



**Bringing
Focus
to the
Issues**

Research Atlanta, Inc.

Georgia State University
Andrew Young School of Policy Studies



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Governance:
Programmatic Innovations
From the
New Generation of
Big-City Mayors**



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Reinventing Municipal Governance: From the New Generation of Big-City Mayors

By
Dr. John C. Thomas

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Funding for Research Atlanta, Inc.
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Donations are tax-deductible.

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ACKNOWLEDGMENTS

We would like to thank the following individuals for their generous and valuable suggestions and comments:

Rick Reinhardt – Central Atlanta Progress
Deborah McCarty – Research Atlanta
The Board of Research Atlanta, Inc.

However, the conclusions and any errors in this study are the responsibility of the author alone.

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Reinventing Municipal Governance:

Programmatic Innovations from the New Generation of Big-City Mayors

John Clayton Thomas

Executive Summary

Introduction. The decade of the 1990s brought to power in many American cities a new breed of mayors who have sought to reinvent municipal governance through a variety of innovations that, like the mayors themselves, defy easy partisan or ideological classification. These innovations are widely viewed as having helped to turn around such cities as Philadelphia, Cleveland, New York, and Chicago. The purpose of this paper is to explain the most notable of these innovations for possible consideration by Atlanta's incoming mayor.

Underlying Principles. Underlying the various innovations are a number of principles to which most of these mayors have subscribed. They include:

- ?? Hold the line on municipal taxes and spending
- ?? Improve municipal service performance
- ?? Introduce competition into service production and delivery
- ?? Speak to the city's pressing issues, no matter whose responsibility
- ?? Help those who need help, but do for them only what they cannot do for themselves

Acting from these principles, these mayors have undertaken a variety of innovations in each of the following areas:

New Performance Measurement and Accountability Systems. America's big-city mayors have utilized a variety of new performance measurement techniques with the twin goals of measuring more accurately the effectiveness of municipal services and establishing greater accountability for that effectiveness. Through programs that vary from city to city, these mayors have sought to measure service effectiveness more accurately and then to reward—or, when appropriate, to punish—municipal departments for greater or lesser effectiveness.

Marketization of Municipal Services. In an era when privatization has become popular at all levels of American government, several mayors have pioneered an approach termed "marketization." Where privatization moves public services from government to the private sector, marketization attempts to create markets and competition for the delivery of public services, with services then contracted

to the most competitive vendors, including potentially governmental as well as private sector vendors.

Increasing Municipal Efficiency. As the performance measurement and marketization initiatives imply, these mayors have been concerned about how to make municipal government more efficient, that is, to decrease municipal costs without decreasing effectiveness. Toward that end, they have utilized a number of other techniques designed to reduce governmental costs, including (1) Activity-Based Costing (ABC), (2) various budget innovations, and (3) special boards and task forces.

Improving Neighborhood Quality of Life. Programs to improve neighborhoods have an obvious appeal at a time when quality of life appears to have become even more important in residential decisions. Prompted by a growing optimism about big-city neighborhoods, mayors have initiated programs with diverse emphases, but all designed to assist in the process of neighborhood development.

A Mayoral Role in City Schools. Schools arguably have more impact on a city's success and quality of life than any other municipal service. Yet, in most U.S. cities, including Atlanta, elementary and secondary schools are governed by a separate independent school district, rather than being a responsibility of City Hall. Many in the new generation of big-city mayors have been unwilling to accept this limitation on their powers, and have sought instead to exert influence over decisions about schools, either by influencing school board selection or by bringing authority for schools under City Hall.

A Mayoral Role in Regional Coordination. Just as most mayors have no formal power over their cities' schools, they also usually lack formal authority over regional issues. Yet, many mayors view regionalism, much as schools, as too important a concern to ignore, regardless of their formal authority in the area. For that reason, many mayors have taken an active leadership role in attempting to influence either specific regional issues or regional governance more generally.

Ethical and Transparent Governance. There has been much discussion in Atlanta recently of a possible need for new municipal ethics policies. Atlanta's new mayor should consider either (1) articulating an explicit, detailed informal policy on ethical and transparent governance and/or (2) creating a community task force to recommend new formal and informal policies in this area.

Conclusion. With different combinations of these policy innovations, America's big cities entered the 21st century with a much more optimistic prognosis than

was the case a decade ago. Given the success of these innovations, Atlanta's new mayor would be wise to consider their potential fit for our city.

Reinventing Municipal Governance:

Programmatic Innovations from the New Generation of Big-City Mayors

John Clayton Thomas

Introduction. The decade of the 1990s brought to power in many of America's big cities a new breed of innovative mayors, including Steven Goldsmith in Indianapolis, Ed Rendell in Philadelphia, Michael White in Cleveland, Jerry Brown in Oakland, Rudolph Giuliani in New York City, John Norquist in Milwaukee, Dennis Archer in Detroit, and others. Paralleling a national trend toward "reinventing government," these mayors sought to reinvent municipal governance through a variety of innovations that, like the mayors themselves, defy easy partisan or ideological classification (e.g., Beinart, 1997). These innovations are widely viewed as having helped to turn around the cities where they were instituted.

With Atlanta about to elect a new mayor, this paper is written to outline the most notable of these innovations for possible consideration by the incoming administration. The paper will describe these innovations as they have been implemented in various cities, including available evidence on their effectiveness and on any associated risks. The content of this paper does *not* imply any assessment of Atlanta's needs, only of what has been done to good effect in other, comparable U.S. cities.

Background. America's big cities entered the twentieth century facing a mixed social and economic picture. On the one hand, cities could find hope in several parts of the picture:

- ?? **Their centrality for information and financial services:** Most experts agree that, after losing their primacy as manufacturing centers, America's large cities have found a new relevance as information and financial centers, a welcome development after the gloomy predictions of the demise of the city as recently as the early 1990s.
- ?? **A fledgling back-to-the city movement:** The 2000 Census showed a resumption of population growth in most large cities, the first such growth in decades.
- ?? **A dramatically lower crime rate:** Crime, viewed by many as the biggest problem for America's big cities at the outset of the 1990s, declined

dramatically over the course of the decade, making cities seem much safer.

On the other hand, other parts of the picture were much less encouraging:

- ?? **A difficult economic competition:** Cities continue to compete with each other and with surrounding suburbs for economic investment.
- ?? **A severe vulnerability to the health of the national economy:** Just as the stock of big cities rose with the economic boom of the late 1990s, so it could fall—and perhaps more precipitously than the economy in general—with the current national economic slowdown.
- ?? **A problematic tax base:** Their continued primary reliance on property taxes poses twin difficulties for cities. That tax base may not increase rapidly enough to produce substantial revenue growth; and, any increase in property tax rates risks further business and residential departures from the city.
- ?? **Troubled school systems:** Big-city school systems continue to struggle to an extent likely to deter back-to-the-city movement by middle- and upper-middle-class families with school-age children.

Underlying Principles. Faced with these realities, the new generation of innovative mayors, whether Democratic or Republican, black or white or Hispanic, has followed a number of similar principles in making policy and programmatic choices:

- ?? **Hold the line on municipal taxes and spending:** Believing that higher taxes and spending would likely worsen the municipal plight, these innovative mayors have sought both to avoid tax increases and, in what has been termed “Norquist’s law” (after Milwaukee Mayor John Norquist), “to hold increases in city spending below the rate of inflation” (Norquist, 1998: 43-44).
- ?? **Improve municipal service performance:** Faced with a widespread perception of poor-quality municipal services, these mayors have viewed improving service quality as a high priority.
- ?? **Introduce competition into service production and delivery:** Persuaded of the value of market competition—for both reducing costs and improving service performance—mayors have sought to increase market competition in municipal services.

- ?? **Speak to the city’s pressing issues, no matter whose responsibility they are:** Some issues important to the success of cities may lie outside the jurisdiction of city hall and the mayor’s office. If these issues appear sufficiently important for their cities, contemporary big-city mayors have frequently sought to influence action on the issues.
- ?? **Help those who need help, but do for them only what they cannot do for themselves:** These mayors have sought to follow what political scientist John DiIulio (Center for Civic Innovation, 1999: 110) terms the “subsidiarity principle”: “In its oldest religious rendering (that of the Roman Catholic Church), subsidiarity is the principle according to which ‘a community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society, always with a view to the common good.’”

Acting from these principles, contemporary big-city mayors have undertaken a variety of innovations. The remainder of this narrative describes the most notable of these.

New Performance Measurement and Accountability Systems

America’s big-city mayors over the past decade have utilized a variety of innovative techniques with the twin goals of measuring more accurately the effectiveness of municipal services and establishing greater accountability for that effectiveness. Through programs that vary from city to city, these mayors have sought to measure service effectiveness more accurately and then to reward—or, when appropriate, to punish—municipal departments for greater or lesser effectiveness. Examination of the different approaches suggests a number of possible components to efforts of this kind.

Establishment of Service Outcome Effectiveness Measures. As the essential first step, municipal departments are asked to define a limited number of measures of the effectiveness of their services—as few as one measure per service, but no more than five at the maximum. Limiting each department to no more than a few measures forces officials to focus on their central concerns. The departments themselves are asked to perform this definition because (a) they know their services best and (b) developing the definitions themselves should increase their ownership of the resulting measures.

It is crucial that the measures reflect service **outcomes**, not inputs or outputs. Outcomes refer to what services are designed to achieve—in a broad sense, the consequences of the services for society. For a fire department, for example, outcome goals might include (a) minimizing fire-related fatalities and (b) minimizing fire-related financial losses. Departmental administrators sometimes err by proposing instead measures of inputs (such as numbers of firefighters on the job) or outputs (numbers of fire calls responded to). Even a conscientious mayor may fall into this trap, as Indianapolis Mayor Stephen Goldsmith (1999: 64) has confessed:

Early in my administration, at a meeting of the city’s department directors, I expressed my frustration at our slow progress measuring our performance. I told Mitch Roob, the director of the Department of Transportation, that I wanted to know exactly how many potholes his crews filled in a week. “I thought you wanted to measure performance,” he replied. “You shouldn’t care how many potholes my department fills. You should care how smooth the roads are. How do you know we’re not doing such a poor job filling potholes that we have to go back out and redo them later?” He was right—smooth roads are the goal; filling potholes is only a means to achieve the goal.

To be fair, most major cities, including Atlanta, have been attempting to develop and track measures of municipal service effectiveness for decades. The recent efforts differ from their predecessors in part through this increased emphasis on outcome measures. In the past, many governments have settled for input or output measures instead. That description appears to fit Atlanta, judging from a recent national assessment of municipal performance. In its review of the city, the authors (Barrett and Greene, 2000: 46) concluded: “Atlanta needs to use more outcome measures.”

Outcome measures should not be limited to so-called “hard” measures, such as the road smoothness and fire fatality examples noted above. With many or most services, outcome measures should also include indicators of citizen satisfaction with services and service delivery. These indicators could include (1) records of citizen complaints about services and/or (2) citizen service evaluations obtained from periodic resident surveys. Both provide essential perceptual measures to balance harder measures.

Given the difficulties of defining outcome measures, the definitional effort must be undertaken carefully, even painstakingly, and should include a careful review of departmental recommendations above the departmental level in order to assure they qualify as outcome measures.

Ongoing Monitoring of Service Problems. Once in place, the measures can be used first for monitoring performance in various service areas. Many measures of service outcomes can be obtained with sufficient frequency to permit regular monitoring of service performance and service problems, often with the data disaggregated for different areas of cities. Data can be developed on a monthly or sometimes even weekly basis, facilitating regular review and with potentially rapid responses to emerging problems.

The best-known program along these lines is the “Compstat” program pioneered by New York City’s Police Department under Mayor Rudolph Giuliani in the mid-1990s. Using Geographic Information Systems (GIS) software, Compstat, an abbreviation for “computer statistics,” displays crime incidence information by areas of the city for review. Area police captains and the department’s central office officials then meet on a twice-a-week basis to review the data displayed on a large screen. Where crime problems appear to be emerging, area captains are asked—sometimes aggressively—to explain what they are doing to address the problems. Captains who either do not provide adequate answers or do not address the problems once identified may be at risk of losing their captaincies (Kelling, 1995: 43). The Compstat program is widely credited as a principal factor behind New York City’s dramatic reduction of crime during the 1990s.

Baltimore Mayor Martin O’Malley has recently attempted to generalize this approach to a broad range of municipal services in a program dubbed “CitiStat” (Schachtel, forthcoming; Swope, 2001). In this program eight major department and division heads come to one-hour meetings with the mayor and his staff every other week where they are asked to respond to GIS mappings of measures of their service performance. As problems are identified, these administrators are asked to explain the problems and to suggest ways to address them. Those discussions are intended then to lead to “rapid deployment of resources” and “effective strategies” to address problems and then “relentless follow-up and assessment” (Schachtel, forthcoming). Since beginning in June 2000, CitiStat has supposedly produced the following accomplishments (to note just a few):

- ?? \$1.2 million in Department of Public Works savings in overtime pay.
- ?? \$2 million savings through fleet reductions, sale of excess city vehicles, and reductions in numbers of cars taken home by employees.
- ?? A 25 percent reduction in active lead violations.
- ?? A 51 percent increase in the number of children tested for lead.

Regular meetings may not be essential for effective utilization of service performance data, but regular reporting is. For example, the City of Phoenix, which is reputed to be one of the best-run cities in the country, provides monthly

service performance reports, but has in place no citywide system of meetings for regular review of the data (Ehrenhalt, 1995: 22).

Risks? It is difficult to find fault with any effort to develop better measures of municipal performance. That said, the success of these efforts hinges on the ability to define good performance measures, and that ability can be impaired by the fact that the desired outcomes of some services are not easily measured. As one critique (Walters, 1994: 34) complained, “Some governmental activity—efforts aimed, for example, at early childhood development or economic development—defy precise gauging, and may be of a very long-term nature.” As a consequence, the absence of good data may reflect the difficulty of developing good performance measures.

In addition, establishing the linkage between governmental activities and performance outcomes can be very difficult. As one observer (Walters: 34) commented, “The underlying problem for measurers in many cases is that we don’t know the precise relationship between a governmental intervention strategy and what is going on in the world. . . .” That uncertainty becomes problematic if municipal departments are held responsible for changes in those outcome measures. A department could be punished or rewarded for changes over which it has little control.

Such problems can be reduced by having departmental representatives propose the measures in the first place, as is already the practice for most innovating municipal governments. Departmental representatives will ordinarily be sufficiently knowledgeable to avoid proposing especially problematic measures. The greater risk then may be that they could propose measures that will permit them to “cook the numbers” in their department’s favor. That risk can be reduced by instituting a careful review of all proposed departmental outcome measures.

That potential weaknesses of performance measures may also be less an argument against the *development* of performance measures than a caution about imputing too much meaning to the resulting data. In reviewing data on these measures, municipal officials are wise to consider both the hard numbers *and* qualitative assessments not tapped by those numbers. The regular meetings which are central to the Compstat and Citistat programs may be helpful in this regard if departmental officials focus on both qualitative and quantitative assessments of services, and municipal officials, including mayors, show a willingness to consider the qualitative assessments as well as the hard numbers.

Marketization of Municipal Services

In an era when privatization has become popular at all levels of American government, several reinventing mayors have pioneered an approach termed “marketization.” Where privatization moves public services from government to the private sector, marketization attempts to create markets and competition for the delivery of public services, with services then contracted to the most competitive vendors. Those markets may include governmental as well as private sector vendors since marketization, unlike privatization, embodies no preference for private sector service delivery, favoring only competitive market-driven decisions about who should deliver public services. As former Philadelphia Mayor Ed Rendell (Center for Civic Innovation, 1999: 7) said of his city’s program, “The intent of our Competitive Contracting Program has never been to privatize city services. Instead, we want to ensure that taxpayers receive the best service at the lowest cost.”

The “Yellow Pages Test.” As the starting place for a marketization effort, former Indianapolis Mayor Stephen Goldsmith (1999: 25) suggests a “Yellow Pages test.” For any service that might be a candidate for alternative service delivery, Goldsmith recommends looking for a section in the local Yellow Pages on private sector vendors in that service area. If that search reveals even a few private sector vendors, Goldsmith argues that there may be a sufficient private sector market to seek competitive bids for future delivery of the service.

At that point, a city can look toward preparing a request for proposals (RFP) for providing the service. Having a strong performance measurement system in place can strengthen the RFP since it is then possible for the RFP to “spell out the precise outcomes that each city department or private vendor is expected to accomplish and at what cost” (Center for Civic Innovation, 1999: 5). With those outcomes made explicit at the outset, the city builds into any eventual contract accountability for meeting the city’s goals for the service.

Where a service is currently delivered by a municipal department, marketization can encourage that department to consider how the service can be delivered more economically. That encouragement can foster innovative thinking, resulting in more effective as well as more economical service delivery, as the department attempts to compete with private sector bidders.

Marketization need not be limited to services where government currently provides the service. The concept can also be applied to services that have already been privatized, simply by opening those services to contract bids from other possible vendors. The thrust of marketization is to create a competitive

market where a monopoly currently exists, and a private-sector monopoly is viewed as no better than a public-sector monopoly.

In Indianapolis under Mayor Goldsmith, marketization is reported to have brought substantial reductions in service costs without any deterioration—and sometimes with improvement—in the quality of services. As a few examples:

- ?? A competition for the towing and disposal of abandoned vehicles was won by a private company, which proposed to pay the city for the right to dispose of unclaimed abandoned vehicles. “Where government saw an expense, a private company found a profit,” and earned the city \$500,000 in the first two years of the contract (Goldsmith, 1999: 32).
- ?? A low bid from city employees for street repairs reduced the city’s cost for filling potholes from \$425 per ton to \$307 per ton, a 25 percent savings (Goldsmith, 1999: 21).
- ?? A private firm that won a competition to manage the city’s airport decreased landing fees from \$2.49 per passenger in 1994 to \$.58 in 1997 and increased net revenue from \$2.22 per passenger in 1994 to \$3.14 in 1997 (Goldsmith, 1999: 37).

Similar marketization successes are reported for Giuliani’s New York, Daley’s Chicago, Norquist’s Milwaukee, and other mayors.

Marketization can also be applied to internal service agencies (ISAs), the parts of local government that provide support services to the city’s direct service delivery agencies. ISAs may include computer maintenance, vehicle rental and maintenance, and human resource management, among other functions. In many cities service delivery agencies do not control the money they spend for ISA support, with that money instead going directly into the ISA’s budget. In analyzing how such a system worked in Milwaukee, Mayor John Norquist (1998: 34-37) “found three things wrong with our ISAs: high cost, low quality, and slow service.” After considering several options to that system, Milwaukee took a marketization approach, described by Norquist in these terms:

our ISAs could survive on their ability, in competition with private vendors, to attract customer agencies. Funding for internal services was shifted to the customer agencies. They were given free rein to choose how to spend it. They could continue to use the city’s ISAs, or they could buy the needed services on the open market. We made the change gradually and trained ISA employees in basic marketplace survival skills.

In the early part of the experiment, ISAs consistently lost bids to private vendors. Over time, though, they improved their performance dramatically until, according to Norquist, “After just two years, the surviving Milwaukee ISAs compete head-to-head and often beat out private-sector companies.”

Risks? Marketization, like privatization, risks attenuating municipal control over services, especially when those services are managed and delivered by vendors outside of city hall. Those vendors could conceivably become focused on minimizing costs to the neglect of important service quality standards. That risk can be greatly reduced if the RFP and the eventual contract both set clear performance standards against which service performance—and, eventually, contract renewal—will be assessed.

Admittedly, those performance standards can sometimes be difficult to establish with services that have more subjective, hard-to-quantify outcomes. That possibility may argue for caution in considering marketization of such services. Advocates of marketization might argue, however, that accountability is difficult with such services *independent* of whom the vendor is, whether private or governmental, such that marketization is still worth exploring.

Marketization can also threaten the jobs of many long-time municipal employees if a private vendor wins the service bid and chooses to hire its own employees. In cities that have undertaken substantial marketization, this disadvantage has been minimized by (1) the extensive hiring of traditional municipal employees by new service vendors and (2) a combination of transfers to other departments and attractive early retirement packages for employees those vendors chose not to hire.

Increasing Municipal Efficiency

A principal goal of both better performance measurement and marketization is to make municipal government more efficient, that is, to decrease municipal costs without decreasing effectiveness. Better performance measurement and marketization can both have this result. In addition, the new generation of mayors has utilized a number of other techniques designed to reduce governmental costs, including:

Activity-Based Costing (ABC). It is typically difficult to determine the actual cost associated with specific municipal activities. To attempt to address that problem, Indianapolis and San Diego borrowed and implemented a private-sector accounting technique known as Activity-Based Costing (Walters, 2000). ABC is designed to assess all of the municipal costs associated with any given

activity—personnel, equipment, building space, overhead, depreciation, etc. Each activity can then be assessed for whether its costs are worth its benefits, often leading to gains in efficiency. For example, when ABC was instituted in Indianapolis, a group of public works employees came to the mayor to request that they be freed from picking up litter on city streets. Instead, they

wanted to redirect their efforts where they could perform the best. They contended that their union wages would never allow them to be competitive in unskilled, low-paying jobs, like picking up trash on the roads. Neither could they compete in areas where the city did not have adequate equipment, such as the machinery necessary to erect temporary fencing at work sites. But given their skills and equipment, the workers concluded that they could outperform anyone filling potholes and sealing cracks. They proposed outsourcing litter removal and fencing in order to concentrate on their core business of maintaining streets (Goldsmith, 1999: 62).

Risks? There are at least two potential problems with activity-based costing. First, it can be very difficult to divide municipal overhead costs so that they can be allocated accurately to all relevant services; and, the ABC results are only as good as the components of the calculation. Second, instituting the technique typically requires significant up-front costs (Walters, 2000). In Indianapolis, for example, a private consulting firm was contracted to train municipal employees to apply the technique.

Budget Innovations. The new generation of mayors have been pursued a number of innovations in municipal budgeting, including:

Institute performance budgeting: Performance budgeting has been around for years, but, if better outcome measures are in place, departmental budget requests can be considered more clearly in light of service performance. With knowledge of what departments are achieving—and how those achievements have changed over time—municipal officials are better informed about what gains are resulting from municipal spending in different service areas. That knowledge may also prove useful in considering whether municipal spending should be reallocated from less effective to more effective services.

Hold municipal budget increases below the rate of inflation: As noted earlier, Milwaukee Mayor John Norquist has insisted on holding his city's budget increases below the rate of inflation. As part of that effort, he requires municipal departments to keep their annual budget within that limitation. As a result, over a recent eight-year period, Norquist (1998: 44)

reports that the city has been to shrink its tax levy by 21.4%. As a comparative standard, Milwaukee has dropped from having the third highest tax rate of 19 Milwaukee County municipalities when Norquist took office to having the 16th highest rate in 1999.

Use one-time savings for infrastructure improvements: Where one-time savings are achieved by whatever means, Norquist, Goldsmith, and other mayors have favored allocating those funds to the one-time costs of infrastructure improvements—roads, bridges, and the like. That approach both improves infrastructure and avoids the temptation to use one-time savings for ongoing budgetary needs.

Risks? The innovations have found few detractors. The principal risks may be the cost of the time spent in making the various efforts.

Special Boards and Task Forces. Many cities have created new advisory bodies to assist in their efforts to reduce municipal costs. Two specific forms are worth noting:

Business task forces on municipal efficiency: Many contemporary mayors have created task forces of business leaders to examine municipal spending. Two examples are the Financial Research and Advisory Committee, created by Mayor Richard Daley for Chicago (Mahtesian, 1994), and the Mayor's Private Sector Task Force on Management and Productivity, initiated by Ed Rendell for Philadelphia. In the latter case, the Task Force involved the heads of 41 local corporations and approximately 300 loaned executives, who produced 17 reports on 26 city departments and 7 citywide issues in its first year of existence (Center for Civic Innovation, 1999: 10). In Los Angeles, at the initiative of Mayor Richard Riordan, another business task force supposedly identified more than \$1 billion in savings for the city over a five-year period ("Good Odds for a Gambling Man," 1994).

Regulation review boards: Governmental regulations potentially create costs that do not appear in their budgets, but that still impose substantial costs on city residents and businesses. Concerned about these costs, Indianapolis under Stephen Goldsmith (1999: 86-89) created a Regulatory Study Commission to review existing and proposed regulations to determine if they are worth their cost. The commission reviews regulations, then forwards a recommendation to the governing City-County Council.

Risks? While not a disadvantage as such, there are almost no data on how effective either of these techniques has been, with only anecdotal evidence of their success. As one possible risk, since both types of boards might appear to tilt toward private businesses, their use might open a mayor to complaints of bias in favor of those businesses. That risk might be minimized if public sector representatives and citizens without strong business ties were also appointed to these bodies.

Improving Neighborhood Quality of Life

Programs to improve neighborhoods have an obvious appeal at a time when quality of life appears to have become even more important in residential decisions. If cities are to thrive, they may need to attract and retain more residents, especially middle- and upper-middle-class residents. The likelihood of attracting those residents may be higher now than it has been in decades, judging from a variety of trends:

- ?? A sense of a greater control over crime, which has been arguably the single most important factor in undermining the quality of life in central-city neighborhoods in recent decades.
- ?? The beginnings of economic revival in many of these neighborhoods, likely sparked by a combination of the national economic boom of the 1990s and of the efforts by neighborhoods themselves.
- ?? The embryonic back-to-the-city movement that appears to be bringing more of the middle and upper-middle classes to homes in cities.
- ?? New land-use controls, imposed in an effort to limit further urban sprawl, that may, as in the Atlanta area, add to the attractiveness of living in central city neighborhoods.

For these and other reasons, in many of America's big cities as well as in a growing scholarly literature (for example, Grogan and Proscio, 2000), there is increased optimism about the potential for improving big city neighborhoods, as through new municipal programs directed at neighborhoods.

Neighborhoods in Broader Perspective. Before examining specific neighborhood-focused programs, however, it is important to consider what changes make for better neighborhoods and how a mayor can influence those

changes. To begin with, almost any effective municipal initiative can contribute to a higher quality of life in neighborhoods. Citywide crime-reduction efforts, as already suggested, have paid large dividends for neighborhoods in many cities by making life there safer for residents. High-quality schools, as discussed below, are also essential if neighborhoods are to attract anyone other than empty nesters, young childless professionals, and the poor. In fact, one school of thought holds that a focus on these service areas may be the best way to help the urban poor. In the words of scholar Terry Clark (2000: 15):

the argument is made that government can help the poor best by helping all cities, not by targeting the poor. This has led to a focus on the public goods (widely shared by city residents) of improving schools and reducing crime, trends found in many large cities.

Atlanta's new mayor would consequently be wise not to lose sight of these important issues of crime reduction and school improvement.

Second, an extensive scholarly literature clearly implies that only a multifaceted approach, involving a variety of actors, can turn around declining neighborhoods. The actors who must be involved include corporate and institutional actors ("banks, universities, insurance companies, or manufacturing firms"), strong neighborhood organizations, and government (Taub, Taylor, and Dunham, 1984: 182-184). As that assessment suggests, municipal government must play a role but not the only role. Nor can private markets on their own solve neighborhood problems either, although they also must play a role. Even a conservative such as Stephen Goldsmith (1999: 152), the former Indianapolis mayor, explicitly concedes this point:

People who share my free market philosophy may find it difficult to accept that no matter how much we want to withdraw government from the marketplace, we cannot do it immediately. Poor communities have suffered so much from catastrophic government policies over the past thirty years that government is needed to undo the harm.

A Mayoral Leadership Role. Recognizing that a mayor is only one actor among many on issues of neighborhood improvement, a mayor who is concerned about neighborhoods might seek first to assume a leadership role among the various actors. In that role the mayor could attempt to persuade the various actors to coordinate their efforts toward neighborhood improvement. Those efforts at persuasion might include, for example, encouraging the city's financial institutions to become more involved with neighborhoods. As well, as the leader of City Hall, the mayor could work to see that its resources are also committed to these efforts.

The efforts of Cleveland Mayor Michael White illustrate how this might be done. Concerned to increase the city's housing stock in both neighborhoods and downtown, White applied pressure on the city's financial institutions to increase their loans to low-income buyers, using as leverage the federal Community Reinvestment Act of 1970, which encourages financial institutions to help meet their communities' needs. White also made certain that City Hall did its part through generous use of a revolving loan for housing development. His efforts along these lines resulted in the building of approximately 2500 new homes, as compared to only 200 in the prior decade (Bier, 2001).

Beyond assuming this general leadership role, contemporary big-city mayors have initiated a variety of neighborhood-focused programs with diverse emphases, but all designed to assist in the process of neighborhood development. Most of these programs begin with the premise that governments must be careful in how they attempt to assist neighborhoods in order to avoid what are widely perceived to be the paternalistic, heavily bureaucratic, and largely ineffective programs of the past. For many observers, the goals should be, consistent with DiIulio's "subsidiarity principle," (1) to help neighborhoods that are attempting to improve themselves, but (2) to provide that help only where neighborhoods cannot do the necessary work entirely on their own.

Regulatory Programs. Two regulatory programmatic initiatives provide examples of how this principle can be put into operation:

?? **Milwaukee's Drug Abatement Program (DAB):** A combined effort of the city's building inspectors, police, and neighborhoods, this program encourages landlords to evict suspected drug sellers. Although police may investigate and arrest these suspects, "the idea is to confront and remove drug dealing right away, even if this means passing up the opportunity to stage a big drug raid. Why? Because people, especially children, who live near the suspected drug house need quick relief from the threat to their lives and property" (Norquist, 1998: 119). According to Milwaukee Mayor Norquist, police find in 85% of the DAB cases that there is no further drug activity at those locations for at least sixty days.

?? **Collaborative code enforcement with low-income landlords:** Many cases where municipal building codes are violated involve low-income landlords who may feel unable to afford the necessary improvements. One scholar (Center for Civic Innovation, 1999: 84) recommends a collaborative approach, similar to what has recently

been used with success in some national regulatory efforts, where code enforcement personnel work with these landlords to, where possible, find affordable solutions to those problems.

In both programs, government does not attempt to achieve outcomes on its own, but instead works collaboratively with neighborhoods and residents to attempt to achieve those outcomes together.

New Spending Programs. Many mayors and other urban experts believe that new financial resources must also be infused in order for many neighborhoods to improve. These mayors and their initiatives include (Ehrenhalt, 2001):

- ?? Boston Mayor Tom Menino's Main Street program, which has given \$300,000 to each of 19 neighborhoods to improve their commercial districts.
- ?? Baltimore Mayor Tom O'Malley's Mayor's Office of Neighborhoods that will target extensive funding to twelve neighborhood commercial districts each year.
- ?? Philadelphia Mayor John Street's bond program to raze or rehabilitate the city's abandoned structures and to take control of abandoned vacant lots.

Menino's Main Street Program builds from his premise that "retail commerce is the key to neighborhood success" (Ehrenhalt, 2001: 33). Each neighborhood receives funds, mostly from Community Development Block Grant funding, for what is described as "the mundane work of façade and design improvements, promotional activity and merchant recruitment" (Ehrenhalt, 2001: 34).

Evidence on the effectiveness of Menino's program is limited to anecdotal reports from a number of the neighborhoods. For example, one neighborhood, after languishing despite substantial federal and local funding during the 1970s and the 1980s, now appears, with the assistance of the Main Street Program, to be turning around, judging from the recent opening of its first retail unit, a large drug store, and the anticipated opening in the near future of a new super market.

Having taken office only this year, Philadelphia Mayor Street's program is newer and even less amenable to evaluation. Street proposes an initial \$250 million bond issue—which would eventually total five times that amount—to seal up or rehabilitate the city's 25,000 abandoned structures and to reclaim 31,000 abandoned empty lots. He acknowledges, though, that the proposal must become the city's, not just his, if it is to succeed.

Risks? These latter programs pose at least two risks. First, any program that involves direct spending in neighborhoods brings a risk that the money may not be well spent. If neighborhoods are allowed to choose, there is no guarantee that they will make good choices about how to spend the money, but, if they are not allowed to choose, neighborhoods may not provide the other support necessary for that spending to be effective. Thus, it does no good to tear down an abandoned building if additional buildings are soon abandoned in the same neighborhood. Money will be well spent in neighborhoods only if it is combined with other resources, both financial and human, and from both the neighborhoods and the business sector. Determining in advance whether those other resources will materialize can be difficult, perhaps especially with the commitment of residents that is crucial to rebuilding neighborhoods.

Second, neighborhood improvements can encourage gentrification, which can in turn threaten long-term, low-income neighborhood residents. If a neighborhood improves and property values escalate, those residents may eventually face increased property taxes that exceed their ability to pay. Cities must be sensitive to this issue as they pursue neighborhood improvement.

Third, but perhaps most important, planning for *any* program for neighborhoods must include extensive involvement of the neighborhood residents themselves. Where that has not been the case, programs have quickly foundered in the face of angry opposition from neighborhood residents. In Seattle, for example, former Mayor Norm Rice's seemingly progressive plan for combating urban sprawl ran into adamant neighborhood opposition when, under the pressure of a time constraint, the city reduced neighborhood involvement in drafting the plan (Gurwitt, 1994).

A Mayoral Role in City Schools?

Schools arguably have more impact on a city's success and quality of life than any other municipal service. Prospective residents, if they have children, probably ask more questions about a city's schools than about any other service, hoping to ensure that where they choose to live will offer high-quality education for their children. Schools also take a large chunk of the property tax dollar, a larger chunk than any other municipal service. In Indianapolis, for example, approximately 44 percent of every property tax dollar goes to schools, with 21 percent going to fund the city's police and fire departments and 9 percent to fund all other city functions (Goldsmith, 1999: 112). Thus, any effort to control residential or business property taxes in a city is dependent on having control over taxes for schools.

Yet, in most U.S. cities, elementary and secondary schools are governed by a separate independent school district, rather than being a responsibility of City Hall. As a consequence, most mayors have no formal control over either the quality of schools in their cities or the tax burden imposed to fund schools. The service that could have the greatest bearing on a city's fate is outside the formal control of the mayor and of anyone else in City Hall.

Many in the new generation of big-city mayors have been unwilling to accept this limitation on their powers, and have sought instead to exert influence over decisions about schools. Although Atlanta's schools appear to be improving, the city's new mayor may still want to consider some kind of effort toward more collaboration or coordination between city hall and the school district. The choices of other recent mayors suggest at least these options:

- ?? **Endorsing a slate of school board candidates:** Arguing that schools required more concerted attention, Los Angeles Mayor Richard Riordan during his second term recruited and endorsed his own slate of candidates for school district seats. Riordan presumably reasoned that school board members who agreed with his priorities would be more likely, once elected, to work cooperatively with the mayor's office. Riordan's endorsements were initially influential, as three members of his slate were elected to the board. In the next school board election two years later, however, only one Riordan-endorsed candidate was elected after teacher unions mounted an extensive campaign against Riordan's slate. No data are available to assess the effects of Riordan's slate being elected to the school board.

- ?? **Obtaining the authority to appoint some members of the School Board:** Oakland Mayor Jerry Brown successfully sought an even more direct means to influence the Oakland school board. He was able to change Oakland's charter to give the mayor authority to appoint three members of the city's School Board (Gurwitt, 2000). Brown gained this authority too recently for any evidence to be available yet on his ability to leverage this new authority toward better schools.

- ?? **Bringing the school district under city hall control:** In a few cities, such as New York, elementary and secondary schools have long been municipal responsibilities. In two cities where schools were not under city hall control, Cleveland Mayor Michael White and Chicago Mayor Richard J. Daley were successful in persuading their state legislatures to transfer authority for their cities' schools from an independent district to city hall. Both mayors seized on that new authority to make major

changes in how the schools were run. Daley's efforts are perhaps the best documented, with its finances in better shape—resulting in the system receiving its first investment grade bond rating since 1979—and student math and reading scores on the increase (Ward, 1997). Cleveland's schools are also widely perceived to have improved, largely as a consequence of the work of Mayor White's handpicked choice for superintendent.

These mayors have sought more control over schools in order to pursue an agenda that is similar from one city to another. First, they seek more control over school finances, both taxes and spending, usually with an eye to reducing or holding the line on both. Second, they frequently seek more control over the educational bureaucracy, often working to reduce its size. In New York City, for example, Mayor Rudolph Giuliani used his authority earlier this year to persuade the city's superintendent of schools to downsize the school district's central administration by 1,500 employees (Wyatt, 2001). Third, these mayors commonly seek to offer parents more choice among schools. Some mayors, such as Milwaukee Mayor John Norquist and Indianapolis Mayor Stephen Goldsmith, favor vouchers, though usually not financed by local funds. Others, such as Chicago's Daley, have favored the development of charter schools, where specific schools are given a charter to pursue a particular emphasis while at the same time freed from many traditional bureaucratic constraints.

To the extent they succeed in these efforts, mayors reduce some of the oft-criticized fragmentation of authority in metropolitan areas. In the process they may gain more authority over school finances, giving them more ability to control the tax burden on residents and businesses. They may also gain more ability to change school programming in ways that may lead to better student achievement. Either of the latter two achievements could by itself warrant making the effort.

Risks? Efforts of this kind carry substantial risks, perhaps especially political risks. First, a mayor may risk a political backlash if the public views the mayor as "power-hungry." Such an accusation has not appeared to inflict serious political damage on any of the mayors who undertook the initiatives described above, however. Second, efforts of this kind may require the expenditure of substantial political capital by the mayor, yet without any assurance of success. More than with most other innovations by the reinventing mayors, gaining authority over schools requires reaching beyond the mayor's usual power—to obtain voter support for a candidate slate or, even more problematic, to obtain state legislative support for state action. The success of these efforts is not guaranteed, and, if they fail, the mayor will have lost time, political capital, and perhaps voter confidence in the mayor's ability to make things happen.

A Mayoral Role in Regional Coordination?

Much as most mayors have no formal power over their cities' schools, so they also usually lack formal authority over regional issues. Yet, many mayors view regionalism, much as they view schools, as too important a concern to ignore, regardless of their formal authority in the area.

What we know about metropolitan regions in the U.S. suggests several reasons why mayors might choose to become involved in regional issues that extend beyond their cities' boundaries:

- ?? The fates of cities and their suburbs appear to be inextricably intertwined. A body of recent scholarly research suggests that, in any given U.S. metropolitan area, how well the central city does economically is linked to how well its suburbs do economically (for a summary, see Gurwitt, 1992). The success of the central city does not necessarily determine the success of its suburbs or vice versa, but how well each does appears to contribute to how well the other does.
- ?? Metropolitan regions probably compete more with each other for economic development than do different municipalities within the same metropolitan area. As a consequence, the various municipalities within any given metropolitan area are well advised to cooperate with each other, competing, if at all, only with municipalities from other regions.
- ?? Increasingly, the issues that face central-city mayors are regional rather than local in focus. For example, issues of air quality and of water quality and supply, all of which have become more salient for America's urban areas in recent years, often cannot be addressed except from a regional perspective.

Although those factors suggest the need for more regional cooperation, they do not necessarily imply that the central-city mayor—Atlanta's new mayor in this case—should take the lead in pursuing that cooperation. That possibility is suggested by two other factors:

- ?? The mayor of the central city is the titular leader of the city by which the region is best known, providing some basis for claiming a spokesperson role for the area.

?? By virtue of salary, legal authority, and city size, Atlanta's mayor is one of only a few mayors in the metropolitan area who is expected to work full time as mayor. That fulltime expectation gives Atlanta's mayor more time to pursue a variety of issues.

The efforts of other recent big-city mayors offer at least two models of how a mayor can push regional issues. First, recognizing the counter-productive potential of competition between cities and their suburbs for economic development, the mayor might push for the city and its suburbs to agree not to compete with each other for economic development. Both Detroit Mayor Dennis Archer and former Indianapolis Mayor Stephen Goldsmith have pursued these kinds of agreements with some success. Archer has been described as "a tireless ambassador to the suburbs ringing Detroit, pressing the case for regional cooperation and working to repair frayed relations at town meetings, at Rotary Clubs, and through a coalition of nearly 50 regional CEOs."

In the Indianapolis case Goldsmith "decided to try negotiating a peace treaty" with suburbs to end their economic competition with each other. He worked to convene a group of elected officials from surrounding areas to discuss regional issues. Regional business leaders were also persuaded to form the Metropolitan Association of Greater Indianapolis Communities to provide additional impetus toward cooperation. Discussions also emphasized the findings, as reported above, that, "although urban losses sometimes create short-term suburban gain, they almost invariably hurt suburbs in the long term" (Goldsmith, 1999: 84-85).

The effort was not entirely successful, but did result in what Goldsmith describes as a "bilateral treaty" with the "most prosperous" neighboring county, providing for:

- ?? Shared infrastructure investment,
- ?? Regional transportation and sewer planning,
- ?? Shared strategies for targeting key industries, and
- ?? No economic cannibalization.

A somewhat different approach is suggested by the efforts of a group of inner-ring suburbs in the Cleveland, Ohio, area. Calling themselves "The First Suburbs Consortium," these suburbs have united to pursue a number of common needs, again principally—but not exclusively—related to economic development (Gurwitt, 1998). Alone among the proposals described here, this collaboration has not involved the area's central city, as Cleveland has neither joined the group nor its discussions.

Yet, Cleveland clearly shares some interests with these suburbs. Those shared interests may be increasing as the agenda of the First Suburbs Consortium turns increasingly to questions about suburban sprawl. Several of the consortium's leaders reportedly "believe central cities and older suburbs are unfairly burdened by policies at every level that steer resources to new development rather than redevelopment, with congestion and rising taxes the ultimate result" (Gurwitt, 1998: 17)

Atlanta's interests may well be similar or identical since the city likely would benefit from more emphasis on redevelopment as opposed to new development. Moreover, the Atlanta area is already seeing policy movement in this direction, as, most notably, through the regulatory efforts of the Georgia Regional Transportation Authority. Atlanta's new mayor might consequently consider if and how to attempt to take a leadership role on regional issues.

There are at least two potential gains from any mayoral regional involvement. First, any competition between Atlanta and its suburbs could be discouraged, minimizing costly competition between city and suburbs. Second, Atlanta's mayor might be able to influence regional initiatives in directions more favorable to the city's future.

Risks? The risks are similar to the risks of mayoral involvement with city schools. First, the mayor could be perceived as over-stepping his or her authority. Such a risk could be greater now in Atlanta since other bodies—GRTA in particular—have recently received grants of regional authority that they are only beginning to exercise. These other regional initiatives also mean, as another potential disadvantage to regional involvement, that the marginal contribution Atlanta's mayor can make may not be as great as in other cities without similar regional authorities. Finally, attempting to ally with inner-ring suburbs carries the risk of making enemies of outer-ring suburbs.

These risks may not be as great as they could appear, judging from the apparent lack of complaints about those mayors who have asserted themselves on regional issues. Still, the potential disadvantages of regional involvement probably counsel that any such efforts should be pursued cautiously and with finesse.

Ethical and Transparent Governance

There has been much discussion in Atlanta recently of a possible need for new municipal ethics policies. Unfortunately, the experience of other cities does not suggest good innovative models for such policies. San Diego, for example, is currently attempting to implement a new ethics policy, but with much

frustration and little apparent effectiveness. As well, stringent ethics policies can frequently prove counter-productive. According to Alan Rosenthal, an expert on state-level ethics policies: “What we’re doing by overlegislating ethics is trying to get the bad guys. But we’re never going to get the bad guys, because they are very good at being bad. What we succeed in doing is making life increasingly miserable and fraught with danger for the good guys” (as quoted in Mahtesian, 1999: 39).

An Informal Ethics Policy. An alternative model might be an informal, but explicit, policy of transparent and ethical governance. Rather than creating new ordinances or changing the city’s Board of Ethics to improve monitoring and enforcement of ethical standards, a mayor might instead publicly announce a set of principles that the new administration will follow. Those principles might begin, borrowing language from the Code of Ethics of the International City-County Management Association (ICMA, 2000), with members of the new administration committing:

- ?? “To conduct themselves so as to maintain public confidence in their . . . local government and in their performance of their official duties,” and
- ?? “To conduct their official and personal affairs in such a manner as to give the clear impression that they cannot be improperly influenced in the performance of their duties.”

Such an informal policy should also include a number of more specific principles, such as:

- ?? Full and rapid disclosure of all amounts and sources of campaign funds.
- ?? Open, competitive bidding for all possible contracts with the city.
- ?? Well-publicized, open public meetings on all major policy proposals, including all significant contracts.
- ?? Full disclosure by the mayor and all city council members of all relationships with potential city contractors and abstention from all votes where there is an actual or potential conflict of interest.
- ?? Complete confidentiality on all confidential information obtained in the course of one’s official duties.

Any policy on ethical and transparent governance should also attempt to address how to build a more constructive relationship with the mass media. Media relations have proved a common problem for contemporary mayors, with Cleveland’s Michael White, Chicago’s Richard M. Daley, and Philadelphia’s John Street, among others, all engaging in heated and protracted battles with local media, especially newspapers. Some conflict is unavoidable given the media’s traditional role of watchdog over government, but that conflict might be reduced

if mayors committed to open and transparent government, which would entail at least two components:

- ?? Regular conversations with the press, including both reporters and newspaper editorial boards, on issues facing the city.
- ?? Prompt responses to media requests for public records.

Improving relationships with the media can also nurture the perception among the broader public of an open government, a perception that may be equally as important as the reality of open government. Mayor Ed Rendell's early success in Philadelphia, for example, was credited in part to his ability "to create the common perception of a government that is open, accessible and willing to listen" (Mahtesian, 1993: 36).

A Task Force. An informal policy might not be sufficient if ethical issues in Atlanta have already too severely undermined public confidence. In that case another option is to create a community-based ethics task force to make recommendations on possible new ethics policies, both formal and informal. Such a task force would be designed to serve the dual functions of (1) recommending new policies to improve the ethical climate in City Hall while at the same time (2) attempting to re-build community confidence in City Hall.

Clark County, Nevada, which includes the city of Las Vegas, provides a recent model of how such a task force might work (Walton, 2001; Packer, 1999). The county has faced repeated ethical questions about County Commissioner involvement in airport contracts, which fall under the county's authority, questions not dissimilar to those raised recently in Atlanta. With the support of some Commission members, the County Manager—an appointed rather than elected position—in 1998 established a Clark County Ethics Task Force to set ethical guidelines for the County Commission. In an effort to get broad community representation, the eleven-member task force included educators, religious leaders, media representatives, former elected officials, and some current Commission members. The task force eventually produced a number of recommendations, including: (1) all contract bids should be reviewed and ranked prior to and without the involvement of the County Commissioners; (2) an independent citizens' review board might be created to review and rank some airport contract bids; and (3) applicants for contracts are prohibited from any lobbying of commissioners, or any other contact with commissioners, until the finalists are forwarded to the Commission for approval, with any violation disqualifying the applicant.

A task force of this kind can have a number of advantages. As the most obvious, the task force could produce valuable recommendations for changes in ethics

policies and procedures. As well, by involving religious leaders, educators, and media representatives as well as elected officials, the task force has the potential for building high credibility for its recommendations in the community. That credibility can be further enhanced if the task force chooses to hold public meetings, both early on to seek ideas and later to test possible recommendations. A mayor who then follows those recommendations should gain credibility by association, while at the same time presumably improving the city's ethical standards.

In the Atlanta case, the body might be cast more broadly as a Task Force on Ethical and Transparent Government, with the intent of addressing both ethical questions and related issues around governmental openness. The latter issues are likely to arise naturally anyway based on the interests of media representatives and of the broader public during public meetings.

Any such task force should be time limited, charged to produce its recommendations within perhaps six months' time or in any event no more than a year's time. Its members might be appointed by the mayor, but with community and council involvement in order to build broad ownership and legitimacy for the task force.

Risks? These two possible approaches bring different kinds of risks. On the one hand, having only an informal policy risks giving too little attention to the issue. Citizens might view an informal policy as nothing more than lip service where broader action may be needed. Creating a task force, on the other hand, carries a risk of overkill if the task force, in taking its charge seriously, produces policy recommendations that "overlegislate," possibly constraining the "good guys" without stopping the "bad guys." This risk might be mitigated by the mayor's office, as is entirely appropriate, having representatives on the task force who have been sensitized in advance to the risks of policy overkill. In the end, though, the mayor—and the council—would still need to treat seriously the task force recommendations or risk being perceived as not serious about ethics.

Conclusion

The decade of the 1990s brought to power in many of America's big cities a new breed of innovative mayors who have sought to reinvent municipal governance through a variety of policy and program innovations. These innovations, like the mayors themselves, defy easy partisan or ideological classification, but collectively, in different combinations in different cities, the innovations are widely viewed as having helped to turn around the cities where they were instituted. In part due to these mayors and their innovative policies, America's

big cities entered the 21st century with a much more optimistic prognosis than was the case only a decade ago.

Upon taking office, Atlanta's new mayor is likely to face a "honeymoon" period of high receptivity to mayoral policy initiatives. Although it is not clear at first glance which of these policies from other cities might work well in Atlanta, it is clear that, given the success of these innovations elsewhere, Atlanta's new mayor would be wise to consider their potential fit here and to pursue the most attractive of the innovations during the anticipated honeymoon period.

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