skills. The more complex the task, the better, which is an ideal approach for tackling the challenges facing local government today.

Second, talented individuals want you to invest in them. They have an insatiable appetite for learning. They want to be more valuable to you, to grow professionally, and to be ready when you call with the next assignment. This means that training and professional development matter a lot to them. While I am not a fan of eliminating training and professional development investments when times are tough, the reality is that many jurisdictions will have to eliminate or scale back in these areas in response to policy mandates and public pressure.

There are many approaches, however, that don't require tuition and travel. Strong mentoring programs, job rotation, interim assignments, and participation on organization-wide task forces all give high performers a chance to develop skills, learn about other parts of the organization, and continue to grow professionally.

Finally, recognition is important. This one is tricky; typical recognition programs tend to have little impact on high performers. What matters to them is recognition

that is personally meaningful. Sometimes it is praise from a mentor, recognition by colleagues and peers, visible recognition by the city council or the county commission, or perhaps an award from a professional organization. There is someone or some group that matters to a high performer, so hold on to that plaque and find out what form of recognition will truly have an impact.

Yes, we should talk about money. It matters. In his article "Retain Your Top Performers," best-selling author Marshall Goldsmith cites a "frequent lack of connection between pay and contribution."[2] His research of 2,000 managers from organizations across the spectrum revealed that while many respondents claimed that the difference in contribution between a top performer and a below-average employee was more than 100 percent, the pay differential between the two groups was only 5 to 10 percent.

But while competitive salaries and benefits are important, these things alone are not what retain high performers, particularly those drawn to public service. Consistently, what keeps these individuals engaged is challenging work through which they can make a difference, organizations willing to involve and invest in them, and recognition from a group or groups of individuals that has meaning to the recipient.

We in local government have a wonderful opportunity to provide all of these things to talented employees, even in difficult times. The jurisdictions that understand the importance of establishing and implementing creative retention programs will fare the best in this challenging economy.

NOTES

1. James H. Svara, "The Challenge of Finding and Retaining Local Government Managers of the Future," *Public Management* 90 (April 2008).
2. Marshall Goldsmith, "Retain Your Top Performers" (Marshall Goldsmith Library, 2008), www.marshallgoldsmith.com/.

14

Supporting Top Performers

The key is creating meaningful value—and sustaining it.

Following publication of my last column on retaining high performers [see pp. 27–28], I received lots of comments and questions. Many of you wanted to know how to develop a culture within your organization that would support top performers, particularly in these difficult economic times.

So what do we know about high-performing organizations? Let's first define what we mean by high performance. My definition encompasses three components: Creating outstanding value for those we serve, creating powerful meaning for those who work within our organizations, and doing both of these things over time.

Creating value is our return on investment for the resources that our communities entrust us to invest on their behalf. Do we produce results that matter and make a difference, and do we produce such results efficiently and effectively?

We must also sustain meaning for the people who work in our organization. Most of us who choose public service do so because we want to make a difference. We want to help individuals, families, neighborhoods, and communities. The work we do, therefore, must have value and meaning.

Finally, we must strive toward both of these goals on a consistent rather than sporadic basis. High performance should be part of the culture, not idiosyncratic to a single individual or economic cycle.

Organizations that meet these criteria share many characteristics, but I want to describe six particularly important attributes:

1. These organizations are committed to community building. They engage all segments of the community in defining what is important to them and foster a culture of shared ownership of the future throughout the community and the organization.
2. These organizations are focused. They are relentless in the pursuit of their goals. They are clear about what they want the community to be and will not let the organization be diverted by the flavor of the month.
3. These organizations set the bar high. This is perhaps the most difficult attribute to maintain. They focus on world-class standards, distinguishing between them and "just acceptable." Not settling for average in the areas most important to our communities distinguishes successful organizations from the others.
4. High-performing organizations are prepared to seize opportunity. Most organizations wait until the political and economic stars are aligned before they begin focusing on the opportunities before them. We all know, however, that most windows of opportunity are very short. Successful organizations have done their homework so that when the window opens, they are prepped and ready to go.
5. High-performing organizations encourage strategic risk-taking and innovation. Most state and local governments exist in a very risk-averse environment.

Originally published on Governing.com July 8, 2009.

Newspaper headlines highlight not our boldest successes but our most obvious mistakes, so we tend to avoid failure at all costs. High-performing organizations concentrate on developing citizen trust because trust is the working capital of innovation. It also provides the political capital to survive occasional failure.

6. High-performing organizations have a specific strategy for dealing with "straddlers." Over the years I've observed that within every organization, 5 to 10 percent of the workforce will lead the effort toward sustained excellence. They buy in quickly and are comfortable out in front. There are also 1 to 2 percent who don't get it and never will get it. What high-performing organizations never lose sight of is that most employees want to do well and make a difference but hesitate to embrace changes designed to improve their organization until they understand the impact those changes will have on them. Organizational leaders must ask, "What can I do to consistently move those employees from straddling the fence to being committed?"

Organizations that cultivate these six attributes find it easier to attract, recruit, and retain top performers, even during the most challenging times. If your state or local government is struggling to retain talented leaders, rather than blame the economy or political environment, consider how committed your organization is to building community, achieving results, maintaining high standards, seizing opportunities, taking risks, and dealing with less-than-committed employees. By adopting these attributes and improving your organization's culture, you'll have a better chance of retaining the individuals who will move your team forward.

15

An Opportunity for Creative Destruction

By empowering managers to challenge assumptions, the economic crisis has ushered in permanent changes to governing.

Predictions from the National League of Cities's recently released annual report on fiscal conditions were not surprising: We can expect lower revenues and more budget cuts, possibly well into 2012.[1] And cities, as the report notes, feel the effects of a downturn long after the economy has begun to improve, even if the business climate turns around immediately.

But as with most challenges, there's a silver lining in the economic clouds of the past two years. Crisis creates opportunity. As economist Joseph Schumpeter posits in *Capitalism, Socialism and Democracy*, during tough times superior organizations use "creative destruction" to abandon traditional ways of doing things in exchange for innovation.[2]

Inertia and comfort with the status quo often mask many of the problems that impede programmatic success. Economic crises allow us to challenge assumptions in ways that would have been unthinkable in better times.

In "How It Plays in Peoria: The Impact of the Fiscal Crisis on Local Governments," ICMA analyzed preliminary data collected from nearly 1,500 local governments through our recent *State of the Profession* survey.[3] We also culled anecdotal information from interviews with our members to get a snapshot of how local governments are weathering the economic storm and positioning themselves for future growth. Among the findings: Despite budget shortfalls surpassing those imagined by the majority of communities, city, town, and county managers have employed a range of strategies to weather the economic crisis, and this recession has ushered in permanent changes to governing at the local level.

Adapting to a rapidly changing environment and implementing permanent change and innovation requires our organizations to take these steps:

Create alternative migration paths: The issue during a crisis is not how good our crystal ball is, but how quickly we can adapt to a rapidly changing world. Our departments and agencies must work together to visualize a series of alternative scenarios and create a stockpile of strategies that we can pull off the shelf when those scenarios—whether financial, natural, or man-made—become real. How quickly we can adapt will be the future measure of our organizations' success.

The city of Richardson, Texas, for example, responded immediately to the impact of the economy on its budget by implementing an established plan to reevaluate and adjust high-cost city services. The result was a "better business model" that ultimately benefits citizens and paves the way for innovative practices that become organizational standards.

Understand their risk profiles: Organizations with a long track record of successful adaptation are quick to adjust to changes in their environments. Those that have taken risks and failed, on the other hand, tend to be risk-averse and hunker down to weather the storms.

Originally published on Governing.com October 21, 2009.

As state and local leaders, it is important that we understand the history of our organizations and their profiles relative to risk and change so that we can help them adapt to new situations rather than avoid them.

Know what success looks like: Vision without execution is hallucination, Thomas Edison said. Successful execution without vision, however, is equally unrealistic. Attempting to move our organizations forward without a clear vision of where we are going is foolhardy at best and could do irreparable damage to our communities during these tricky economic times. Stakeholders—including citizens and the business community—know and can articulate what success looks like and can help our communities navigate through challenging times.

Determine the upside for stakeholders: Articulating the benefits of change to constituents is important during a fiscal crisis. Washoe County, Nevada, involved local citizens in the process of identifying community priorities so that they understood the upside of program and service reductions to them. The result? Citizens made clear what they were willing to pay for and what needed to be cut.

Reward innovation and protect the champions: In my July column ["Supporting Top Performers," pp. 29–30], I talked about how, in every organization, 5 to 10 percent of our workforces will step up to lead the organization toward sustained excellence. We must ensure that these champions, leaders, and, yes, risk-takers are adequately rewarded for their efforts, even in tough economic times.

Organizations and communities do not remain the same during difficult times; they either get better or they grow worse. In late September, I had the pleasure of recording a session with Frans Johansson, best-selling author of *The Medici Effect*. During our conversation, he noted:

> When you're in a time when budgets are cut and resources are slashed, everybody's willing to take a close, hard look at the options they have. They're willing to question their suppliers, their partners; they're willing to question all these things.
>
> Once you get out of the recession . . . if you are doing the exact same thing you did before the recession, then you're not acknowledging that the world has changed, that people have moved on. But the world *has* changed.[4]

It is during times of crisis that successful entities separate themselves from the pack. The secret lies in recognizing opportunities, creatively destructing old ways of thinking, and embracing a culture that fosters innovation and change.

Bob O'Neill sits in a position where he can observe the very best in local management and the very worst in local finances. Today he looks at the bleak picture facing us but provides important opportunities that come from this worsening municipal funding problem.

—Stephen Goldsmith

NOTES

1. Christophen W. Hoene and Michael A. Pagano, "City Fiscal Conditions in 2009," *Research Brief on America's Cities* (Washington, D.C.: National League of Cities, September 2009).
2. Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper & Row, 1942).
3. ICMA, "How It Plays in Peoria: The Impact of the Fiscal Crisis on Local Governments" (Washington, D.C., September 14, 2009).
4. Frans Johansson, "The Medici Effect," online interview with ICMA, September 2009.

16

How Top Performers Thrive

A new book takes the mystery out of what separates top performers from everybody else and reveals the keys to high performance.

Sometimes we perceive the concept of high performance as something so mysterious or complex that it seems unachievable. That is why Geoff Colvin's book, *Talent Is Overrated: What Really Separates World-Class Performers from Everybody Else*,[1] is so powerful and so relevant in today's competitive work environment.

Colvin posits, without denying its importance, that natural talent alone is not enough. According to his research, "deliberate practice" or focused concentration, amassing a body of knowledge in a particular field, and cultivating the ability to bring that knowledge to bear at critical moments are the keys to high performance. His theory holds important implications for those in local, state, and federal government.

How Deliberate Practice and Domain Knowledge Work

Colvin first discusses what distinguishes deliberate practice from the innate talent and routine practice so many of us perceive as the best route to outstanding performance. He theorizes that deliberate practice results in high achievement because

- It is designed specifically to improve performance. Practice without knowing which activities will improve performance may only result in misguided efforts. In the early stages of our careers and periodically throughout our professional lives, we require a teacher, mentor, or coach to assist us in identifying our weaknesses and designing an improvement plan that helps us turn those weaknesses into strengths.
- It can be repeated extensively. Colvin suggests that repeating "a properly demanding activity in [our] learning zone" is critical to achieving top performance. He cites champion golfer Tiger Woods and baseball great Ted Williams as individuals who attempted the same shot or hit the ball obsessively until they got it right.
- It incorporates continuous feedback. Providing one's own feedback during practice isn't particularly useful. Ongoing, constructive criticism from a teacher, mentor, or coach is critical to improving performance.
- It is mentally demanding. Deliberate practice requires sustained concentration on improving the unsatisfactory areas of our performance. Such effort may be mentally exhausting, but it is the only type of practice that ensures top performance.
- It is serious stuff. Doing the things we do well may be enjoyable, but it is the antithesis of deliberate practice. Identifying areas where improvement is needed most and repeatedly engaging in activities that focus on those areas is the key to enhancing performance.

Deliberate practice is only the first step toward achieving high performance. Colvin goes on to say that top professionals accomplish more because they use the knowledge they've amassed in a field, or what

Originally published on Governing.com February 10, 2010.

Today, public management expert Bob O'Neill considers the recent proposition that Talent Is Overrated: What Really Separates World-Class Performers. *. . . The factors he examines are encouraging, and suggest that someone who listens, observes carefully and applies internal discipline can produce innovative breakthroughs. To me, these ideas can come from any public servants who care about the results of their work, provided they are willing to disrupt the status quo—not an insignificant risk.*

—Stephen Goldsmith

Colvin calls "domain knowledge," to

- **Pick up on subtle indicators that go unnoticed by the rest of us to forecast trends.** This type of perception isn't instinctive. It requires sustained practice to learn how to "recognize" the right signs.
- **Look further ahead.** Top performers aren't psychic, but they do cultivate the ability to look beyond the immediate to see the future in a way that most of us cannot see.
- **Know more from seeing less.** Top performers cultivate the ability to make fast, cost-effective decisions based on limited amounts of information.
- **Make finer discriminations than average performers.** Top performers can also correctly evaluate situations and see distinctions most people ignore, thus gaining a competitive edge.

What Colvin's Theory Means for Public Service

One powerful example of how deliberate practice leads to domain knowledge and, ultimately, to results that matter is citizen engagement.

No matter how smart or talented we are, artfully guiding a plurality of residents through civil discourse that results in collaboration and compromise, rather than chaos, requires a body of knowledge inherent in few of us. To achieve high levels of accomplishment in this area, we must master the ability to

- Convey a community's social, economic, and political history and future
- Communicate effectively, understand group dynamics, and facilitate productive discussion
- Appreciate the value (rather than the disadvantages) that working with diverse individuals and groups brings to decision making.

Acquiring this knowledge requires sustained practice. We must attend endless council and community meetings. We must dial up our communications and psychological skills. And finally, we must challenge ourselves by working with groups until we master the art of engaging participants in productive discourse.

Applying Colvin's Theories to Public Leadership

All levels of government operate in a wide variety of arenas, and citizen engagement is only one. As I read Colvin's book, I thought about all the things that governments do and wondered how leaders can build a cohesive whole from an organization in which there's a high concentration of domain-specific top performers. It occurred to me that this could be where Colvin's theory falls short.

I then began to think about the role of "conductor" as a potential knowledge domain. In *The Medici Effect: Breakthrough Insights at the Intersection of Ideas, Concepts, and Culture*, author Frans Johansson explains how a successful conductor can foster an organizational culture that encourages cross-domain exploration and new approaches to complex, multidisciplinary issues.[2] In this kind of environment, an individual who has amassed extensive knowledge in the domain of leadership becomes even more important.

Achieving the outcomes we want in the areas that matter most to citizens—public safety, jobs creation, community and economic development, education, health care, and the environment—requires an organization that attracts and retains individuals with extensive knowledge and experience. Connecting these areas of domain knowledge, however, requires someone capable of much more than just managing an organization; it requires an experienced, knowledgeable conductor who can create a whole that is consistently greater than the sum of its parts.

NOTES

1. Geoff Colvin, *Talent Is Overrated: What Really Separates World-Class Performers from Everybody Else* (New York: Penguin Group, 2008).
2. Frans Johansson, *The Medici Effect: Breakthrough Insights at the Intersection of Ideas, Concepts, and Culture* (Brighton, Mass.: Harvard Business School Press, 2004).

17

Building Better Communities by Aligning Interests

Local government leaders have the tenure and familiarity with a place to create and sustain communities.

Much has been written about the importance of public participation in creating and sustaining communities where people want to live, work, play, and do business. Given the long-term fiscal outlook for the federal government and most U.S. states, the responsibility for dealing with the issues that matter most to residents will certainly fall to local communities.

Business and nonprofit executives as well as local elected officials can play catalytic leadership roles in community building. Sustained commitment to change, however, requires the full engagement, dedication, and leadership of the city or county manager, agency heads (such as the directors of planning, public works, and neighborhood services), and their street-level staff, including planners, traffic engineers, inspectors, police officers, and street crews.

These local government professionals have the tenures required to see a project from conception to outcome across several economic cycles. They are also familiar with the diffused power structure within the community and are often the ones who influence resource allocation decisions, focus on implementation, align rules and regulations, and live with the results.

Though not sufficient on their own, there are several prerequisites for successful community building:

Originally published on Governing.com April 21, 2010.

Leadership. For diverse groups to come together in a shared effort, someone must initiate the conversation. Leaders must have a vision of what is possible. They must understand what is necessary to initiate and evaluate the effort and how to achieve the critical mass required to translate ideas and vision into a plan. This is a critical role that city and county managers play in coordination with their elected officials.

Engagement. At the core of the effort should be the people who actually live in the community. They need to sit at the table with business owners, landowners, developers, nonprofits, and the local government. This process can be messy and time-consuming, but it creates understanding and builds trust. A recent redevelopment project in Arlington, Virginia, involved tenants, historicalpreservation advocates, a developer, and the local government to create a win-win proposal that preserved an important immigrant community, saved important historical structures, and made money for the developer. (For more examples of engagement, download a PDF at www.pacefunders.org/publications/NewLaboratories ofDemocracy.pdf.)

Shared vision. When interests are purely transactional, the potential value of relationships across organizations is easy to calculate. In community building, however, the benefits of working together are more ambiguous and long term. Diverse stakeholders must collectively determine what kind of community they want to create, what it will feel like, and whether their shared vision is economically feasible. Place-based development should achieve multiple victories across

a range of stakeholders, including homeowners, renters, and small business owners. The financial implications for investors, such as residential and commercial property owners, are important, but should not overwhelm the broader, enlightened self-interest of community partners motivated by policy and societal objectives.

Long-term commitment. Thinking long term forces us to ask ourselves hard questions. What will happen if we do nothing? What will be the lasting implications of our work? How can we create a sustainable community in which people choose to live, work, play, and invest—today and over subsequent generations? In order to institutionalize a culture of positive community building, long-term projects must involve stakeholders who have the ability to translate the shared vision into reality and also to sustain it over time. An example of the effectiveness of a long-term commitment is the award-winning Coalition for Youth in Hampton, Virginia. It began as a result of dialogue among the mayor, city council, the city manager's office, and the community. The youth strategies have been shepherded for over 20 years by staff from the city manager's office and, most importantly, the department heads of planning, neighborhood services, and the youth coalition.

Capacity building. Well-intentioned people with diverse interests may be willing to work together without necessarily knowing how. Developers, government, and advocacy groups do not have equal capacity to work effectively with residents, or with one another. Likewise, residents need the skills to effectively interact with what they may see as power structure. Leaders must pay attention to developing all parties' capacity to understand one another's interests and engage in constructive dialogue and negotiation.

Successful place-based development requires creating communities where people live not just by chance or circumstance but by choice. It should protect the lives of the people who live in the community and unite neighborhoods with their local government, businesses, and other institutions.

Leadership can come from anywhere—within the neighborhood network or via an outside catalyst—but ultimately it is those who live in, invest in, and govern each neighborhood who must institutionalize their commitment to a sustainable community that respects and improves the lives of each and every resident.

An expanded version of this article, written by Robert J. O'Neill Jr. and Ron Carlee, was published in Anne C. Kubisch et al., eds., Voices from the Field III *(Washington, D.C.: Roundtable on Community Change, The Aspen Institute, 2010), 88–91.*

18

Energy Sustainability Down Under

The United States can learn much about promoting energy-sustainable communities from other parts of the world, such as Newcastle, New South Wales, Australia. Recognized for its efforts in measuring and managing greenhouse gas emissions, Newcastle was also awarded Australia's national prize in 2009 for its environmental stewardship programs, which had reduced electricity consumption by 40 percent from 1995 projections.

Those of us in the United States can learn much about promoting energy-sustainable communities from other parts of the world. The Australian city of Newcastle, located in New South Wales, is one of these cities. It was recognized this past spring for its efforts in measuring and managing greenhouse gas emissions, and was also awarded Australia's national prize in 2009 for its environmental stewardship programs, which had reduced electricity consumption by 40 percent from 1995 projections.

Originally published on Governing.com September 3, 2010.

The Future is Coming Fast, Start Preparing Now

Newcastle's sustainability efforts shifted into high gear in the late 1990s, when local officials formed a Greenhouse Action Partnership (GAP) composed of local, state, and federal agencies and local electric, water, and gas authorities to address the challenge of mitigating greenhouse emissions. The resulting 2001–08 Greenhouse Action in Newcastle (GAIN) plan positioned the city to achieve its vision of becoming "an international testing ground for energy and resource management products and services."

To measure the effectiveness of the GAIN projects, Newcastle collaborated with Australia's Commonwealth Scientific and Industrial Research Organization, the country's national science agency, to create ClimateCam, a first-of-its-kind, web-based reporting tool. This "greenhouse gas speedometer" converted data uploaded by GAP partners on the monthly consumption of electricity, water, and gas and landfill waste into a carbon dioxide equivalent that could be easily tracked and reported. Newcastle also put up a ClimateCam billboard that is described as "the world's first city power meter," publicly displaying the amount of electricity the city has used in the past hour.

The GAIN program resulted in a number of award-winning sustainability projects that saved Newcastle hundreds of thousands of dollars in electricity and water costs and resulted in a 19 percent reduction in greenhouse emissions.

Fast-forward to the 2010 International Leading Practices Symposium in Australia, where Newcastle highlighted its latest efforts. Building on the success of its GAIN initiatives, Newscastle developed a new Carbon Management Action Plan. CMAP integrates new technologies and applications that were unimaginable during implementation of the 2001–08 GAIN plan. An expanded version, ClimateCam for Councils, provides an experiential learning program to assist other New South Wales local governments in understanding, measuring, and reducing energy consumption and costs. The program is based on Newcastle's energy and resource management philosophy: "If you can't measure it, you can't manage it." The 2007 inaugural program introduced 65 participants from 22 councils throughout New South Wales to Newcastle's Financial Loss Control framework and aided them, through hands-on learning and case-study examination, in understanding basic energy principles, measuring and monitoring their energy consumption, and developing similar action plans for their own jurisdictions.

Newcastle also joined forces with the New South Wales Department of Environment and Climate Change (DECC) to roll out ClimateCam for Business, which combines the council's existing framework with the DECC's Energy Efficiency for Small Business programs. The program offers workshops, subsidized energy audits, and rebates for local businesses that empower them to develop strategies for efficient energy and resource management.

Finally, the launch of ClimateCam for Schools provides an energy efficiency monitoring program for local schools that incorporates learning opportunities for students. Since its inception in July 2007, nearly 100 schools have expressed interest in the program, which recruits local business sponsors to underwrite each school's participation.

Implications for U.S. Local, State, and Federal Governments

The Newcastle case study offers a number of takeaways for public sector leaders in the United States:

1. Collaboration among all levels of government and related agencies is critical to the success of far-reaching sustainability efforts. The Newcastle efforts described above were possible only through the ongoing commitment of Australia's local, state, and federal governments and the involvement of a number of energy agencies and partners. While we may wonder whether such intergovernmental/interagency cooperation is still possible here in the United States, in this new, postrecession environment, we can no longer afford not to try.
2. "If you can't measure it, you can't manage it." The documented success of Newcastle's sustainability projects underscores the importance of collecting, analyzing, and reporting consumption and performance data on a regular basis. The United States must step up our efforts if we are to keep pace with the kind of innovation demonstrated by Newcastle City Council.
3. Use new technologies and applications to improve systems and share best practices. The initial collaboration between Newcastle and the Commonwealth Scientific and Industrial Research Organization science agency to develop the ClimateCam reporting tool paved the way for the success of the city's GAIN projects. Upgrading and expanding that technology to facilitate the sharing of the Newcastle best practices provided case studies that other jurisdictions could easily replicate.
4. Don't reinvent the wheel; instead, build on success. Typically local governments throughout the United States have taken a short-term approach to sustainability, looking to the "next big trend" for ways to create efficiencies. The Newcastle example demonstrates how sustainability efforts can be enhanced over time by building on small successes until they gain critical momentum.

Newcastle offers an excellent case study of the inno-vative ways in which governments address the issue of community sustainability. ICMA has additional best practices, resources, and research on this topic. To access it, visit the ICMA Center for Sustainable Communities at icma.org/en/icma/priorities/sustainable_communities.

19

Maintaining the Public Trust While Making Tough Choices

Bob discusses ICMA's Compensation Guidelines and the importance of maintaining the public values of honesty, trust, transparency, integrity, and accountability. These values were challenged in 2010 as the Bell, California, salary scandal unfolded and threatened to irreparably tarnish the image of local government and its elected officials and employees— specifically, city, town, and county executives.

In our quest for better, faster, and cheaper government, it can be easy to lose sight of the fundamental values that underpin our commitment to public service.

Those values—honesty, trust, transparency, integrity, and accountability—were challenged this past year as the Bell, California, salary scandal unfolded and threatened to irreparably tarnish the image of local government and its elected officials and employees—specifically, city, town, and county executives.

These fundamental public service values were recently reaffirmed by the ICMA membership in the form of a set of concrete guidelines that establish a best practice for determining and negotiating compensation for local government executives and staff.[1] The guidelines also clarify the roles and responsibilities of the governing body, the local government executive, and employees.

Originally published on Governing.com January 5, 2011.

Guiding Principles

The standard practice for establishing the compensation of local government executives must be fair, reasonable, transparent, and based on comparable regional and national public salaries. When negotiating compensation, local government executives have an ethical responsibility to be clear about what is being requested and to avoid excessive compensation.

Compensation should be based on the position requirements, the complexity of the job within the context of the organization and community, the leadership needed, labor market conditions, cost of living in the community, and the organization's ability to pay.

Elected officials perform a critical governance role by providing oversight of the management of the organization. To that end, they must be engaged in establishing the process for determining the compensation for all executives appointed by the governing body.

Guidelines for Determining Compensation

During any salary negotiation, elected officials and local government executives should:

1. Determine the job requirements and experience needed to successfully perform them.
2. Examine market conditions to learn what comparable public sector executives earn. One best practice would be to gather information from predetermined, comparable benchmark local governments or public sector agencies.

3. Evaluate the individual's qualifications in context. Understand the services provided by the local government along with the nature of the current issues in the organization and in the community, and then compare these with the individual's expertise and proven ability to resolve those issues.
4. Identify the local government's current financial position, its ability to pay and the existing policies toward compensation relative to market conditions.
5. Factor in the individual's credentials, experience and expertise.
6. Consider unique and special circumstances, such as additional compensation in areas where the cost of living is high and the governing body wants the executive to reside within the community. Other such circumstances may include difficult recruitment markets or the particularly challenging needs of the public agency.
7. Seek legal advice as needed and appropriate when negotiating and finalizing terms and conditions.

Adjustments to Compensation

Increases in salary and benefits should, likewise, be comparable to those that local government executives receive within the designated benchmark or regional market area and should be generally consistent with those for other employees. Merit adjustments or bonuses should be contingent upon performance and the overall financial ability of the local government to afford them. Provisions regarding consideration of periodic merit adjustments in salary should be predetermined.

Executives must recognize and manage conflicts of interest inherent in compensation changes, and avoid seeking modifications in salary, pension, and other benefits from which they will be the sole or primary beneficiary, such as dramatic salary increases that lead to pension spiking or a single-highest-year approach to determining retirement benefits.

Public executives also should receive a single salary that recognizes all assigned duties and responsibilities, rather than different salaries for different assignments.

Severance

Severance provisions, as articulated in the employment agreement, must be reasonable and affordable for the community. The cost of a severance package should not be an impediment to fulfilling the governing body's right to terminate an executive's service. It should be consistent, however, with the role and expectations of the position. The ICMA Model Employment Agreement recommends a severance package equal to one year's salary, recognizing that the length of service with an organization may justify higher severance.

Transparency

When requesting compensation changes, local government executives should present their total compensation package to the governing body so that each member has a comprehensive view of the entire package. There should also be full disclosure of the potential cost of any benefit changes negotiated during employment.

When the terms and conditions of employment are renegotiated with the employer, or when employment is being terminated, ICMA members have a duty to advise the elected officials to seek legal advice. The salary plan and ranges for local government positions, including that of the executive, should be publicly accessible on the agency's website.

In summary, maintaining public trust and integrity in local government requires effective governance and management of the organization. Local government executives should not put their personal compensation interests before the good of the overall organization and that of citizens. ICMA encourages all public executives to review and adopt the guidelines discussed above whenever considering compensation for a public sector position.

NOTE

1. ICMA, *Model Employment Agreement* (Washington, D.C., 2013), icma.org/en/icma/career_network/career_resources/model_employment_agreement.

20

A New Model for Management

In this column, Bob discusses his participation in the Singapore International Water Week and how that country and many others do a better job of investing in long-term infrastructure compared to the United States, and he posits that the critical factor that determines how efficiently our communities can make these important decisions is management.

Recently I participated in a panel discussion as part of Singapore International Water Week. While in that country, I walked the world's first double-helix structure—a curved, 280-meter bridge that crosses over Marina Bay to Singapore's Marina Centre, linking area cultural, educational, and recreational facilities. The project involved an ambitious level of infrastructure design and architecture not seen in the United States in decades.

My visit to the Helix Bridge contrasted sharply with my more recent trip to Chicago. There, I traveled on a major commuter train line with a bridge to one of its platforms which, after years of deferred maintenance, looked as if it were ready to collapse. The two experiences left me wondering how, in light of our current economic situation, America's governments can spur the level of creativity and innovation we need in the 21st century.

Originally published on Governing.com August 24, 2011.

According to an Urban Land Institute/Ernst & Young report, "Infrastructure 2011: A Strategic Priority," governments with the best chance of striking a balance between investment priorities and funding shortfalls are those that "identify deficiencies and needs, develop long-range national and regional plans to address them, and harness an array of public and private resources to fund projects."[1]

This thinking applies not only to infrastructure development and repair but to all aspects of government operations. But what determines how efficiently our communities can make these important decisions? The critical factor, it seems, is management.

Management = Efficiency

The Government Accountability Office reports that local governments face a $225 billion structural budget deficit, or about 12 percent of their total spending. Addressing these shortfalls will require a commitment to permanent structural changes rather than one-time savings.

IBM's David Edwards set out to benchmark the 100 largest U.S. cities to assess and compare their relative efficiency. He examined publicly available data on factors such as population, geographic size, and collective bargaining that are conventionally assumed to contribute to a city's efficiency. In the resulting white paper, "Smarter, Faster, Cheaper," Edwards notes that, in reality, those factors have little impact on operational effectiveness.[2]

Instead, his findings suggest that what determines how efficiently a city deploys its resources is management. He defines this function as the ability of

government leaders to make strategic and operational decisions about "what services will be provided to which citizens" at what level and how.[3]

Edwards learned, for example, that communities with city-manager forms of government are nearly 10 percent more efficient than those with strong-mayor govering structures. This finding validates the assumption that placing executive authority in a professional, nonpartisan manager leads to more efficiently managed communities. Managers, writes Edwards, "are important. They influence outcomes."[4]

If management makes such a critical difference in government efficiency, what strategic and operational decisions must local, state, and federal managers and leaders make to create dynamic, efficient organizations?

Defining New Management

The old rules of management no longer apply. Janet Denhardt, a professor at Arizona State University's School of Public Affairs, contends that the traditional management style of rationality, control, punishment for failure, and maintaining order and obedience has been replaced with strong values; experimenting and taking risks; asking questions; learning from failure; being open, confident, and humble; and engendering trust and respect.

Today's turbulent world requires a new model of management. *Fortune* magazine senior editor-at-large Geoff Colvin writes that successful managers

- Pick up on subtle indicators unnoticed by the rest of us to predict environmental trends.
- Constantly focus on the horizon to understand the implications of the forces that will affect their organizations.
- Know more from seeing less. Successful managers can see and articulate a path even when in the midst of rapid change or chaos.
- Make more finely tuned discriminations and judgments than others.

To Colvin's list, I'd add that successful managers:

- Rigorously evaluate what works and, most important, what doesn't.
- Commit completely to continuous learning and improvement.
- Lead and manage across sector boundaries (public, private, and nonprofit), intergovernmental systems, and organizational divisions.

The December 2009 issue of the *Harvard Business Review* also examined the qualities that distinguish the most creative managers. These successful individuals connect seemingly unrelated ideas; question the status quo; and pay attention to their customers' behavior, wants, and needs. They try new ideas and approaches and test their ideas on diverse audiences. They take on the biggest challenges and have a passion for their organization's mission.

In a day and age when old definitions and divisions no longer hold, government must find creative and innovative ways to meet increasingly complex societal problems within fiscal constraints. The role of government is changing, along with how it does its job. Because performance and results matter, as Edwards observes, creative, innovative management counts now more than ever.

NOTES

1. Jonathan D. Miller, *Infrastructure 2011: A Strategic Priority* (Washington, D.C.: Urban Land Institute, 2011), iii.
2. David Edwards, "Smarter, Faster, Cheaper: An Operations Efficiency Benchmarking Study of 100 American Cities," an IBM white paper (Somers, N.Y.: IBM Global Services, 2011).
3. Ibid., 8.
4. Ibid., 9.

21

A Decade of Living Dangerously

The fiscal challenges facing local governments won't go away soon—and that's a good thing.

Although many of us in local government feel as if we'll need to fend for ourselves for at least the next decade—if not longer—due to the slow pace of economic recovery, I believe that the next decade will be one of incredible creativity for local government. By now most of us have come to realize that the status quo no longer works, and that innovating and making choices that were previously politically unthinkable are the only ways to maintain a balance between our fiscal challenges and our responsiveness to residents' demand for services.

Some interesting patterns and elements of success have emerged as a result of the current crisis:

More effective and efficient local government. We now have gone through three to four years of local governments adjusting to the economic downturn, which resulted in a nearly $225 billion structural deficit, according to IBM's David Edwards.[1] And most likely we face several more years of pain. But because governments are being forced to make countless and difficult financial decisions today, we could emerge within the next 10 years with a reformed vision of local government that will be highly effective, more efficient, and more transparent.

Originally published on Governing.com January 25, 2012.

A platform for regional cooperation. Local governments can no longer afford to operate independently. Many services that were previously managed by the states, such as transportation, will need to be handled on a regional basis. Traditional jurisdictional boundaries will no longer apply.

One example is the Business Support Services unit of the city of Charlotte, North Carolina, which strives for recognition "as the national leader in delivering public sector shared services." To achieve that vision, the unit created an extensive service infrastructure that promotes governmental efficiencies and interoperability. This transformational system provides information technology, procurement, fleet, and public safety communication services not only to the city but also to Mecklenburg County, smaller rural cities and towns, and state and federal agencies throughout the area.

An engaged and enlightened business community. Facilitating job creation requires an engaged and thoughtful local business community. In a number of enterprising jurisdictions, the business community has taken the lead in advocating economic revitalization.

After bottoming out in the 1980s and early 1990s, when the gas and oil industries tanked and six of the city's largest seven banks had to be recapitalized, Oklahoma City, Oklahoma, officials banded together with the business community to develop a transformational strategic plan for the city's future. They worked together to support sales tax initiatives and tax-increment financing for projects throughout the city's downtown and surrounding neighborhoods.

Today, Oklahoma City boasts $400 million in private investment, an NBA franchise and triple-A baseball and hockey teams, and a downtown entertainment district full of clubs, restaurants, condos, and offices—all connected by a man-made canal with water taxis.

A refocused and rightsized nonprofit sector. The Great Recession caused the poverty rate in the United States to hit a 15-year peak in 2010, and increased demand for nongovernmental services has heightened the need for philanthropic and nonprofit support. Yet, in nearly every community, charitable giving is down and nonprofits struggle to remain afloat.

To address the anticipated nonprofit sector financial crisis, the Foundation for the Carolinas initiated a Critical Need Response Fund to assist the organizations serving "those hardest hit by the economic crisis." The foundation then joined the Arts & Science Council and United Way of Central Carolinas to form the Community Catalyst Fund collaborative, which fosters a "more effective, efficient, and innovative nonprofit sector" through partnerships, strategic collaborations, and nontraditional models of service delivery. Finally, the fund developed a plan for supporting shared back-office services that would generate significant savings for nonprofits in the Charlotte-Mecklenburg region.

While still in the development phase, this shared-services project has all the earmarks of a successful model for harnessing and refocusing nonprofit sector energy within a community so that it can continue to provide critical social-safety-net services.

A 21st-century resident-engagement strategy. Ensuring the future success of local government will require us to adopt new technologies, foster more digitally inclusive communities, and marry elements of high tech and high touch in ways that engage and excite our residents.

Through its innovative Open City Hall, the staff of Decatur, Georgia, identifies one or more issues on which they need input from residents. Staffers post background information about each topic on the city website and invite residents to submit comments online. The comments are combined with information from other stakeholder participation mechanisms and used by the city to make critical community decisions.

Alachua County, Florida, stimulates creative thinking and builds community by holding an annual series of interactive "Community Conversations," during which residents adopt the role of commissioner and recommend service priorities. Staff members survey participants electronically to gauge their opinions on local issues. The conversations encourage residents to actively collaborate in the creation of the community as they imagine it.

The next 10 years undoubtedly will be challenging for local government. Yet if we continue to make tough choices, explore and exploit nontraditional partnerships, and innovatively rethink the way we do business, we will emerge from the decade with a new, more efficient, and more transparent model of local government. It's a long-term investment, but it is one that we must make.

NOTE

1. David Edwards, "Smarter, Faster, Cheaper: An Operations Efficiency Benchmarking Study of 100 American Cities," an IBM white paper (Somers, N.Y.: IBM Global Services, 2011), 2.

22

The Coming Decade of Local Government

Our cities and counties enjoy the highest level of citizen trust of any level of government, which is why they will lead the way despite the fiscal challenges to come.

In a recent column ["A Decade of Living Dangerously," pp. 43–44], I discussed how the next decade will be a time in which the fiscal woes of federal and state governments will leave local and regional governments on their own, struggling to balance the need for innovation against the necessity of making tough choices. But I wrote that it also will be a decade in which local government will lead the way in developing creative solutions to extraordinary problems.

There are a number of reasons to be optimistic about this coming decade of local government:

Local government is consistently rated most favorably by citizens. Year in and year out, Americans rate their local governments most favorably among the three levels of government. In a Pew Research Center survey released in April 2012, for example, just over 50 percent held a favorable view of their state governments, while only a third felt the same about the federal government (the lowest positive rating for Washington in 15 years). But 61 percent rated their local governments favorably.[1] This trust factor goes a long way toward ensuring that local government organizations will have the support required to move their communities forward.

Despite all the antitax rhetoric, nearly 70 percent of local initiatives put to referenda in recent years have been approved. The experiences of Oklahoma City, Oklahoma, and Little Rock, Arkansas, illustrate the power of citizen support for initiatives in determining a community's destiny.

In 2009, Oklahoma City voters overwhelmingly approved Metropolitan Area Projects 3 (MAPS3), a 10-year, $777 million initiative that raised the city's sales tax by 1 cent to fund major improvements to infrastructure and transit systems, build a new convention center, and develop a whitewater recreation center on the Oklahoma River. Voter support of MAPS3 is particularly significant in that it was the third time city residents had approved a sales tax increase to fund major city improvements. As a result of ongoing voter support for the three MAPS initiatives, Oklahoma City continues to thrive despite the fiscal challenges of the past few years.

In Little Rock last fall, with an $8 million budget shortfall looming large, city leaders asked voters to support them in rectifying an inadequate half-cent sales tax that had been in place for nearly two decades. Voters responded by approving a 1-cent sales tax increase, the largest in the city's history. Mayor Mark Stodola said the new revenue would finance beefed-up fire and police forces, support the city's struggling zoo, and allow Little Rock to undertake larger capital improvement projects, such as a research park designed to attract new business.

Originally published on Governing.com June 27, 2012.

Most people want to live in a quality community with great services. As illustrated above, the majority of residents are willing to make hard choices about which services are important to them and then pay for the services they value. When we examine some of the recent initiatives that were approved by voters, some predictive factors that led to their passage emerge:

Constituents understood what they were paying for. Generally speaking, the more people understand about what services cost and how the money they pay in taxes is used to fund those services, the more likely they are to be supportive of tough cost-cutting measures or revenue- generating initiatives.

There were opportunities for significant community engagement in establishing priorities. The ability to engage every segment of the community when defining which services are most important and how revenues will be raised to pay for them is essential to building a sense of community and gaining support for vital initiatives.

There was a trusted agent that could deliver what was being promised. Most often, that trusted agent has been a local government. In Oklahoma City's proposed 2012–2013 budget, for example, City Manager Jim Couch emphasized that fulfilling the promises made to citizens is an ongoing priority for the city's elected leaders. In turn, voters have continued to approve investments in the community.

In addition to the lessons above, a commitment to information, education, transparency, and accountability will be key to the success of local governments over the challenging decade ahead. A hallmark of successful organizations is the ability to translate vision into results, and no other level of government consistently delivers the essential services people depend on every day.

NOTE

1. Pew Research Center, "Growing Gap in Favorable Views of Federal, State Governments" (Washington, D.C., April 2012), www.gallup .com/poll/157700/trust-state-local-governments.aspx.

23

Making Citizens Part of Government

Local governments are leading the way in engaging the public in decision making. More and more, technology is the key.

Government in the 21st century is undergoing a fundamental transformation: It can no longer afford to go it alone without the active participation of the constituencies to which it provides essential services. The key to gaining that participation is engaging citizens in decision making and ensuring transparency and accountability.

Cities, towns, and counties are at the forefront of these efforts, which continue to pay off in a big way: According to a Gallup poll published in September 2012, nearly 75 percent of Americans say they trust their local governments, a far higher percentage than those who say they trust their state governments or the federal government.[1]

Technology has the potential to spark an even deeper level of trust in local government. Here are three examples of innovations in this increasingly crucial area:

- Palo Alto, California, had a vision of becoming a leader in the use of technology to spark and increase citizen involvement. To achieve its goal, the city launched one of the country's most ambitious community open-data sites. Using the cloud-based Junar platform, the city increased public access to high-value, machine-readable datasets generated by various service areas and city departments. Over time, the city plans to make available a greater number of, and more advanced, datasets. Palo Alto already had an informed and engaged community; its open-data site will serve as a foundation to open new channels for communication and participation and strengthen democracy by fostering transparency and greater trust in government.
- Hampton, Virginia's I Value Campaign offers residents the opportunity to identify which services they value most and to provide input into the budgeting process. The campaign, according to City Manager Mary Bunting, enables the city to build a "larger body of evidence about what the community is thinking" and to acquire valuable data and information for use by city staff as they begin their budget deliberations.

  The city learned that offering residents multiple communication channels such as phone polling, online surveys, and community meetings encouraged them to become engaged. More than 1,000 residents participated in the online survey portion of the I Value campaign this year, and many residents also took part in a phone survey or attended community forums.

  As a result of the success of the I Value campaign, Bunting recently was honored by the White House as an "Innovation Champion of Change." The award is given to government leaders who make government more transparent, provide new venues

Originally published on Governing.com October 17, 2012.

for citizens to become involved, and foster new methods for the public, private, and nonprofit sectors and citizens to work together.

- Decatur, Georgia, having convened a roundtable process back in 2000 to formulate goals for the coming decade (85 percent of which were achieved), was already way ahead of the transparency, accountability, and citizen engagement game by the time city staff and elected officials turned their attention to development of the 2010 strategic plan.

  Decatur hired PlaceMakers, a planning and design firm that addresses the full range of activities involved in rebuilding community, to manage the new efforts, and the pivotal component was a new web portal that served as the door to the entire project and enabled residents to stay connected to the strategic planning process.

  In the end, nearly 2,000 residents were engaged in the process of establishing goals and objectives for the city for the next decade.

These outstanding examples of citizen engagement efforts reinforce what those of us involved in local government management have always known: that the working capital of innovation is citizen trust, and that trust equals transparency plus engagement plus performance plus accountability. It's a formula that many local governments have yet to fully realize, but one that is crucial for a community to achieve its goals in the face of dwindling resources and increasing fiscal challenges.

NOTE

1. Jeffrey M. Jones, "In U.S., Trust in State, Local Governments Up" (Washington, D.C.: Gallup, 2012), www.gallup.com/poll/157700/trust-state-local-governments.aspx.

24

Is It Time for a Set of "Localist Papers"?

In the *Federalist Papers*, the Founders articulated their goals for a new system of government. Today's local governments need something similar to be ready to deal with the challenges they face.

Williamsburg, Virginia, was the perfect backdrop for the recent "BIG Ideas" conference sponsored by the Alliance for Innovation. The colonial setting stimulated much interesting discussion among the 100-plus participants—all of them people who spend a great deal of time thinking about local government. We were challenged by the event facilitators to consider the future of local government "as seen through the lens of the ideas which gave birth to the American experiment in republican and democratic self-government."

The perceived need among the Founding Fathers, embodied in the *Federalist Papers*, for a more effective centralized government, rational political leadership, and a set of guiding principles that could bring harmony to a divisive and polarized body politic are as much hallmarks of our governmental environment today as they were in the late 18th century.

Given these similarities, I invited a handful of fellow conference attendees to think about whether we would benefit from development of a set of 21st-century "Localist Papers," modeled on the *Federalist Papers*, and how such a set of documents might envision the structure, role, and responsibilities of today's local government.

There was consensus that the United States could benefit greatly from a set of clear and compelling topical essays that would articulate the role of local government within our modern federal system, focusing more on the purpose and structure of local governance than on its relationship with the federal government. To be successful, these Localist Papers would need to be both descriptive and prescriptive.

The *Federalist Papers* focused primarily on governmental design and not necessarily on the policies that would emerge as a result. Although the Founding Fathers had great foresight, they could not have contemplated fully the long-term effects that the Constitution and the Bill of Rights would have on our day-to-day governance. As a result, we find ourselves hard-pressed to reach consensus on how to address many of the challenges we face today, such as the divisiveness among political party factions (the Founders didn't want any) and the role of the states.

While the Founding Fathers went out of their way—by establishing a series of unique checks and balances—to create through the Constitution a system that would preclude the threat of dictatorship, over the years this system of redundancy has led to governmental inefficiency. Efficient service provision requires an efficient delivery structure, and it is the role of local government to separate out the untidiness of policy development from the provision of services. Our state and federal

Originally published on Governing.com January 2, 2013.

governments would do well to take a long look at the number of institutions and agencies we have created with an eye toward separating out the why and the how.

The first role of local government is to provide a forum through which a community can decide what is important as a way of agreeing on a desired level of service responsibility. A set of Localist Papers could advocate a vision for our local governments as organizations that could articulate their community vision, innovate, and collaborate with other communities to achieve their goals. Rather than dictating the relationship among our federal, state, and local governments, these new documents could advocate a set of broad, national concepts or ground rules that then could be tailored to address the varying needs and desires of its constituents.

Another challenge for a set of 21st-century Localist Papers would be to match the political and social identities of the thousands of local governments throughout the United States with the scale required to deal with the issues that are most important, including jobs and the economy, safety, education, health care, the environment, infrastructure, and quality of life.

Enabling our local governments to succeed in the 21st century may require us to embrace local government structures that are even more varied in size, scope, and complexity than they are today. Given the already politically divisive nature of our governance, we must ask ourselves whether this is a vision that we can realistically achieve. A guiding set of Localist Papers, crafted for our modern age, might help us answer that question.

25

Local Government in an Era of Creative Destruction

The challenges that lie ahead can be expected to produce plenty of innovation, but they will test the leadership capacity of elected and appointed officials.

In a previous column ["An Opportunity for Creative Destruction," pp. 31–32], I discussed how the fiscal challenges gripping our federal and state governments will force local governments to fend for themselves for at least the next 10 years. This decade of local government will be a time of "creative destruction" that will produce an unprecedented amount of innovation. Here I examine some of the issues that will drive this creativity and the ways in which focused local government leadership can help foster innovation while exercising the discipline to harness it—two decidedly unique but not mutually exclusive concepts.

Five significant factors will influence the future roles and strategies of local government in the United States:

1. The public sector fiscal crisis. However Congress chooses to deal (or not deal) with issues surrounding taxes, spending, and debt, the federal deficit challenge will not be easily resolved. This means increasingly reduced funding for domestic and local programs and greater reliance on regulation and preemption. The result? Virtually no funding to local government to deal with major issues.
2. Demographic changes. In coming decades, the percentage of the country's population that is white will decline, the Latino population will grow, and the baby-boomer population will experience some serious aging. The United States is becoming a truly pluralistic, multicultural society. Increasingly, members of the public will have had no experience with the Great Depression, the civil rights movement, or the Vietnam era. Instead, 9/11, Iraq, Afghanistan, the Great Recession, and the iPad are becoming our life-defining experiences.
3. The impact of technology. We now have the ability to contact nearly every household multiple times a day to encourage community engagement and help frame conversations around service delivery. At the same time, we no longer can control those conversations. Social media is accessible by people of both good and bad intent, and we ignore it at our peril. Meanwhile, the potential of "big data" is enormous, enabling us to amass large amounts of information that will afford us greater transparency and accountability and give local officials an opportunity to partner with many different stakeholders.
4. Polarized politics. The divide in politics has been most evident in Washington, D.C., but it is increasingly filtering to the local level. The challenge is to reach reasoned compromises to move issues forward. What we see in Washington is deadlock:

Originally published on Governing.com May 1, 2013.

Anyone can say "no" and everyone has a veto. The question is: How do we reach some constructive form of "yes"?

5. An increasing gap between the haves and the have-nots. Are we creating a new class of people who will be unable to fully participate in the economy? Will work no longer be wholly rewarded—that is, will the American Dream become unattainable—no matter how hard one tries?

To achieve success against the backdrop of these major drivers and complex public policy issues will test the leadership capacity of elected and appointed local officials. Leadership will need to span the traditional and political boundaries of local government to match the geography and scale of major issues and to reach all of the sectors required to make meaningful change and inspire creativity. At the same time, local governments will need to preserve their own sense of "place"—what it is that distinguishes a community and makes it unique.

The new brand of leadership—as well as the creativity and innovation it inspires—will be the outgrowth of a new set of local conditions: Local governments increasingly will be expected to "go it alone," with little help from Washington or their state governments. Cross-sector strategies will be the norm. Performance and results—not just inputs and outputs—increasingly will matter.

While the forces that drive the way we conduct the business of local government during the next few years are for the most part beyond our control, the leadership skills we need to hone to deal with them are not. We must ask ourselves the tough questions and harness the creative forces of change in a disciplined way if our organizations are to succeed.

26

Public Services and the Limits of Specialization

The challenges facing today's governments require a management approach that cuts across disciplines and departments.

As the world has grown more complex, government leaders have responded by constructing their organizations to leverage specialization. Today's local governments, for example, have separate departments for police, fire, recreation, engineering, public works, social services, and the like. But is this the best way to produce the best service delivery outcomes?

Over the past few years, ICMA has examined feedback obtained from resident surveys to identify the issues that matter most to people. Six emerge as most important: jobs and the economy; education; safety; health care; the environment; and infrastructure, including transportation. What these issues have in common is that they require a multisector, multidisciplinary, and intergovernmental strategy.

I recently participated in a project sponsored by the U.S. Department of Justice's Bureau of Justice Assistance that examined the leadership issues police agencies are dealing with. The BJA's first-phase report[1] focuses on how the management approaches that characterize many of today's police departments—a command-and-control structure; territorial, function-based silos; and single-jurisdictional service delivery—are being profoundly challenged. These issues include

- Severe economic pressures, which necessitate reductions in funding and core-area staff and affect how agencies are organized to provide services.
- Diverse community socioeconomic and demographic complexities, which require interagency collaboration with outside groups, such as housing authorities and nonprofits.
- Differing, and often competing, service needs within regions and subregions.
- The increased pace of change, particularly in the areas of technology and communications.
- A transforming workforce, including multigenerational staffs with often competing values and expectations.

To address these pressures, many public safety organizations are employing not only aggressive cost-cutting strategies but also new ways of collaborating, such as shared services and consolidations, according to the BJA report. Yet these strategies rely on traditional organizational structures and do not address the reality identified by former San Francisco police chief George Gascón and Harvard researcher Todd Foglesong and cited in the BJA report: that a from-scratch approach may be necessary to create and manage the public safety organization of the future.[2]

The BJA report suggests that the stand-alone, single-discipline governmental department may be going the way of the dinosaur. The report offers several alternatives for structuring public safety agencies, including an "integrated partnership organization" in

Originally published on Governing.com July 24, 2013.

which community goals are achieved within a multidisciplinary environment that requires police to acquire a diverse professional background and skill set as well as the ability to collaborate with other agencies, disciplines, and organizations.[3]

It is often said that the important work of most organizations is conducted outside the traditional organizational structure, and many local governments adapt their existing structures through the use of multidisciplinary task forces and interdepartmental teams. Others establish intradepartmental networks, particularly when service needs are too complex to address through a single discipline and require the involvement of several departments or agencies. These are steps in the right direction. Imagine, however, a local government organized around issues and results that are important to communities rather than around departments and functions.

The question for government leaders is this: How do we take advantage of the enormous power of specialization yet organize around the issues that matter most to those we serve? It stands to reason that if new ways of thinking about the impact of organizational structure and leadership can transform public safety operations, then the same would be true for departments and agencies throughout all levels of government.

NOTES

1. Bureau of Justice Administration (BJA), *The BJA Executive Session on Police Leadership: Organization of the Future Report* (Washington, D.C.: Office of Justice Programs, U.S. Department of Justice, August 2011), icma.org/Documents/Document/Document/305176.
2. Ibid., 2.
3. Ibid., 1.

27

Local Governments' Enduring Reinvention Imperative

It's been 20 years since *Reinventing Government* was published, and the book's lessons continue to resonate among innovative governments across the country.

At ICMA's recent Annual Conference, we celebrated the 20-year anniversary of David Osborne and Ted Gaebler's 1993 bestseller, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*, describing it as "an inspiration to many progressive managers who believed that governments need to be more mission-driven, customer-focused and results-oriented."

It would be hard to overestimate the impact the book has had on government at all levels—an impact not unlike that of the reformers who transformed our cities, towns, and counties more than a century ago when they introduced the concept of professional management.

During the past two decades, local governments have become increasingly engaged in the process of reinvention. Legions of local government leaders—driven by changes in community demographics, polarized politics, increasingly powerful technologies, a growing schism between those who have and those who do not, and an increasingly challenging economic landscape—have come to focus on truly new and different approaches to service delivery and problem solving. Just a few examples:

- Hampton, Virginia, whose city manager was honored [in 2012] by the White House with an "Innovation Champion of Change" award, given to government leaders who make their organizations more transparent; provide new venues for citizens to become involved; and foster new methods for citizens and the public, private, and nonprofit sectors to work together.
- Olathe, Kansas, which as one of the fastest-growing communities in the United States successfully transformed itself from a sleepy suburban city into an economic powerhouse that today attracts a host of high-visibility businesses, such as Honeywell, ALDI, Garmin, and Farmers Insurance Group.
- Decatur, Georgia, which engaged more than 2,000 residents in the development of its 2010 strategic plan through a new web portal that served as a gateway for involving them in the planning process.
- Durham, North Carolina, which in 2012 was one of 33 cities worldwide to receive a "Smarter Cities Challenge" grant from IBM to develop a coordinated strategy for addressing disenfranchised youth and positioning them to become contributing members of the community by age 25.
- Fort Collins, Colorado, which took the No. 1 spot in *Money* magazine's 2006 "Best Places to Live" rankings and today can boast of its "award-winning schools, a globally-focused university, a thriving arts scene, eclectic shops and restaurants, hundreds of miles of walking and biking paths, and a plethora of outdoor activities."
- Palo Alto, California, which launched one of the country's most ambitious cloud-based community

Originally published on Governing.com October 30, 2013.

open-data sites, providing new channels for communication and participation and fostering transparency and trust in government.

- Needham, Massachusetts, previously little more than a bedroom community for Boston, whose adoption of the town-manager form of government in 2005 resulted in the town finding ways to bring about a number of impressive capital improvement projects that have revitalized the community.

What these and many other reinvention-minded local governments share is a set of principles that are necessary to sustain innovation over time:

Consistency and perseverance: In Jim Collins' famous flywheel analogy, leaders at first struggle to push an organization to change.[1] If the motivation and perseverance are strong enough, however, the flywheel eventually will turn, and its momentum enables the organization to break free of mediocrity and move toward transformative change.

Stable leadership: Successful reinvention requires critical experience continuity. A change in political leadership within a community that employs a professional manager or administrator, for example, does not have to mean wholesale changes in top management.

Earned trust: Local government is consistently rated most favorably by American citizens among the three levels of government. This high level of confidence enables leaders to generate support for local initiatives and new ways of meeting challenges.

A focus on important issues that matter: Success at reinvention and innovation requires an organization to develop what Collins calls a "piercing clarity" around the best way to produce long-term results and then exercise the relentless discipline to reject opportunities that fall outside the community's priorities.

High levels of citizen/resident engagement: The ability to engage every segment of the community when defining service priorities and determining how revenues will be raised to pay for them is essential to gaining support for new initiatives.

Tolerance for risk: Previously I've written about how during tough times superior organizations use "creative destruction" to abandon traditional ways of doing things in exchange for innovation [see "An Opportunity for Creative Destruction," pp. 31–32]. For reinvention to take place, we must challenge assumptions and develop a tolerance for risk taking.

A sustainable culture of excellence: For an organization to reinvent itself continually, it must possess a combination of transparency, constituent engagement, performance, and accountability. These attributes foster an organizational climate that encourages new ways of thinking.

Effecting substantive change within a government organization is a major challenge. Reinvention can happen only when the governmental enterprise has the discipline required to abandon the status quo and focus on achieving momentum toward positive results. That is the enduring lesson of *Reinventing Government*.

NOTE

1. Jim Collins, *Good to Great: Why Some Companies Make the Leap . . . and Others Don't* (New York: HarperCollins, 2005), 164–165.

28

Why the Cult of Personality Is the Wrong Leadership Model for Government

To sustain excellence over time, governments need to build leadership at all levels of their organizations.

While leadership can be the catalyst for responsive and innovative action in government, we too often revert to an outdated and ineffective view of leadership based upon a "cult of personality" and constructed around a charismatic leader. In the public sector, where there is often a diffused power structure, relying on a single person—whether a governor, mayor, or city manager—can create the temporary illusion of progress. Yet most of the challenges and opportunities we face require consistent progress over long periods.

The true measure of leadership is whether an organization can sustain excellence over time regardless of economic or political cycles, and real excellence should not be unique to a single individual. But what do we know about leaders who have the ability to build, nurture, and sustain organizational excellence? We know that they develop a model of shared leadership and that they focus on the three "Ps" of purpose, patience, and persistence.

This approach fosters a model that develops "leadership at all levels," as described by the Commonwealth Centers for High Performance Organizations. A number of communities—among them Catawba County, North Carolina; Decatur, Georgia; Fort Collins, Colorado; Virginia Beach, Virginia; and Washoe County, Nevada—have consistently been recognized as having great local government organizations because they understand the value of fostering leadership at every level.

The fundamental characteristics required to build such a culture are well known if not universally practiced. They include having focus and clarity of mission, anchoring around a set of organizational values, fostering accountability, and constantly challenging the organization to be better through a relentless emphasis on performance. Selecting the right people to fit the culture is critical, as is investing in and developing them; recognizing strong performers and high-performing teams; and resisting the constraints of titles, job descriptions, and organizational charts. Such an organization reinforces the importance, the satisfaction—and, indeed, the fun—of public service work.

Beyond those principles, how do we elevate leader-ship as an essential part of who public employees are and what they do? To address this question, ICMA's current president, Simon Farbrother, who is city manager of Edmonton, Alberta, Canada, challenged a task force of ICMA members to consider the future role of leadership within the local government management profession and to articulate the skills required to meet the challenges presented by today's rapidly changing communities.

The task force developed a lengthy list of characteristics that the new breed of local government leaders must possess, some of which represent a significant departure from the administrative skills previously valued by technical managers. Many involved the

Originally published on Governing.com April 29, 2014.

development of a high emotional IQ and other "soft" skills, such as a willingness to lead—to facilitate and engage—without maintaining control over all of an organization's moving parts, as well as the ability to inspire and motivate constituents and to exhibit visionary and aspirational thinking.

The task force also described ways that these new kinds of leadership skills can benefit our communities, such as increased trust in government and improved perceptions of well-being, satisfaction, and quality of life among community stakeholders. More engaged constituents and more dynamic partnerships can lead to increased collaboration, less apathy, andgreater civility. In the end, our communities can be more vibrant, sustainable, and inclusive, the task force concluded.

Strong political and policy leadership can create a truly inspiring blueprint for a community's future. So can the efficient execution of that blueprint by experienced management leadership professionals. Building a stronger government workforce today requires more than blind devotion to the vision of a single, idealized individual.

29

Performance Management in Government: The Old Is New Again

As they deploy modern, data-driven tools for public sector efficiency, today's government leaders are building on work that began many decades ago.

For all of the interest and excitement surrounding current efforts to expand performance management in government, you'd be forgiven for thinking that the concept was born in the past decade or two. Yet today's innovative approaches to finding ways to deliver public services more efficiently—from proliferating "stat" programs to powerful data-analytics tools—have their roots in research going back to the early part of the last century.

The early work of ICMA—in measuring the efficiency of municipal services, for example—was so well received that it served as one of many catalysts to the development of public sector performance management approaches. We published the first in a series of 14 articles focused on "economies," or ways to improve performance in a variety of local government areas, in *Public Management (PM)* magazine back in July 1932. Five years later, graduate student (and eventual Nobel laureate) Herbert A. Simon, along with then ICMA executive director Clarence Ridley, authored an article titled "Technique of Appraising Standards," the first in a series on management standards in city administration.

Originally published on Governing.com September 8, 2014.

Since those days, we as a profession have labored to move forward the state of the art on performance management. To recognize the establishment of the National Performance Advisory Commission back in 2008, I wrote about the importance of communicating accurate, fair, and comparable data to residents regarding the quality and efficiency of service delivery. The commission developed a set of commonly accepted guidelines for performance measurement and management based on seven key principles that can be applied to local government planning, budgeting, management, and evaluation.

The connection between government data and performance grows stronger every day. In her presentation at ICMA's 2013 Annual Conference, Beth Simone Noveck, the former U.S. deputy chief technology officer who now directs the Governance Lab, described how local governments can make better decisions by accessing not only "big data"—the vast amount of information accumulated in traditional databases—but also the fast-growing new sources of digital data such as social networks.

And in a recent column [in *Governing*], Stephen Goldsmith shows how that performance systems are increasingly being linked to visualization tools that provide on-the-fly access to government data to just about anyone who wants it.[1] These tools, such as our own ICMA Insights, are increasingly available from a variety of private sector, public sector, and nonprofit providers and should feature the following characteristics:

- A set of well-defined, common performance benchmarks that enables communities to compare their

performance with that of other jurisdictions.

- A tiered service approach that covers all budget sizes and performance management needs, from basic summary statistics and integrated reporting to more advanced customizable graphs, scorecards, dashboards, and performance forecasting.
- Training and development options that take routine metrics to a higher, more comprehensive level for users.

I think those pioneers of public sector performance management, were they around today, would be the first to appreciate the power of tools like these and of the modern performance management platforms that enable real-time decision making in a culture of continuous improvement. Public leaders who grasp the significance of these new tools and how best to utilize them will be well on the way to delivering the level of government services that today's constituents expect.

NOTE

1. Stephen Goldsmith, "City Finances and the Promises of Data Visualization," *Governing*, August 20, 2014, www.governing.com/blogs/bfc/gov-city-finances-data-visualization.html.

30

The Critical Ingredients of Community Resiliency

Communities that cultivate a network of institutions and pay attention to the "3 E's" of resiliency will be better able to respond and adapt to new challenges.

Resiliency, according to the Rockefeller Foundation's 100 Resilient Cities project, is "the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience."[1] As that definition suggests, there are many components to building resilient communities. A recent conference hosted by the Alliance for Innovation, for example, explored a modified version of the "3 E's" of resiliency—environment, economy, and the emotional well-being of public leaders—as the keys to building resilient communities. Presentations by current and former local government practitioners, academics, and other experts [see end of article] provided plenty of food for thought for public officials on the interconnected aspects of resiliency:

Environment: While rapid urbanization has paved the way for strong economic growth and poverty reduction in many regions, the related stresses—increased demand for municipal services such as energy, water, and housing—place tremendous burdens on local governments. Exchanges and city-to-city partnerships allow for technical capacity building, as ICMA's CityLinks staff and Fort Lauderdale Assistant City Manager Susanne Torriente emphasized.

Rather than adhering to the premise that weather and climate patterns will remain constant over time, we must invest in new community infrastructures that are resilient to changes in these patterns, as Arizona State University's Clark Miller pointed out. Such high-profile natural disasters as the 2011 Japanese tsunami, Hurricanes Katrina and Sandy, and the recent frigid temperatures and snow in the U.S. Midwest and East dictate the need to understand that our current infrastructures may be vulnerable to dramatically changing weather and climate patterns and may no longer be able to provide the services for which they were originally designed.

Economy: The ability of communities to achieve economic resiliency has become more challenging as we emerge from the Great Recession and the global economy becomes more tightly intertwined, observed former Pinellas County, Florida, county administrator Bob LaSala.

Success, he said, hinges on three main ingredients: development of community attributes such as physical infrastructure, a safe environment, effective transportation systems, and quality education; promotion of a critical mass of business/commerce-sector activity; and an understanding of the impact of socioeconomic and workforce issues on the community.

Addressing these issues requires adaptive leadership—determining which of a community's past and

Originally published on Governing.com December 3, 2014.

current policies will work to ensure continued economic resilience.

Emotional well-being: Leaders of resilient communities develop a work-life style for themselves that helps them avoid cynicism, which can metastasize into negativity and pessimism and spread deep into the organization, noted Charlotte City Manager Ron Carlee. Resilient managers know that what happens on the job is not personal, and they understand that personal resiliency requires strong personal beliefs.

While developing each of these aspects is crucial to ensuring a community's ability to rebound, the 3 E's of sustainability underestimate one important component: institutional resiliency. To be resilient, communities must also cultivate a network of robust institutions—including local governments, nonprofits, the business and civic sectors, and faith-based and charitable organizations—to support them.

Communities do not stay the same; they either get better or they get worse. Resilient communities require that their local government organizations be transparent and accountable, that they function as effective forums for identifying community needs and priorities, and that they provide services efficiently and effectively. Institutional resiliency, combined with the 3 E's of sustainability, not only can help our communities prepare to meet the challenges of environmental and economic disasters but also can help them rebound from and surmount those challenges. While robust institutions will not guarantee resiliency, we know from experience that without them, strong, safe, and healthy communities are impossible.

The following resources for community resiliency were presented at the Alliance for Innovation's conference "BIG Ideas: The Future of Local Government," Fort Lauderdale, Florida, October 24–26, 2014:

- Kevin C. Desouza and Kendra L. Smith, "Economic Resilience: No Big Ideas Needed!"
- Ron Carlee, "The Emotional Resilience of Managers: Surviving the Slings & Arrows of Outrageous Fortune"
- ICMA CityLinks Staff with contributions from Susanne Torriente, "Global Perspective: Local Governments Transcending Their Borders to Fight Climate Change"
- Robert S. LaSala, "Economic Resiliency and Economic Sustainability"
- Clark A. Miller, "Building Infrastructure Resilience to Changing Weather Patterns"

NOTE

1. 100 Resilient Cities, "What Is Urban Resilience?," www.100resilientcities.org/resilience#/-_/

31

Public Services and the Wonders of the Third Week in August

There are times when transportation and other infrastructure work just as they should. Smart cities look for ways to make that happen all the time.

Residents of the Washington, D.C., metropolitan area have a number of viable public transportation options, including a subway system, buses, and train service to other parts of the region. Yet the region has some of the worst highway traffic congestion in the United States.

But every year, with the arrival of the third week in August, the pressure on the region's transportation infrastructure eases. Tourist season winds down, so the number of out-of-town visitors dwindles to a trickle. Congress is usually out of session at that time, which frees lawmakers' staffs to take time off and even take leave of the area. And many of the region's commuters are away on vacation.

During the August respite from snarled traffic and crowded trains, the D.C. region's transportation infrastructure works as it should. Within the metro area, a 30-mile commute by car from northern Virginia or central Maryland into Washington may take just 35 minutes, compared to the 75–90 minutes normally required during peak-volume traffic times. Access to the regions' greenways, parks, museums, and other cultural amenities becomes far easier. Mass transit commuters and car drivers alike can be heard to say, "I wish it was always like this."

Originally published on Governing.com June 9, 2015.

In a smart city, it is always the third week of August. Transit systems move people from place to place efficiently, taking them where they need to go in a comfortable and timely manner. Other public infrastructure systems—electricity, water, and sanitation, to name just a few—hum along without major disruption. In a smart city, the convergence of leading-practice information technology and government policies, plans, and programs results in delighted customers.

The equation for creating a smart city is simple: Technology + Governance = Smarter Cities. Technology may be the easiest part of that equation, as new applications, software, and platforms targeted at local governance issues come online every day.

To ease traffic in the Los Angeles metropolitan area, one of the most congested in the United States, the region uses automated traffic-control systems with magnetic road sensors and cameras routed through a centralized computer system to control 4,500 traffic signals. Since the $400 million system was completed, it has increased travel speeds by 16 percent and shortened delays at major intersections by 12 percent.

In Orlando, Florida, the home of Walt Disney World and one of the nation's most heavily visited tourist destinations, a mobile app helps downtown patrons locate information about parking in the city, including information about pricing and locations for available slots.

Local governments also routinely use technology to collect mountains of service delivery data. To put that data to work requires adequate management structures that turn technology outputs and other data into actionable, measurable outcomes for the community's

residents, businesses, and other stakeholders.

One effective way to do that—an essential approach to smart management—is through resident engagement. New tools and social media technologies are making it exponentially easier for the conversation between the local government and residents to take place and for local leaders to hear and react to the needs of their residents. Palo Alto, California, for example, is one of a number of communities that routinely use the Open Town Hall online-forum platform to pose questions about new initiatives that the city may undertake and to get input from residents. More traditional tools such as citizen surveys also provide data that local officials can use to measure the performance and public perception of their service delivery functions.

As the trend toward urbanization increases, the need for smarter communities becomes more imperative. Local government service delivery responsibilities will continue to expand and diversify. To meet those challenges, local officials will need to seek out the right combination of technology and governance. A model of service delivery that aims to make every week the third week in August will go a long way toward meeting the demands of the people who live, work, and play in our communities.

32

The Next Big Thing in Local Government

Many challenges lie ahead. Cities and counties will need to collaborate and innovate as never before.

Where is local government going? In an era of tumultuous change and declining trust in government, cities and counties face major attitudinal and demographic forces, including competition for resources devoted to the "graying" and the "browning" of America, and population and generational changes in government workforces. And there's another, perhaps overarching, challenge: the difficulty taxpayers have in thinking about government as experimental when experimental thinking will be exactly what will be needed in the coming decades.

Certainly challenges like those—not to mention those as yet unforeseen—are going to do much to shape the future direction of local government. They were among the forces identified by a panel of experts in a recent live-streamed discussion I moderated. Co-sponsored by ICMA and the Alliance for Innovation, the webcast was part of a larger "Next Big Thing" project sponsored by AFI.

So what will be the next big thing? There were plenty of ideas among the panelists: Arlington County, Virginia, assistant county manager Shannon Flanagan-Watson; John Nalbandian, a professor emeritus at the University of Kansas; Austin, Texas, city manager Marc Ott; and Rebecca Ryan, a futurist and founder of Next Generation Consulting. Here are some of their thoughts:

Collaboration: We will see a merging of the public, nonprofit, and private sectors, blending public purpose with private capital to address a number of public service provision challenges. We also will use innovative financing and public-private partnerships to help public agencies amortize the cost of infrastructure operations and management. When Denver, Colorado, looked for ways to fund the last bit of its high-speed rail system, for example, the city involved investors from Spain in a nuanced and complex financing deal. Agreements such as these will require local governments to develop a new set of navigational management skills.

Technology and citizens: Much will turn on whether and how cities and counties and the people they serve use sensors, data, networking, and other technological infrastructure to become "smart" jurisdictions, and how they leverage that technology to better engage their residents. In Sweden and some parts of the United States, for example, local governments have successfully combined technology and resident engagement to forge a framework for change driven far more than ever before by citizen input.

None of these efforts can succeed without the appropriate balance of high tech and high touch. Arlington County, for example, tries to equalize the two by leveraging crowdsourcing and other tools to engage residents and the business community in an ongoing conversation with their local government. And while local governments are improving opportunities

Originally published on Governing.com September 25, 2015.

to inform people and solicit opinions, there are few forums in which a resident, business leader, or elected official praises someone else's good idea. We do a great job of soliciting various viewpoints, but we need to focus on elevating the dialogue.

Closing the gaps: The gap between the haves and the have-nots—and whether that gap becomes a structural impediment to participation in the 21st-century economy for large segments of the population—will continue to be a major driver of local government. An unforeseen consequence of community growth and development is the broadening of the divide to the point at which "affordability" has become a major campaign issue for elected officials in cities such as Austin.

A different but equally important gap is the space between what is politically acceptable and administratively sustainable—that space dividing what local governments wish to accomplish from what will work and what is politically possible. As that gap continues to grow, it becomes more difficult to achieve results that matter.

Resiliency: This concept, a fairly new public sector mindset that is essential to our continued success and future partnerships, is seldom taught in public administration classes. Resiliency is about the ability not only to bounce back from disasters, whether natural or human-caused, but also to be proactive about analyzing risk before bad things happen so that we can bounce back better than before. While social cohesion is a critical factor for resilient communities, identity politics and the wavering of trust in the public sector are major impediments to achieving this important goal.

All of these have one thing in common: the continuing need for government to be innovative. Today's rigid structures and jurisdictional branding—which reward distinction and, consequently, competition rather than collaboration—make it difficult to leap beyond our current boundaries to achieve successful regional and multisector innovation. Overcoming that difficulty may be the toughest challenge of all.

At the 2015 ICMA Annual Conference in Seattle, Washington, AFI released a report based on Rebecca Ryan's research and the "Four Forces" model developed by Cecily Sommers, which explores in more depth the question of what lies ahead for local government. To learn more, visit ICMA's "Next Big Thing" webpage at icma.org/en/icma/newsroom/highlights/Article/105609/Five_Quotables_from_The_Next_Big_Thing_in_Local_Government, where you can view the webcast and where the AFI report is posted.

33

What the Presidential Candidates *Should Be* Talking About

Policies are one thing. Implementing them is another. The next president needs to pay attention to our intergovernmental system.

The more than two dozen U.S. presidential debates and forums to which the global public has been subjected in this election cycle have focused primarily on ideology and idealism. While perhaps entertaining, these events have added little to the discussion around the most important challenges facing our nation: jobs, education, public safety, health care, the environment, infrastructure, and race relations.

As the candidates begin to articulate the policy prescriptions for these issues, what we will hear relatively little about is how those policies will be implemented. Yet what we've learned from the Affordable Care Act, the Flint water crisis, the aftermath of Hurricane Katrina and similar situations is that multisector, multidisciplinary, and intergovernmental issues present complex implementation challenges.

What the presidential candidates should be talking about is the ways in which the United States can address the issues that have a direct impact on Americans' quality of life. We know that if results count, then management matters, although candidates and newly elected presidents generally learn that bit of wisdom far too late. Regardless of the candidate, party, or political philosophy, "execution risk" will be one of the greatest challenges the next president will face—and one to which he or she likely will pay little attention until something happens that makes the issue impossible to ignore.

As state and local governments gear up to do the heavy lifting of identifying and funding critical social and infrastructure projects, the federal government must adopt the role of partner, manager, and convener to ensure that policies are in place that enable the intergovernmental system and government's partners in the nonprofit and private sectors to function effectively and produce results that matter.

I've written frequently about the critical need for an intergovernmental, multisector, multidisciplinary approach to service provision that takes us out of our silos and emphasizes collaboration. But this boundary crossing will be nothing more than empty rhetoric if it doesn't also focus on what matters most: results.

In a recent article for the National Academy of Public Administration, *Governing* columnist Donald F. Kettl and I discuss three things the next president could do to improve multisector and multidisciplinary collaboration and reduce execution risk:[1]

- Create with the Domestic Policy Council a new advisory panel composed of representatives from the private and nonprofit sectors and from state and local governments to bring a fresh perspective to policy development that takes implementation challenges into consideration.
- Establish a multiagency workgroup within the White House Office of Management and Budget to

Originally published on Governing.com March 30, 2016.

bring front-line operational debate to the top levels of the federal government's management strategy.

- Develop a career track within the federal government's Senior Executive Service that focuses on cross-sector, intergovernmental, and multiprogram skills. Participants would rotate across domestic agencies and through state, local, and nonprofit partners to gain a keen sense of operational questions and reduce the tunnel vision that too often afflicts top-level federal management.

The challenge for the next administration and for those who lead local, state, or federal agencies lies in developing the kind of policies that will unite the three levels of government with the private and nonprofit sectors. There is no need for the 46th president to have to reinvent the wheel of results-driven, intergovernmental collaboration and program implementation; we hear about the mistakes made and the "lessons learned" every day. What the next occupant of the Oval Office *can* do is focus policy development on "how" rather than just "what" programs are being managed.

NOTE

1. Robert O'Neill and Donald F. Kettl, "Collaboration: The Intergovernmental Imperative," T16 blog (Washington, D.C.: National Academy of Public Administration, January 29, 2016), napat16.wordpress.com/2016/01/29/collaboration-the-intergovernmental-imperative/.

Management Insights from Bob O'Neill

Editorial Supervisor and Content Researcher
Michele Frisby

Copy Editor
Jane Cotnoir

Producer
Rob Carty

Designer
Kirie Samuels

Creative Services Mananger
Erika White

Production made possible by a grant from ICMA-RC

The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide.

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION
777 N. Capitol St NE, Ste. 500, Washington, DC 20002
202.289.4262 | 202.962.3500(f) | icma.org