

Oh Manager, Where Art Thou? Best Practices for Selecting a City Manager

Report No. 04-07 July 15, 2004 *Peter*— "Who elected you leader of this outfit?"

Everett— "I figured it should be the one of us with the capacity for abstract thought, but if that's not the

consensus view, let's put it to a vote."

—from the film, *Oh Brother*, *Where Art Thou?*

Introduction

In 1993, when Worcester was seeking a new City Manager, the Research Bureau released a report, *Selecting a City Manager: Facts and Procedures* (Report No 93-3). This is an update of that report, prepared at the request of the Worcester City Council. Although the Council recently decided to forego an extensive search for a permanent City Manager and appointed Mr. O'Brien to the position, the procedures outlined below may be used for any senior management position. The Research Bureau recommends that an executive search firm be hired to manage these searches.

This report includes a discussion of the duties of the City Manager according to the City Charter and the International City Management Association (ICMA), as well as suggestions for defining the qualifications for the position, organizing and conducting a search, and developing an appropriate compensation package.

The Process

This is an overview of the City Manager selection process based on ICMA publications and conversations with executive search firms, and information from previous Research Bureau Reports.² The hiring process, which may take twenty weeks or longer, can be separated into four key steps:

- A) Consider hiring an executive search firm.
- B) Define the position and expectations (3 Weeks).
- C) Recruit candidates from a wide talent pool (10 weeks).
- D) Thoroughly evaluate candidates and narrow field to semi-finalists (7 weeks).
- E) Select the City Manager and negotiate the contract (6 weeks).³
- **A)** The Research Bureau recommends that the City Council hire an executive search firm early in the process of selecting a new City Manager. The City Council would be responsible for defining the position and making the decisions; a search firm would assist at all stages of the process in addition to carrying out the search itself. A professional search firm can provide expertise, national reach, and a fair process for the selection of a new City Manager. The costs of a search firm can vary substantially depending on the

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¹ Item #20040427cho. April 27, 2004.

² "Recruiting Guidelines Handbook" International City Management Association. "Guidelines for Selecting a City Manager," Texas City Management Association, 2002. "Our Approach to Executive Search," Isaacson, Miller. *Selecting a City Manager: Facts and Procedures*, Worcester Regional Research Bureau. 1993.

³ Time required for each step is an estimate and based on promotional materials from Isaacson Miller, an executive search firm in Boston that was employed for Worcester's City Manager search in 1993.

services requested and the nature of the firm. A comprehensive start-to-finish search by a prominent executive search firm costs approximately 1/3 of the annual salary (about \$43,000 for the current City Manager's salary) plus expenses. The City of Ft. Lauderdale (population 150,000) received bids ranging from \$18,000 to \$39,000 (including expenses) when it sought an executive search firm for a City Manager search in October 2003.

B) Define the position

It is essential for the City Council to define the goals and priorities for a new City Manager since among the reasons given for requesting the previous City Manager's resignation were charges that he lacked adequate "vision" and that there were extraordinary delays in economic development projects, as well as that it was "time for a change." Setting the goals for the position of City Manager will help determine the skills and strengths needed by the candidate and allow candidates to assess whether the position in Worcester is suitable for their attributes.

As chief executive, a City Manager must fill many roles. The ICMA has identified the three major roles of a City Manager as managerial (supervising City activities and employees), policy making (making policy decisions and policy recommendations to City Council) and political (advocating and winning support for various policies, coalition building, and public relations—but not supporting candidates or parties). While management and policymaking are still the key roles of City Managers, political leadership has become more prominent of late. According to an analysis of the ICMA's 1996 City Manager Task Force survey in *Public Management*, "It now is fairly wellrecognized that managers not only are involved but must take the lead in political issues. As suggested by Professor Charldean Newell, editor of ICMA's Effective Local Government Manager, 'Managers are spending much more time on their political role. Councils have become more fractious and are demanding more of the managers' time."4 This is a change in understanding of the role of City Managers from the late 80's when similar studies showed that political leadership received much less emphasis in the city management profession. By expressing interest in obtaining a City Manager with "vision," members of the Worcester City Council have perhaps indicated an expectation of such leadership.

The starting point for defining the position is Worcester's City Charter, which establishes the City Manager as the chief executive and chief administrative officer of the City, making him responsible for all City agencies except those of city clerk and city auditor. Article III of the Charter calls for the appointment of the City Manager on the basis of his executive and administrative qualifications. The City Manager is responsible to the City Council for the administration of all city affairs entrusted to him by the Council or under the City Charter. The Charter establishes the powers and duties of the City Manager as follows:

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⁴ Victor DeSantis and Robin Leal. "The Manager's Role at Century's End" *Public Management*. September 1998, Vol. 90 No. 9.

- 1. To act as the chief conservator of the peace within the City. He/she shall have all the authority and power conferred upon a city manager under section forty-two of chapter thirty-three of the General Laws.⁵
- 2. To supervise the administration of the affairs of the city.
- 3. To ensure that, within the City, the General Laws and the ordinances, resolutions, and regulations of the City Council are faithfully executed.
- 4. To make such recommendations to the City Council concerning the affairs of the City as he/she may deem necessary and desirable.
- 5. To make reports to the City Council from time to time upon the affairs of the City.
- 6. To keep the City Council fully advised of the City's financial condition and its future financial needs.
- 7. To prepare and submit budgets to the City council as required by General Law and article five of the City's charter. He/she may require the submission by all city agencies under his/her jurisdiction of detailed estimates of the full amounts necessary to meet their expenses for the next fiscal year pursuant to Section 31A of Chapter 44 of the General Laws.
- 8. To appoint and remove all Department Heads, Officers, and Employees.

The powers and duties, as outlined, leave the manager with much discretion regarding the focus of his efforts. Should the Council seeks a new City Manager with experience managing large economic development projects, attracting businesses, and negotiating with public employee unions? Or are a different set of priorities needed for Worcester? Specific priorities for the City Manager should be established by developing a position profile, a detailed review of the skills, abilities and knowledge that are desired in a manager. A profile identifies experiences, skills, and management style that would be most helpful to a particular city. It serves as a guide for the search firm in screening job applicants and to city councilors during the review process. To develop a profile, the search firm interviews each of the City Council members and department heads along with representative members of the community. A draft profile is returned to the City Council for review and comment, which the search firm takes account of in finalizing the profile. While the profile is being developed, salary, benefits, and other compensation parameters are discussed with the councilors.

Many cities expect their City Managers to have advanced degrees. Of the cities surveyed by the Research Bureau, all but one of the cities responding to the question had managers with a master's degree in public administration, business administration, or another advanced degree. One of the cities surveyed (Lowell, Massachusetts) has a City Manager with a law degree.

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⁵ MGL Chapter 33 Section 42 was repealed in 1979. Chapter 33 generally deals with the powers over a militia and section 41 addresses the powers of a City Manager in a time of riot, and may be the intended reference. Sec. 41 indicates that the City Manager may request help from the Governor in the case of an emergency (riots etc.). It is unclear why the Charter, which was changed in 1993, includes a reference to a repealed law.

C) Selection process: recruit candidates from a wide pool of talent.

Part of the theory underlying the council-manager form of government is that professional skill and expertise are more important for municipal leadership than partisan affiliations. Hence, the search for a City Manager is a search for talent and skill, not connections and political attachments. The City increases its chances of securing talented, highly-skilled professionals with a nationwide search. While previous Worcester residence is undoubtedly an asset in some respects, for instance, in providing familiarity with current political leaders, long Worcester roots may also be a liability. Managers from the existing administration may have too many personal connections and years in the existing system to promote needed change.

Recruitment is typically done through advertising in appropriate journals and municipal association publications. Internet advertising and other web-based recruitment are often employed as well. Some cities develop a brochure and/or web page describing the position, the expectations, and features of the city. In addition the members of the City Council (as well as a search firm) should reach out to contacts in other cities to find potential candidates.

D) Evaluate candidates

Once the applications are in, the City Council must determine which candidate best fits the position and has the best skill set for the City. Evaluation can take different shapes but generally involves some or all of the following:

1) Acknowledge applications

Candidates are notified that applications have been received and are notified of status if it is known.

2) Review applications

Applications are examined with reference to the definition of the position and the expected skills and qualifications.

3) Screen candidates with phone interviews/ preliminary reference checks

Telephone interviews are conducted with the most likely candidates (10-20) as well as their supervisors and subordinates and others who have knowledge of the candidate's professional reputation, job performance and character. Reference checks verify employment history and personal achievements.

4) Select top group of candidates

Selecting a group of semifinalists may require interviews with the top candidates; however, the costs of such a process may require phone, or video-conference interviews. In keeping with a common practice of executive searches, the City Council might consider having two-hour interviews at a Logan Airport Hotel for competitive candidates, perhaps twice the number that would be invited to Worcester for full interviews.

5) Final interviews/assessment center for finalists

The City Council directly interviews the finalists using the same process and posing the same questions to each candidate. Some search firms use an assessment center to evaluate final candidates. An assessment center creates on-the-job situations to which the candidate must react. Their performance is evaluated by a panel of three impartial observers who present a consensus evaluation of the candidate to the City Council. (Employing an assessment center would require that the City hire an outside firm.) City Councilors would then interview the top candidates. Top candidates should also be examined through a field assessment. This requires a team of City Councilors to visit the finalists at the location of their current position and observe their performance of their duties.

6) Final background check

Investigate any remaining questions about final candidates.

E) Select the City Manager and negotiate the contract

At this stage the City Council should have the information necessary to make its selection and begin negotiating a contract. Figure 1 lists the salaries from 26 cities with populations comparable to Worcester's (120,000 to 220,000). According to the ICMA 2004 Salary Survey, City Managers in cities with a population of 120,000 – 220,000 average \$158,000. Worcester's City Manager is currently paid \$130,000 annually. Figure 2 is a more detailed look at some New England cities and larger City Manager-led cities from across the country; this list includes benefits and other compensation. Of the cities we surveyed, City Manager salaries varied from a low of \$120,000 in Lowell, Massachusetts (population 105,000) to a high of \$263,000 in Dallas, Texas (population 1.1 million). Appendix 1 is a list of executive search firms in Massachusetts.

Figure 1

City Manager Salaries in Cities with population from 120,000 to 220000

City Wallager Sa	State	h population from 120,000 to 2 City Manager salary (2003)	Population		
Glendale	Arizona	\$184,800	218,812		
Fremont	California	\$224,470	203,413		
Lubbock	Texas	\$161,104	199,564		
Chesapeake	Virginia	\$147,175	199,184		
Des Moines	Iowa	\$180,533	198,682		
Grand Rapids	Michigan	\$136,000	197,800		
Richmond	Virginia	\$165,193	197,790		
Tacoma	Washington	\$149,053	193,556		
Huntington Beach	California	\$180,860	189,594		
Durham	North Carolina	\$138,000	187,035		
Winston-Salem	North Carolina	\$152,336	185,776		
Little Rock	Arkansas	\$120,000	183,133		
Newport News	Virginia	\$181,545	180,150		
Columbus-Muscogee	Georgia	\$103,272	178,681		
Laredo	Texas	\$103,272	176,576		
Henderson	Nevada	\$184,773	175,381		
Amarillo	Texas	\$179,004	173,381		
Oxnard	California	\$179,004	170,358		
Dayton Garden Grove	Ohio California	\$134,992	166,179		
		\$167,328	165,196		
Oceanside Fort Lead 1 and 1 and 1	California Florida	\$165,000	161,029		
Fort Lauderdale		\$184,933	152,397		
Springfield	Missouri	\$147,791	151,580		
Santa Clarita	California	\$192,900	151,088		
Tallahassee	Florida	\$150,072	150,624		
Pomona	California	\$194,013	149,473		
Overland Park	Kansas	\$149,300	149,080		
Hampton	Virginia	\$154,742	146,437		
Lakewood	Colorado	\$187,658	144,126		
Vancouver	Washington	\$120,360	143,560		
Hayward	California	\$178,538	140,030		
Hollywood	Florida	\$143,170	139,357		
Torrance	California	\$185,988	137,946		
Eugene	Oregon	\$115,960	137,893		
Salem	Oregon	\$117,645	136,924		
Escondido	California	\$161,000	133,559		
Savannah	Georgia	\$141,758	131,510		
Naperville	Illinois	\$148,700	128,358		
Alexandria	Virginia	\$171,184	128,283		
Fayetteville	North Carolina	\$126,072	121,015		
Average		\$158,809	164,369		

Source: International City Management Association Prepared by: Worcester Regional Research Bureau

Figure 2

Salary and benefit details for selected city manager cities with population over 100,000										
	Population	Manager's Salary	Vehicle	Insurance	Other Compensation	Advanced Degrees	Search Firm?	Mayor's salary		
Dallas TX	1,173,000	\$263,027	No	Same as City employees	\$4,000 in 401K	NR	NR	\$35,000		
Anaheim CA	320,000	\$234,744	yes	Same as City employees	None	NR	NR			
San Diego CA	1,223,000	\$215,688	\$9,600/year	Health	\$8,125 in other compensation/benefits	MPA	Internal	\$99,660		
San Antonio	1,144,000	\$200,000	400/month	Health, Life, Disability	Deferred Compensation	Masters	Internal	\$3,000		
Pheonix AZ	1,300,000	\$193,336	\$600/month	Health, Dental, LTD and Life Insurance	Computer, 15 sick days, 41.5 vacation days, \$2,006 in education reimbursement, \$21,266 (11%) contributed to retirement program.	MBA	Internal	\$62,800		
Oxnard CA	180,000	\$190,886	No	Medical, Dental, Life	None	No	Yes	\$600		
Ft. Worth TX	534,000	\$189,000	Allowance	Health, Dental, Life	None	MBA	Yes	\$3,900		
Austin TX	656,000	\$188,115	no	Health, Dental, Life	Retirement, travel expenses, executive allowance, cell phone allowance	MBA	No	\$52,998		
Cambridge	101,355	\$186,000			None	MEA	Internal	\$86,414		
FT. Lauderdale	152,000	\$184,932	\$7,115/year		\$9,600/ year in housing allowance \$4,224/ year in longevity pay	MA in Urban Studies	Yes	NR		
Newport News VA	180,000	\$181,545	6,850	Same as City Employees	None	NR	NR	\$27,000		
Arlington TX	332,000	\$179,000	yes	Health and Short term Disability.	Additional contribution to Retirement, contribution to ICMA deferred compensation plan, cell phone, health club, longevity pay.	MPA	Yes	\$3,000		
Tucson AZ	486,000	\$178,104	Optional	Same as City employees	None	MA in Urban Studies	Yes	\$41,000		
Charlotte NC	600,000	\$177,115	yes or \$5,700	Same as City Employees	\$3,600 expenses	NR	NR	\$18,000		
Sacremento CA	447,000	\$171,876	\$500/month	Health, Dental, Life	\$17,187 in benefits pay + possible \$620/Month	MPA	No	\$95,000		
Oklahoma City OK	506,000	\$156,600	Yes	Same as City Employees	Deferred Contribution to 401K	No	No	\$24,000		
Las Vegas NV	535,395	\$156,006	\$500/mo	Same as City Employees	\$300/Mo, 75% sick leave payout, merit raises and cash bonuses	PhD	Internal	\$55,025		
Wichita KA	344,000	\$145,144	\$400/Mo.	Same as City employees	\$1000/Mo. Contribution to retirement \$855/Mo. Health paid 100% by City,	NR	Yes	\$70,272		
Dayton OH	166,000	\$134,000			None	NR	NR	\$36,000		
Worcester	176,000	\$130,000	yes	Same as City employees	\$133 monthly toward disability insurance	No	No	\$18,000		
Lowell	105,161	\$120,000	yes	Health, Dental, Life	None	JD	HR	\$20,000		
Source: Worcester Regional Research Bureau					NR =	Not Repo	rted			

Appendix 1

List of Massachusetts Search Firms⁶

Isaacson Miller, INC

David Haley 334 Boylston Street Boston MA 02116 (617) 262-6500 www.isaacsonmiller.com

MMA Consulting Group

41 West Street Boston MA 02111 (617) 426-8049

Russell Reynolds Associates

Old City Hall 45 School Street Boston MA 02108 (617) 523-1111 www.russreyn.com

DMG Maximus

187 Oaks Road Framingham MA 01702 (508) 879-4600

Bennett Associates

335 Washington Street, Suite 12 Norwell MA 02061 (781) 659-9950

⁶ This list of search firms was provided by the International City Management Association. This list is not an endorsement of these firms by International City Management Association or the Worcester Regional Research Bureau.