STAFF REPORT

Meeting Date: July 2, 2013

To: Honorable Mayor & City Council

From: Mahdi Aluzri, Assistant City Manager

Subject: Request by Mayor Mirisch to modify the current procedures for selecting and hiring Department Heads, and Assistant/Deputy City Managers.

Attachments:
1. Code Section 2-3-101
2. ICMA's FAQs - Council-Manager Form of Government

INTRODUCTION

This report transmits a request by Mayor Mirisch to modify the current procedure for selecting top management staff (Assistant/Deputy City Managers and all Department Heads). Currently these positions are filled at the sole discretion of the city manager and the Mayor is requesting that the City Council discuss specific proposals about how the Council can have authority over the selection and appointment of these positions. Specifically, the Mayor is asking the City Council to consider changing the appointment process to include consent and approval by the City Council.

DISCUSSION

The City of Beverly Hills is a General Law city operated under a Council-Manager form of Government. In most general law cities, the City Manager acts as the chief administrator with the vested authority of hiring, evaluating and/or terminating department heads. In Beverly Hills, currently the City Council has the authority to appoint the City Manager, the City Attorney and the City Clerk but all other City staff report to and is appointed by the City Manager or a designee.

The office of the City Manager along with authorities, duties and responsibilities is established as outlined in section 2-3-101 of the Beverly Hills Municipal Code (attached). The current procedure for selecting top management staff is typically done through a recruitment process by an executive search firm working with the City Manager to review and vet the candidates' pool, conduct interviews, then make the selections of the finalist and their appointment as appropriate. The interviews are usually conducted with the help of two or three panels that include members of the City Council, Commissioners that are served by the department, City Managers or Department Heads from other Cities and other interested Community stakeholders. The recommendations of the interview panels are used for the selection of the finalists that will then be interviewed individually by the City Manager.

During the selection and recruitment process the City Manager typically consults with members the City Council to help identify the key skills and abilities needed in the position and the priorities that will need to be addressed by the position. The final selection is made by the City Manager and the Council has no approval or consent authority over the selection.

A recent example on the use of the above described process was the selection of the City's Administrative Service Director/CFO. The process began with the hiring of the executive search firm, Ralph Andersen and Associates who reviewed and vetted the candidates' pool and recommended six candidates for interview by the City panels group. Three panels were formed which included representation form the City Council (Vice Mayor Bosse and Councilmember Gold, as members of the Audit Committee), the City Treasurer, members of the Citizen Budget Committee, professional city managers, and selected City Department heads who interact closely with the Administrative Services Department. Each panel interviewed all six candidates and ranked them based on several factors and submitted their recommendation as a collective group. Four of the six candidates were recommended to move forward to the next step which involved interviews by the City Manager and the Assistant. The final selection was made by the City Manager after the reference and background checks were positively concluded.

FISCAL IMPACT

Unknown at this time

RECOMMENDATION

Staff is seeking direction from the City Council on this request. After discussion, if the Council wishes to pursue this request, staff will work with City Attorney's office on developing alternatives for the selection and appointment process that would include consent and approval by the Council.

Jeffery C. Kolin
Approved By

Attachment 1

Article 1. Office Of The City Manager

2-3-101: CREATION AND FUNCTIONS:

The office of the city manager is hereby established. The city manager shall be head of the administrative branch of the city government, and shall have the following powers and duties:

A. Direct and supervise the administration of all departments and offices of the city, except as otherwise provided by this code;

B. Attend all council meetings, and shall have the right to take part in discussions, but may not vote;

C. Enforce all city laws, and implement all acts of the council which are required to be executed under his direction and supervision;

D. Cause to be prepared and submit the annual budget and capital improvement program to the council, and supervise its administration after adoption;

E. Submit to the council and make available to the public a complete report on the finances and administrative activities of the city as of the end of each fiscal year;

F. Make such other reports as the council may require concerning the operations of the city departments, offices, and agencies subject to the city manager's direction and supervision;

G. Keep the council fully advised as to the financial conditions and future needs of the city and make such recommendations to the council concerning the affairs of the city as he deems desirable;

H. Make such rules and regulations consistent with the provisions of this code as deemed necessary for the conduct of the various departments under his supervision and direction;

I. Give immediate attention to mail addressed to the council to ensure that all administrative business referred to in such communications, and not necessarily requiring council action, may be disposed of between council meetings; provided, however, all actions taken pursuant to such communications shall be reported to the council at its next regular meeting thereafter;

J. Perform such other duties as may be prescribed by this code or as may be required by the council. (1962 Code § 2-4.101)

2-3-102: INTERFERENCE WITH ADMINISTRATION:

A. Except for the purposes of inquiry, the council or its members shall deal with city officers and employees who are subject to the direction and supervision of the city manager solely through the city manager, and neither the council not its members shall give orders to any such officer or employee, either publicly or privately. The provisions of this subsection shall apply with respect to any intended action of the council relating to the imposition of any disciplinary action concerning a department head not included within the classified service.

B. All officers and employees subject to the direction and supervision of the city manager shall deal with the council solely through the city manager. They shall not initiate communications to the council except through the city manager. (1962 Code § 2-4.102)

2-3-103: AUDITS:

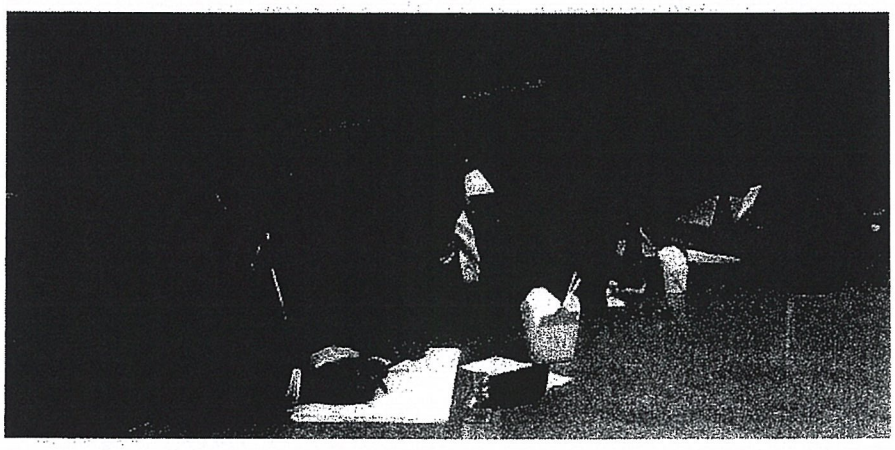
The city manager, or deputies, or authorized representatives of the city manager are hereby authorized during normal working hours to examine, audit, and inspect the books and records of any person subject to the provisions of this code, as may be necessary to ascertain or verify compliance with the provisions of this code by such person. No person subject to any of the provisions of this code shall fail to permit such examination, audit, or inspection in accordance with the provisions of this section. (1962 Code § 2-4.104)

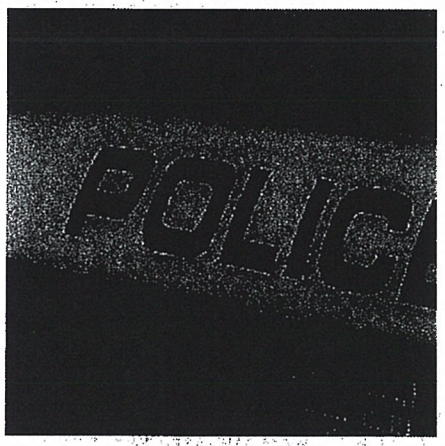
2-3-104: AUDITS; INFORMATION CONFIDENTIAL:

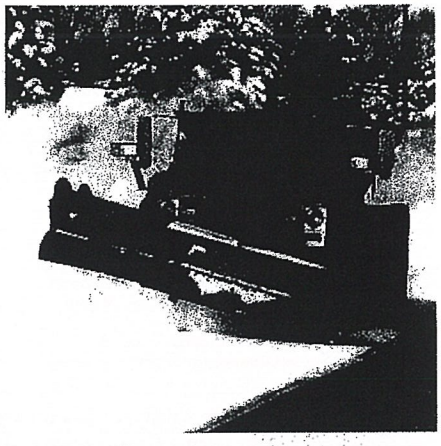
The information furnished or secured pursuant to the provisions of section 2-3-103 of this article shall be confidential and used only in the administration of the provisions of this code. Any unauthorized disclosure or use of any such information by any officer or employee of the city shall be a violation of this code and shall be punishable as provided in this code. (1962 Code § 2-4.105)

Attachment 2

Council-Manager
Form of Government







Frequently Asked Questions

ICMA *Leaders at the Core of Better Communities*

What is the council-manager form of government, which is used today by so many cities, towns, and counties?

Council-manager government combines the strong political leadership of elected officials with the strong managerial experience of an appointed manager or administrator. All power and authority to set policy rests with an elected governing body, which includes a mayor or chairperson and members of the council, commission, or board. The governing body in turn hires a nonpartisan manager who has very broad authority to run the organization.

Born out of the U.S. progressive reform movement at the turn of the 20th century, the council-manager system was designed to combat corruption and unethical activity in local government by promoting effective management within a transparent, responsive, and accountable structure.

Since its establishment, the council-manager form has become the most popular structure of local government in the United States. The form is also widely used throughout the world in countries such as Canada, Australia, the Netherlands, New Zealand, and the United Kingdom.

How does council-manager government work?

The elected council or board represent their community and develop a long-range vision for its future. They establish policies that affect the overall operation of the community and are responsive to residents' needs and wishes.

To ensure that these policies are carried out and that the entire community is equitably served, the governing body appoints *a highly trained professional manager* on the basis of his/her education, experience, skills, and abilities (and not their political allegiances). If the manager is not responsive to the governing body, it has the authority to terminate the manager at any time.

How can council-manager government benefit my community?

A city, town, or county benefits from the council-manager form of government in a number of important ways:

1. Political power is concentrated in the *entire* governing body. The mayor and council share legislative functions
2. Policy making resides with elected officials, while oversight of the day-to-day operations of the community resides with the manager. In this way, the elected officials are free to devote time to policy planning and development

Are there other, independent organizations that support council-manager government?

The National Civic League (NCL) is America's original advocate for community democracy. This nonprofit, nonpartisan membership organization is dedicated to strengthening citizen democracy by transforming democratic institutions. NCL accomplishes its mission through technical assistance, training, publishing, research, and promoting the All-America City Awards, America's original and most prestigious community recognition program.

Founded in 1895, NCL serves as a clearinghouse for information on methods of improving state and local government. The League's *Model City Charter,* now in its eighth edition, has endorsed council-manager government since 1915.

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professional and educational "home" for appointed professional managers and administrators. ICMA's membership also includes directors of state associations of local governments, other local government employees, academics, students, and concerned citizens who share the goal of improving local government.

ICMA's mission is to create excellence in local governance by developing and fostering professional local government management worldwide. To that end, the organization provides technical assistance and publications for management professionals to help them improve their skills and increase their knowledge. ICMA also serves as a clearinghouse for the collection, analysis, and dissemination of information and data about local government.

Why is membership in ICMA important for a professional local government manager?

In addition to gaining access to valuable resources and lifelong professional development opportunities, managers who belong to ICMA are bound by its Code of Ethics, which states that every member of the organization shall act with integrity in all personal and professional matters so that they will merit the respect and trust of elected officials, employees, and the public. This stringently enforced Code specifies 12 ethical principles of personal and professional conduct, including dedication to the cause of good government.

ICMA members believe in the effectiveness of representative democracy and the value of government services provided equitably to residents within a community. ICMA members are also committed to standards of honesty and integrity that go beyond those required by the law. For more information, contact ICMA or visit http://icma.org/ethics.

Finally, ICMA defines professional management and recognizes individual members who are qualified by a combination of education and experience, adherence to high standards of integrity, and an assessed commitment to lifelong learning and professional development. ICMA members who meet these requirements may earn designation as an ICMA Credentialed Manager. For more information on ICMA's Voluntary Credentialing Program, visit http://icma.org/credentialing.

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- Phoenix, Arizona (pop. 1,321,000)
- San Antonio, Texas (pop. 1,144,000)
- San Jose, California (pop. 894,000)
- Virginia Beach, Virginia (pop. 425,000)
- Wichita, Kansas (pop. 344,000)

How can a community adopt the council-manager form of government?

Most communities can adopt council-manager government through a charter, local ordinance, state enabling law, or by voter referendum. For information on how your community can adopt council-manager government, contact your state municipal league or association of counties. You can locate the addresses of these organizations on the Internet, or in the back section of ICMA's *Municipal Year Book,* which you may find in your local library.

Once a community adopts council-manager government, how does it choose a professional manager?

The vacancy usually is announced in the *ICMA Newsletter,* and managers, assistants, and other individuals from across the country are invited to apply. Interested parties apply directly to the council, which reviews the applications and interviews qualified candidates. ICMA makes no recommendations regarding candidates. Additional information is available in ICMA's *Recruitment Guidelines Handbook.* To download a copy, visit http://jobs.icma.org and click on "Recruitment Guidelines Handbook" under "Resources."

What kind of educational and professional experience do professional local government managers possess?

Nearly 67% of managers surveyed by ICMA in 2006 indicated that they had earned a master's (usually in public administration, business, or public policy), or other advanced degree. Respondents to the same survey said they had spent an average of 19 years in the local government management profession.

Do professional local government managers have a membership organization?

Yes. ICMA (the International City/County Management Association) is the premier local government leadership and management organization that serves as the

- Promote equity and fairness by ensuring that services are fairly distributed and that administrative decisions (such as hiring and contracting) are based on merit rather than favoritism
- Develop and sustain organizational excellence and promote innovation. Professional managers focus relentlessly on efficient and equitable service delivery, policy implementation, and evaluation. They align the local government's administrative systems with the values, mission, and policy goals defined by the community and elected officials.

Does it cost more for a community to adopt the council-manager form and hire a professional manager?

Many local governments have found that their overall costs are actually reduced under competent management. Savings can come from decreased operating costs, increased efficiency and productivity, improved revenue collection, and effective use of technology. The economic health of the community may also benefit from implementation of improved business development and retention strategies.

What kinds of communities use the council-manager form of government?

In 2007, more than 3,500 (49 percent) of the 7,171 U.S. cities and towns with populations of 2,500 residents or more operated under the council-manager form. This structure is also used by more than 370 counties. More than 92 million people in the U.S. live in communities that operate under this form.

Is the council-manager form popular among larger communities?

Of the 247 U.S. cities with populations greater than 100,000 residents, 144 (58 percent) use this form of government. Larger cities and counties that use the form include:

- Broward County, Florida (pop. 1,623,000)
- Charlotte, North Carolina (pop. 540,000)
- Dallas, Texas (pop. 1,188,000)
- Fairfax County, Virginia (pop. 969,000)
- Las Vegas, Nevada (pop. 535,000)
- Mecklenburg County, North Carolina (pop. 695,000)
- Oklahoma City, Oklahoma (pop. 506,000)

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3. The manager carries out the policies established by the elected governing body with an emphasis on effective, efficient, and equitable service delivery
4. Because decisions on policy and the future of the community are made by the entire governing body rather than a single individual, council-manager governments more often engage and involve their residents in decision making. Residents guide their community by serving on boards and commissions, participating in visioning and strategic planning, and designing community-oriented local government services
5. The form is flexible enough to adapt to local needs and demands. For example, some communities elect their councils at large, while others elect them by district or by a combination of an at-large-and-by-district system. Also, the mayor can be directly elected by voters or selected by and from among the council.

What is the role of the manager under council-manager government?

The manager is hired to serve the council and the community and brings to the local government the benefits of his/her training and experience in administering municipal or county projects and programs. The manager prepares a budget for the council's consideration; recruits, hires, terminates, and supervises government staff; serves as the council's chief advisor; and carries out the council's policies. Council members and residents count on the manager to provide complete and objective information about local operations, discuss the pros and cons of alternatives, and offer an assessment of the long-term consequences of their decisions.

Appointed managers serve at the pleasure of the governing body. They can be fired by a majority of the council, consistent with local laws, or any employment agreements they may enter into with the council. The manager makes policy recommendations to the council for consideration and final decision. The manager is bound by whatever action the council takes, and control is always in the hands of the elected representatives of the people.

What is the role of the council?

The council is the community's legislative and policy-making body. Power is centralized in the elected council, which, for example, approves the budget and determines the tax rate. The council also focuses on the community's goals, major projects, and such long-term considerations

as community growth, land use development, capital improvement and financing, and strategic planning. The council hires a professional manager to implement the administrative responsibilities related to these goals and supervises the manager's performance.

What is the role of the mayor or chairperson?

Mayors or chairpersons in council-manager communities are key political and policy leaders, and their specific duties, responsibilities, and authorities depend on the organization's charter. In council-manager communities, typically the mayor or chairperson is a voting member of the city council who presides at council meetings, represents the city in intergovernmental relationships, appoints members of citizen advisory boards and commissions (with the advice and consent of council), assigns agenda items to committees, facilitates communication and understanding between elected and appointed officials, and assists the council in setting goals and advocating policy decisions.

What value does a professional manager contribute to a community?

Professional managers contribute value to a community because they:

- Work in partnership with elected officials to develop sound approaches to community challenges by bringing together resources to make the right things happen and produce results that matter
- Bring a community-wide perspective to policy discussions and strive to connect the past and future while focusing on the present. They help the governing body develop the long-term vision for the community that provides a framework for policy development and goal setting
- Promote ethical government through commitment to a set of ethical standards that goes beyond those required by law. Managers who are members of ICMA subscribe to the organization's Code of Ethics, which requires them to "affirm the dignity and worth of the services rendered by government and maintain... a deep sense of social responsibility as a trusted public servant"
- Encourage inclusion and build consensus among diverse interests (including those of elected officials, the business community, and citizens) by focusing on the entire community rather than the centralized interests of one or two individuals