



MAYOR VS. MANAGER: DOES FORM AFFECT PERFORMANCE?

**Report No. 04-09
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Executive Summary

Some have argued that Worcester's economic, social and political health would be improved by replacing the current council-manager form of government with a strong mayor form of government. To assess that prospect, the Research Bureau examined 22 cities of comparable size to see if there is any apparent correlation between form of government and the level of economic health and vibrancy. Our findings do not support any such correlation. This suggests that other factors such as national economic trends, the availability of land for development, the quality of the workforce, or the history of relationships between the city council and the mayor or the city council and the manager may be more important than the form of government in determining the health and wealth of cities.

I. Introduction

Worcester has considered changes to its governing charter three times in the last fifteen years, and charter change is being promoted again by a local organization called Voters In Charge. The proponents of charter change assert that strong mayor form of government would be more accountable to the people than the current council-manager form. The purpose of this report is to examine the question of form of government from the perspective of its effectiveness in promoting and fostering the social, economic, and political well-being of a community. In other words, how does the form of government affect government performance? Before embarking on that project, a brief history of council-manager government is in order.

II. History of council-manager government and some current trends

Council-manager government emerged as a response to entrenched one-party political machines that dominated many city governments at the turn of the 20th century. Party politics and corruption prevented city governments' efficient operation and were perceived as an impediment to fair local government. Partisan elections, dominated by local political machines, limited candidates to party regulars and patronage systems prevented qualified people from serving in local government leadership positions.¹

In fact, it was under such circumstances that Worcester adopted council-manager government in 1949. Until then, Worcester was governed by a bicameral legislature, composed of an 11-member board of aldermen, and a 30-member common council along with a mayor who had limited authority. According to city historians, there was widespread perception of corruption in City Hall accompanied by the reality of the City's crumbling infrastructure. City politics was marred by partisan rivalries, allegations of bribery in City Hall, and long-neglected schools, roads, and water and sewer systems because of legislative squabbling to decide in which neighborhoods construction projects should be sited.²

¹ H. George Frederickson, Curtis Wood, and Brett Logan, "How American City Governments have Changed: The Evolution of the Model City Charter" *National Civic Review*, Vol. 90, no. 1 (Spring 2001).

² Steven D'Agostino, "Whither Worcester," *Commonwealth Magazine* (Fall 2004), p. 46.

If the petition being circulated by Voters In Charge comes before the electorate, the voters of Worcester will have to decide whether the circumstances that led to the adoption of council-manager government in 1949 have changed fundamentally so that a strong mayor government would be more accountable to the people than the current system.

In response to party domination and corruption, the National Civic League (NCL)³ developed a model council-manager government in which an elected (at-large) city council appoints a non-partisan city manager who serves as a chief executive officer administering the day-to-day operations of the city. This form of government has grown in popularity over the years and now accounts for approximately 53% of municipal governments in the United States.⁴ The city manager form is most popular in mid-sized cities, while the mayor form is most prominent in large cities. The reason, according to some theorists of urban politics, is that larger cities have a greater diversity of interests and cultures that require a popularly elected mayor to arbitrate among a multitude of competing factions.⁵

While the council-manager form was increasing in popularity, it was also changing in structure. In its original form, council-manager government included a ceremonial mayor elected by the council combined with a small number of city councilors who were all elected at-large. Worcester had this form until 1985 when the City adopted a home rule charter (a charter that deviates from the “Plan” charters defined in Massachusetts state law). The composition of the City Council changed from nine councilors elected at-large to eleven city councilors, six elected at-large and five from districts. It also established the position of a popularly-elected mayor chosen from among the councilors running at-large, but did not grant the mayor additional powers.

According to a 1996 National Civic League survey of municipal forms of government, Worcester is among 61% of council-manager cities that have popularly elected mayors. Among council-manager cities with elected mayors, the power of the office of the mayor varies greatly. In 11% of council-manager cities, the mayor is also granted veto power.⁶ Some mayors have agenda-setting power, while others serve in a primarily ceremonial role. Over 80% of all cities (mayor and manager) in the survey reported having a chief appointed official like a city manager. This means that many mayor-council cities have a city manager-like chief administrative officer who answers to the mayor or the council.⁷ In the other cities, the mayor administers the day-to-day operations of the government.

³ The National Civic League was founded in 1894 to examine the future of American cities and respond to growing corruption. The organization set out to make city governments more honest and efficient by creating a national network of local reform groups that could learn from each other’s successes and failures. The organization still operates today and published the 8th edition of its Model City Charter in 2003.

⁴ International City Management Association. 2001 Form of Government Survey. Summary data.

⁵ Edward C. Banfield and James Q. Wilson, *City Politics* (New York: Vintage Books, 1963), p. 66.

⁶ H. George Frederickson, et al., “How American City Governments Have Changed.”

⁷ International City Management Association. Municipal Form of Government Survey, 2001. “Summary data.”

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While similarities between the forms of government are growing, one essential distinction remains. Mayor-council government is based on a theory of separation of powers similar to that embodied in our Federal system of government. The mayor heads the executive branch, the city council is the legislative body, and there is a system of checks and balances between the two. In a council-manager form of government there is no separation of powers; the council is the elected legislative body, which appoints a city manager to act as the chief executive officer.

III. Does the form of government matter? An examination of mayor and manager cities

In order to determine whether the form of government has a substantial influence on municipal well-being, we investigated the performance of mayor and manager governments in major public policy areas that are the responsibility of local government: public safety, public education, municipal fiscal health, civic engagement, and economic development. The data do not indicate a compelling relationship between the form of government and a city's performance in these areas of municipal health. Below is a summary of the Research Bureau findings. In addition to the data included below, more detailed datasets are available on www.wrrb.org.

The cities below were chosen primarily because their demographics were comparable to Worcester's. Council-manager government is more popular in the South and West than in the Northeast.⁸ All but one of the mayor cities in this sample are from the Northeast while the manager cities represent various parts of the country. (A matrix containing detailed demographic data for each of these cities is available online at www.wrrb.org.)

⁸ According to James Svara's analysis of the 2001 National Civic League surveys in his article "Two Decades of Continuity and Change in American City Councils," 92% of council-manager cities are in the Midwest, South and West.

We examined data from the following cities

Mayor Cities	Population
Akron, OH	217,000
Bridgeport, CT	140,000
Manchester, NH	107,000
New Bedford, MA	94,000
New Haven, CT	124,000
Providence, RI	174,000
Rochester, NY	220,000
Springfield, MA	152,000
Stamford, CT	117,000
Syracuse, NY	147,000
Toledo, OH	314,000
Manager Cities	
Cambridge, MA	101,000
Chelsea, MA**	35,000
Dayton, OH	166,000
Des Moines, IA	199,000
Ft. Lauderdale, FL	152,000
Grand Rapids, MI	198,000
Hartford, CT*	122,000
Lowell, MA	105,000
Newport News, VA	180,000
Portland, ME	64,000
Springfield, MO	152,000
Worcester, MA	172,000

*Hartford recently changed to strong mayor form of government, but for the period of this study, Hartford had a city manager form of government

**Chelsea changed from mayor to council-manager government in 1995 due to rampant corruption and bankruptcy.

Some areas of inquiry generated different response rates. For instance, more cities provided complete economic development data than municipal fiscal health data. For details on all data samples, go to www.wrrb.org.

A. Economic Development

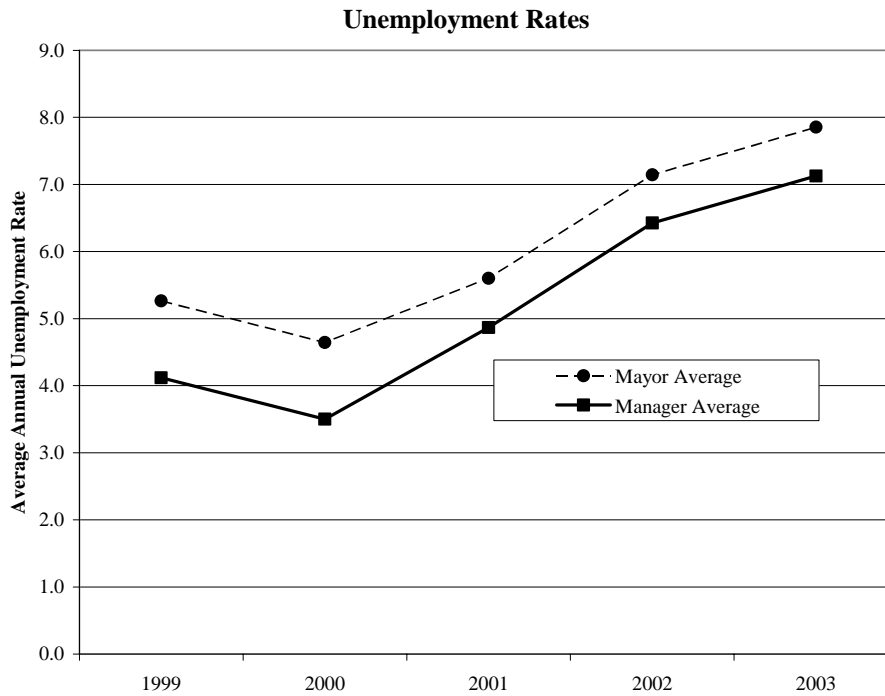
Economic development generates jobs and increases revenue for a city. With increased economic activity, a city’s tax base increases, providing jobs for area residents and tax revenue for municipal services including education, public safety, and other priorities. Is a city’s ability to attract business connected to its form of government? Different forms may attract different kinds of leaders, and different leadership styles may focus on different kinds of projects. It is also possible that a city manager’s accountability to a city

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council and a mayor's accountability to the people through an election may result in different kinds of behavior.

To identify trends in economic development, we examined unemployment rates, per-capita construction values, and labor force participation in both mayor and manager cities. Our examination did not reveal a substantial difference in economic development trends between mayor and manager cities over a ten-year period. The graphs below illustrate the findings:

Figure 1



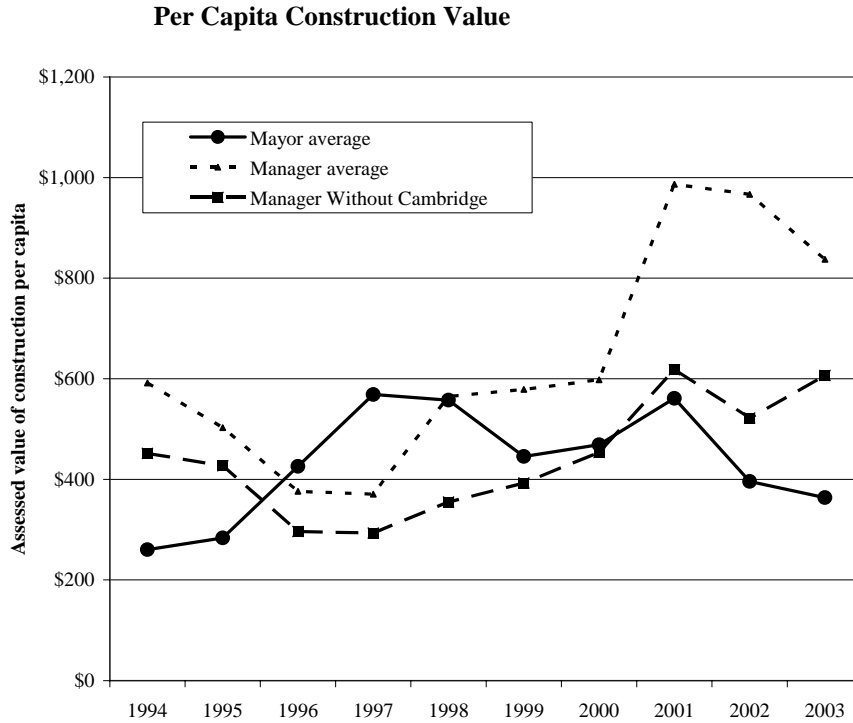
The unemployment rates in mayor and manager cities followed a nearly identical trend. While mayor cities show a slightly higher rate of unemployment in each year, the difference between the two groups has narrowed over time.⁹

⁹ Unemployment data source: Bureau of Labor Statistics. Charts prepared by the Worcester Regional Research Bureau.

Table 1
Economic Development: Unemployment Rates

	1999	2000	2001	2002	2003
<i>Mayor Cities</i>					
Akron, OH	5.9	5.5	5.8	7.7	7.9
Bridgeport, CT	6.1	4.3	6.1	7.8	10
Manchester, NH	2.5	2.5	3.6	4.9	4.5
New Bedford, MA	7.6	6.6	7.8	9.5	10.4
New Haven, CT	4	3.4	4.4	5.7	7.6
Providence, RI	5.4	5	6.1	6.1	6.4
Rochester, NY	6.9	6.4	7.5	9.8	9.8
Springfield, MA	5.1	4.4	5.4	7.5	8.5
Stamford, CT	2.5	1.7	2.7	3.7	4.2
Syracuse, NY	5.7	5.7	6.5	7.9	8
Toledo, OH	6.2	5.6	5.7	8	9.1
Mayor Average	5.26	4.65	5.60	7.15	7.85
<i>Manager cities</i>					
Cambridge, MA	1.9	1.5	2.4	3.6	3.6
Chelsea, MA	5.5	3.2	4.5	6.7	7.9
Dayton, OH	6.7	6.5	7.4	9.7	10.8
DesMoines, IA	2.4	2.5	3.3	4.5	5
Ft. Lauderdale, FL	5.1	4.7	6.1	7.4	6.9
Grand Rapids, MI	4.4	4.3	6.9	8.7	10.9
Hartford, CT	6.4	5.2	7	8.8	11.5
Lowell, MA	4.2	3.2	5.7	8.2	8.6
Portland, ME	2.5	2.2	2.6	3.2	3.4
Newport News, VA	4	2.8	4	5	5.4
Springfield, MO	2.6	2.6	3.7	4.6	4.3
Worcester, MA	3.7	3.3	4.8	6.7	7.2
Manager Average	4.12	3.50	4.87	6.43	7.13

Figure 2

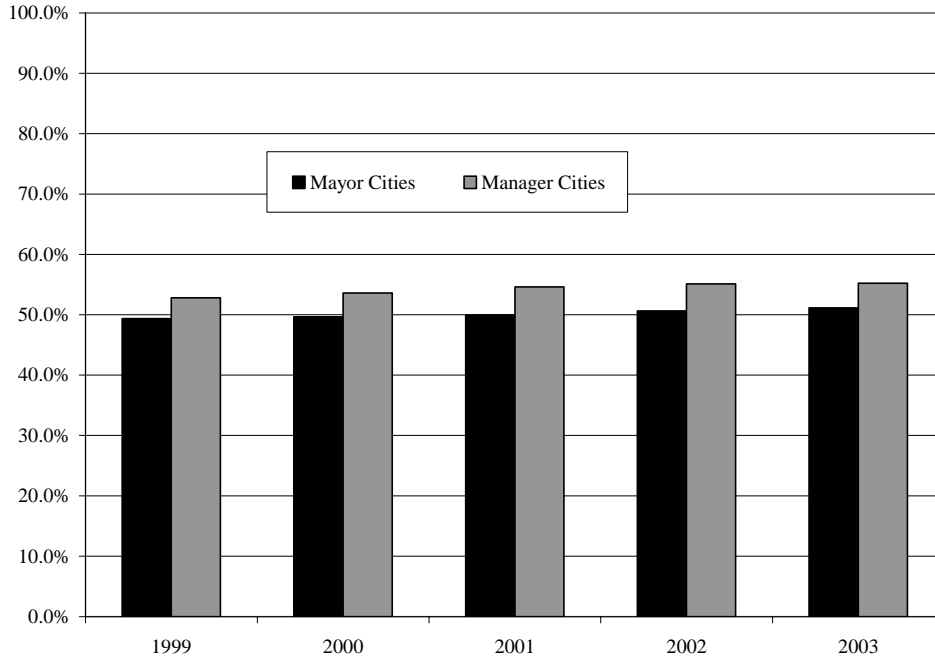


The average of new construction value per capita for mayor and manager cities appears to show greater investment in manager cities.¹⁰ However, when Cambridge (an anomaly both for its extremely high property values and its high level of development) is removed from the average, manager cities and mayor cities show very similar results, with mayor cities showing a slight advantage in the late 1990's and manager cities showing a slight advantage over the last three years.

¹⁰ Construction value data source: Individual city Comprehensive Annual Financial Reports, or Official statements for bond issues. Chart prepared by the Worcester Regional Research Bureau.

Figure 3

Labor Force as Percentage of Population



The percentage of population that is part of the labor force has remained steady in both mayor and manager cities. Manager cities show slightly higher labor force participation in each year.¹¹

Overall, these data suggest no compelling relationship between form of government and performance in economic development. While no definitive conclusion is possible regarding the relationship between the form of government and economic development, these data do not suggest that a change from one form to the other is likely to engender dramatic results in this respect.

B. Municipal Fiscal Health

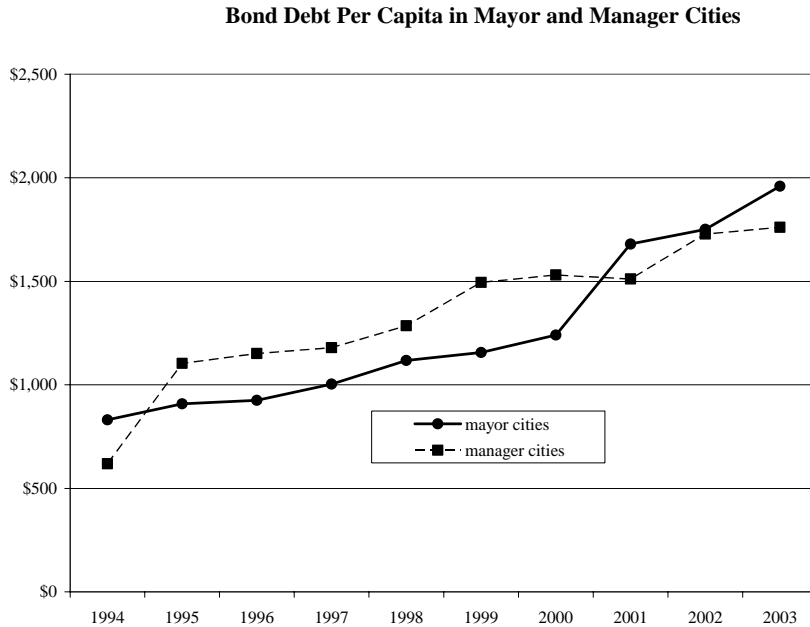
Springfield Massachusetts was recently declared insolvent and its finances are now under the control of a state-appointed financial control board. It is unable to provide the municipal services expected by its citizens and it is not an attractive place for investment. How is municipal fiscal health affected by form of government? Hypothetically, one form or the other could produce more fiscally prudent city leaders. Perhaps the pressure of popular election leads mayors to spend more recklessly; or perhaps just the opposite, popular pressure produces fiscal restraint. Our data show no clear trend with respect to municipal fiscal health. Springfield and Bridgeport, two cities with low financial ratings,

¹¹ Labor force participation data source: Bureau of Labor Statistics. Chart prepared by the Worcester Regional Research Bureau.

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are both governed by mayors. Several other mayor cities, however, rank near the top in municipal fiscal health categories. The charts below highlight a number of measures of municipal fiscal health, comparing the performance of mayor and manager cities in the areas of debt burden and assessed valuations.

Figure 4



One measure of municipal fiscal health is the city's debt burden. Cities issue bonds to pay for a wide variety of municipal projects, and these bonds must be repaid. A growing or inordinate debt burden can prevent cities from meeting year-to-year obligations or initiating projects that may be important in the future. Figure 4 shows that mayor and manager cities followed a similar trajectory in bond debt per capita. The spike in debt for mayor cities in years 2001, 2002, and 2003 results from large amounts of borrowing by the city of Bridgeport in those years.¹²

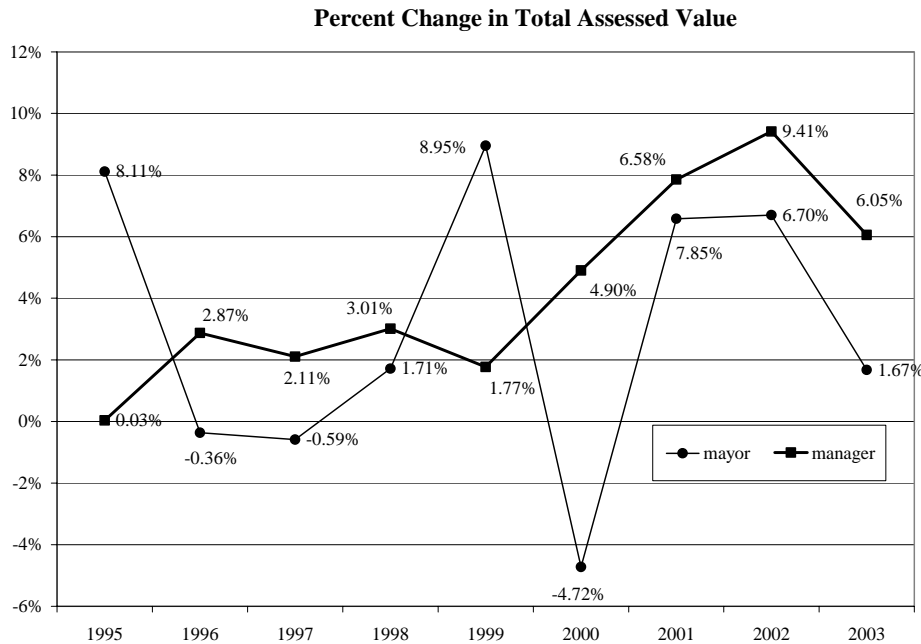
¹² Bond debt data source: individual city Comprehensive Annual Financial Reports or Official Statements for a bond issue. Charts prepared by the Worcester Regional Research Bureau.

Table 2

Bond Debt Per Capita										
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Mayor Cities										
Akron, OH	\$964	\$872	\$793	\$747	\$706	\$685	\$636	\$566	\$524	\$499
Bridgeport, CT	\$4,539	\$4,553	\$4,345	\$1,901	\$1,437	\$1,383	\$1,313	\$1,123	\$1,129	\$1,210
Manchester, NH	\$1,100	\$1,256	\$1,033	\$1,200	\$1,020	\$1,173	\$1,037	\$1,158	\$1,007	\$1,106
Rochester, NY	\$1,080	\$1,113	\$1,123	\$1,078	\$1,150	\$1,179	\$1,204	\$1,033	\$1,022	\$849
Stamford, CT	\$2,114	\$2,307	\$2,396	\$2,116	\$2,242	\$1,895	\$1,517	\$1,372	\$1,496	\$1,099
Toledo, OH		\$406	\$392	\$398	\$380	\$393	\$312	\$301	\$271	\$222
Manager Cities										
Cambridge, MA	\$2,127	\$2,098	\$1,986	\$1,535	\$1,413	\$1,132	\$792	\$807	\$775	\$578
Chelsea, MA	\$2,114	\$2,306	\$2,496	\$3,226	\$3,452	\$3,458	\$3,511	\$3,725	\$3,875	\$150
Des Moines, IA	\$1,493	\$1,420	\$1,266	\$1,197	\$1,139	\$1,082	\$1,035	\$958	\$796	\$754
Ft. Lauderdale, FL	\$257	\$273	\$329	\$363	388.19	\$414	\$437	\$221	\$239	\$255
Hartford, CT		\$1,292	\$1,422	\$1,357	\$1,317	\$1,197	\$988	\$882	\$814	\$905
Newport News, VA	\$2,235	\$2,289	\$1,983	\$2,017	\$1,985	\$1,932	\$1,794	\$1,662	\$1,520	\$1,292
Portland, ME	\$3,177	\$3,182	\$1,447	\$1,426	\$1,335	\$1,255	\$1,119	\$1,234	\$1,189	\$1,101
Springfield, MO	\$71	\$76	\$26	\$106	\$47	\$77	\$76	\$104	\$58	\$88
Worcester, MA	\$2,617	\$2,621	\$2,648	\$2,546	\$2,377	\$1,023	\$864	\$766	\$666	\$445

The change in assessed valuation of property is an important indicator of municipal tax base growth and also an indicator of a city’s desirability as a place to live and do business. No clear trend emerged in assessed valuation for mayor or manager cities. Like the other indicators of municipal fiscal health, it does not show a dramatic advantage of one form of government over the other. The large vacillations in the mayor form of government line here are likely the result of the fact that some cities reassess property values more frequently than others.¹³

Figure 5

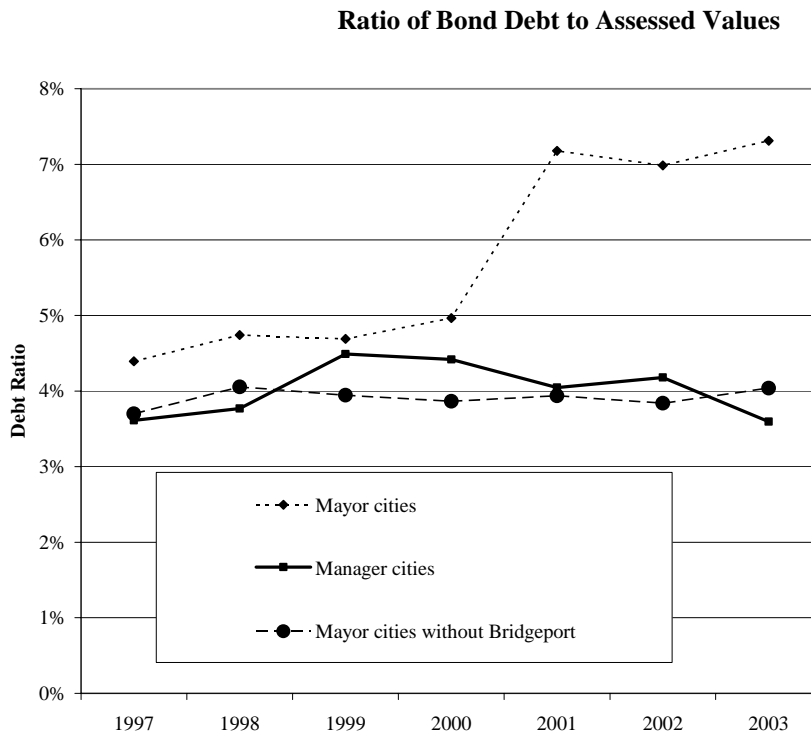


¹³ Assessed values data source: individual city Comprehensive Annual Financial Reports or official statements for bond issues. Charts prepared by the Worcester Regional Research Bureau.

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Another way to measure a city's ability to manage its bond debt is to track the relationship between bond debt and assessed property values. The lower the ratio, the easier it will be for a community to manage its debt obligations with local tax dollars. Tracking the ratio of bond debt to assessed values shows that mayor and manager cities follow a similar trend. The dotted line in figure 6 shows the results for mayor cities with the city of Bridgeport included, which increases their overall debt ratio and creates a substantial gap between mayor and manager cities in the last three years. These differences are eliminated once Bridgeport's excessive debt levels are removed from the averages. Average mayor and manager debt-ratios were similar over this period.

Figure 6



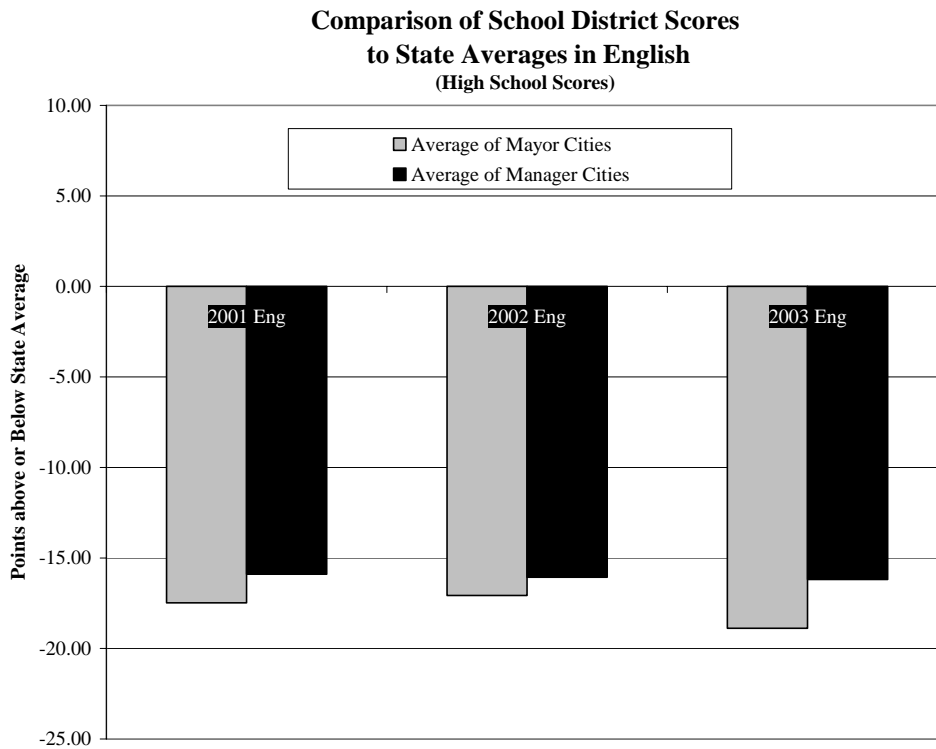
Tax collection rates illustrate the percentage of taxes due that are collected in each year. Cities must collect taxes from citizens during good economic times and bad, making tax collections more difficult in some years. Cities that maintain a consistently high rate of tax collection are in a better position to meet their fiscal obligations. Both mayor and manager cities have a similar trend of tax collections percentages over the last six years. However, due to differences in reporting, we do not illustrate the tax collection data here.

The above data suggest that there is no obvious relationship between form of government and these municipal fiscal health indicators. Mayor and manager cities have followed similar trends through the economic boom and downturn of the past decade.

C. Education

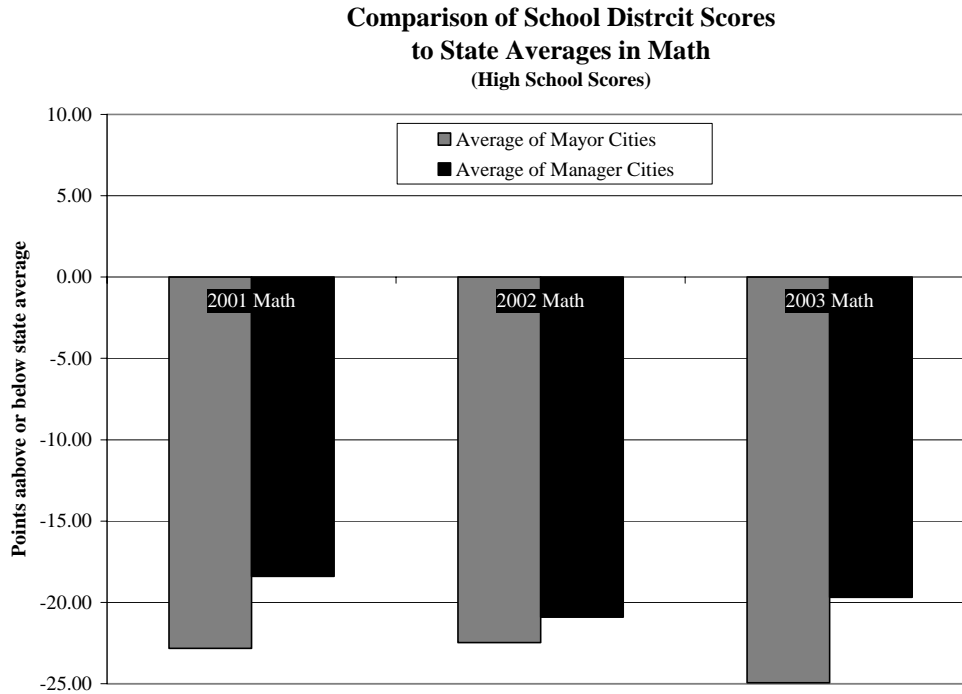
Our examination shows no readily identifiable correlation between form of government and student performance on state tests. For each city, we compared district test results for math and English in grades 4, 8, and 10 with state averages. Cities were compared only against their own state averages, not against one another, so that differences between state tests would not be a part of our comparison. Only two cities we examined performed better than their state average during the three-year period from 2001 to 2003. Most mayor and manager cities in this survey were well below the state average.¹⁴

Figure 7



¹⁴ State test data source: state and district reports from each city. Charts prepared by the Worcester Regional Research Bureau.

Figure 8



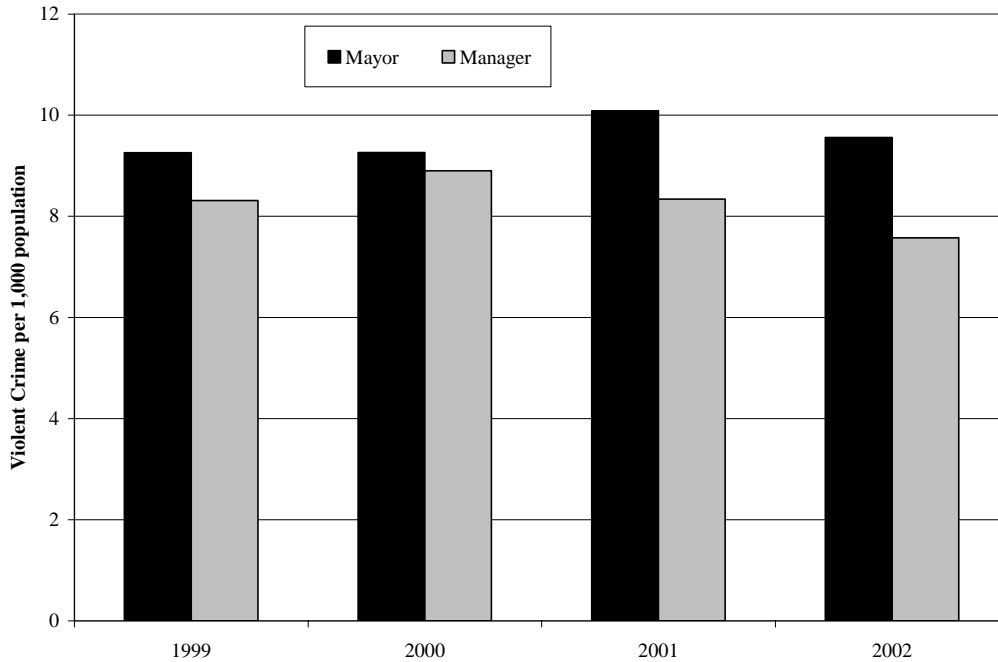
D. Crime

From 1999 to 2002, the mayor cities and manager cities we examined revealed similar trends and similar results. In 1999 and 2000, mayor cities had lower overall crime rates than manager cities, and both forms of government produced similar results in 2001 and 2002 (not shown). With regard to violent crime, manager cities had lower crime rates than mayor cities (figure 9). These results suggest that form of government is not a determinative factor for public safety.¹⁵

¹⁵ Crime data source: FBI Universal Crime Reports. Chart prepared by the Worcester Regional Research Bureau.

Figure 9

Violent Crime in Mayor and Manager Cities



E. Voter turnout

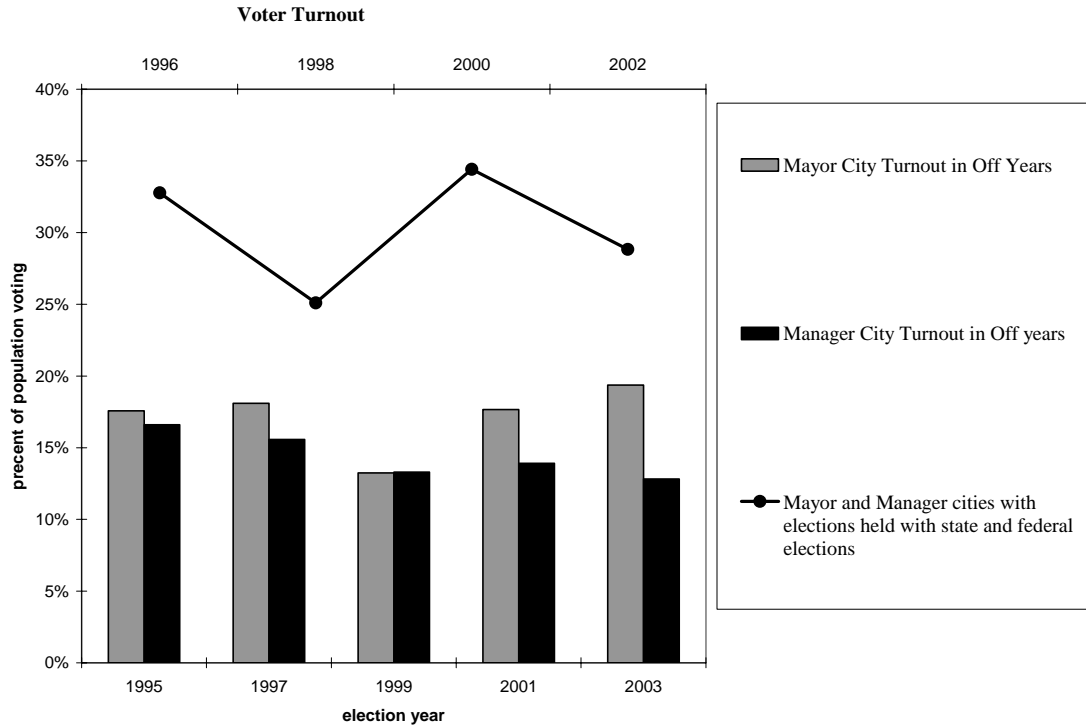
Voter turnout data for municipal elections from 1993 to the present indicate that cities with a mayor form of government generally have a slightly higher voter turnout. However, by far the biggest reason cited for high voter turnout is the scheduling of municipal elections to coincide with state and federal elections.¹⁶ Turnout is 10 to 20% higher for these elections, and if turnout is the desired objective, coincident local, state and federal elections are the most effective way to achieve it. On the other hand, having these elections at the same time will generally divert attention from local issues and may increase partisanship in local elections. Nineteenth century reformers recommended the holding of local elections at a different time from state and national elections precisely to focus on local issues and to reduce partisanship in local elections.

While the mayor form of government may produce increased turnout, that does not guarantee greater competition for the position or turnover in the office. Worcester’s (recently defeated) Sheriff and District Attorney have had very long tenures as popularly elected officials. The Mayor of Boston, Thomas Menino, has served for three consecutive terms (he was first elected in 1993). The Mayor of Chicago, Richard Daley, was elected to his fifth consecutive term in 2003.¹⁷

¹⁶ Curtis Wood. “Voter Turnout in City Elections,” *Urban Affairs Review* 38, No. 2 (November 2002).
 Zoltan L. Hajnal and Paul G. Lewis. “Municipal Institutions and Voter Turnout in Local Elections,” *Urban Affairs Review* 38, No. 5 (May 2003), pp 661.

¹⁷ Voter turnout data source: City clerk, registrars of voters, or county election offices for each city. Chart prepared by the Worcester Regional Research Bureau.

Figure 10



IV. Conclusion

Our examination of municipal performance under mayor and manager governments suggests that a change in form of government is not likely to have a dramatic effect (positive or negative) on the performance areas measured. There are many other factors that influence municipal health, such as national economic trends, availability of land to develop, quality of workforce, state tax structure, local policies, and individual leadership qualities. The form of municipal government has little effect on these factors except that the form and particular provisions within a charter may encourage or discourage strong leadership. Both mayor and manager forms of government are capable of producing strong leaders.

According to the National Civic League’s Model City Charter as well as the Massachusetts General Laws which established the “Plan” charters that can still be emulated for “home rule” charters in the Commonwealth, a strong mayor form of government includes the following qualities:¹⁸

¹⁸ Massachusetts General Laws Chapter 43 Section 50 through Section 55. The MGL “Plan A” provides a 2-year term for mayor which may be insufficient for undertaking large projects. The National Civic League Model City Charter recommends that strong-mayor government include a chief administrative officer appointed by the mayor without council approval.

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- The mayor is elected separately from the city council as the chief executive officer of the city.
- The mayor's term of office should be sufficient to allow a degree of independence from the city council and allow time to take on major projects.
- The mayor appoints department heads without city council approval.
- The mayor can veto legislation passed by the city council.
- The mayor's salary is commensurate with responsibilities and sufficient to attract well-qualified candidates. (The current city manager's salary is \$130,000. A mayor should receive a similar salary.)

In order to encourage leadership under council-manager government, the city manager's powers should include the following:

- The manager is recognized as the chief executive officer of the city, not merely a chief administrative officer. Since the council retains authority over the manager, the council should have policies and practices in place that assure the manager that his powers are virtually commensurate with those of a strong mayor except he will not have a veto power. The council must balance its oversight role with genuine latitude for executive action.
- The manager can hire and fire department heads without council approval.
- The manager directs and supervises all departments.
- The manager is expected to make policy recommendations to the council.
- The manager directs intergovernmental cooperation.
- The manager prepares the annual budget.
- The manager's salary is commensurate with responsibilities and sufficient to attract well-qualified candidates.

While no charter can guarantee good leadership, the structure, policies, and practices of the government should enable good leaders to emerge.