

THE ADMINISTRATOR

A PUBLICATION OF THE N.C. CITY & COUNTY MANAGEMENT ASSOCIATION

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SUMMER SEMINAR REGISTRATION NOW OPEN

Registration is now open

for those interested in attending the 2013 N.C. City & County Management Association (NCCCMA)'s Summer Seminar.

This year's seminar will be held June 20-22 at the New Bern Convention Center in New Bern/Craven County.

Go to the association's website, www.ncmanagers.org, to register for the seminar and for more information. Those interested in participating as sponsors may also visit the website to register.



New Bern is known for its history, beauty and charm. (Photo courtesy of New Bern Convention Center website.)

NOMINATIONS BEING ACCEPTED FOR ASSISTANT MANAGER OF THE YEAR

Nominations are now

being accepted for the N.C. City & County Management Association (NCCCMA)'s Assistant Manager of the Year Award, which will be presented at the 2013 NCCCMA Summer Seminar in June (see above).

In 2001, the Executive

Committee of the NCCCMA authorized the annual recognition of one or more Outstanding Assistant Managers from member jurisdictions. Assistant managers play important roles in the operation of local governments, including carrying out, in some instances, the duties of the manager. Many

of the members of the NCCCMA are current or former assistants, or have assistants under their direction.

Through this notice, NCCCMA members are encouraged to submit deserving assistants for consideration. Nominees can be

Continued on page 4

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The Administrator is a monthly newsletter of the North Carolina City and County Management Association, a professional association for city and county managers and assistant managers from counties and municipalities throughout the state of North Carolina.

For comments or suggestions, please contact Matt Lail, editor, at 919-819-3979, or email at collards12@yahoo.com.

UPCOMING EVENTS

N.C. City & County Management Association Summer Seminar

Craven Convention Center,
New Bern

June 20-22, 2013

99th ICMA Annual Conference

Boston

September 22-25, 2013

2014 N.C. City & County Management Association Winter Seminar

Sheraton Research Triangle Park
February 5-7, 2014

INTERESTED IN VOLUNTEERING?

If you are interested in getting involved with the N.C. City & County Management Association (NCCCMA), now is your chance. There are number of committees within the membership of the NCCCMA. If you are interested in volunteering for one of the following committees, visit www.ncmanagers.org or email Rob Shepherd, NCCCMA secretariat, at rshepherd@ncml.org.

Here is a look at each of the committees:

Civic Education Project Committee

Work in partnership with the Civic Education Consortium at the UNC-CH School of Government to execute the annual agreement between the Association and Consortium. Develop recommendations to sustain the long-term funding needed for the Civic Education Project for the future. Advise the Consortium and Executive Committee as needed on matters related to the Civic Education Project.

Membership Support Committee

Work with and assist Association members that are in transition or need of professional assistance using the bimonthly MIT report provided by the NC League of Municipalities. Assign individual committee members to members-in-transition to assist during their transition. Solicit nominations and select the Assistant Manager of the Year award to be presented at the Summer Conference.

Sustaining Membership/ICMA Relations Committee

Develop and implement strategies to increase/sustain the membership of the Association and ICMA. Strategies should be consistent with sustaining the association as the current "baby-boomer" generation members retire and embraces the next generation of managers.

Seminar Program Committee

Plan and execute the Association's winter and summer seminar in coordination with liaisons from the School of Government (winter) and the North Carolina League of Municipalities (summer).

Professional Development Committee

Advise the Executive Committee on matters to improve professional development opportunities for the membership. The committee solicits and selects recipients for grants to attend the Public Executive Leadership Academy at the UNC-CH School of Government and the Senior Executive Institute at the University of Virginia.

Retirement Committee

Advise the NC League of Municipalities and the NC Association of County Commissioners on policy positions and possible enhancements to the NC Local Government Employees Retirement System benefits. Cultivate younger members of the association to become advocates for the retirement system as a tool to attract and retain qualified staff.

ETHICS: WHAT'S A MANAGER WORTH?

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\$800,000: This figure was blasted across national news media in 2010 as the city of Bell, California, corruption scandal unfolded. It's no wonder that it made national news. It was a sum that defied any reasonable explanation or standard in the profession.

The justice system is moving forward this spring with the criminal trials of the elected and appointed officials alleged to have engaged in a host of illegal financial activities to misappropriate public funds, which included the city manager's compensation.

Bell is an anomaly. But Bell is also an opportunity: an opportunity to add structure and rigor to the process of setting executive compensation for local government managers so that the public we serve has faith in our conduct.

The Challenges

The lack of established practices for negotiating public sector executive compensation combined with the transparency threshold that must be met makes an otherwise difficult task daunting. Roles and responsibilities may be clear on paper but not in action.

The decision makers—that is, the governing body—are not always experienced with the process. The beneficiary—that is, the manager—sometimes is the one who is more knowledgeable, skilled, and, shall we say, savvy.

That imbalance can create a conflict of interest. The result can be compensation packages or benefits negotiated in good faith that are inappropriate, unfair, and just too costly.

The Principles

The principles of the profession have long been the driver for personnel and compensation matters. The standard for establishing executive compensation is that it be fair, reasonable, and transparent. But what is "fair" is subjective and debatable.

Focused on principles, ICMA established formal guidelines for negotiating executive compensation that set standards for benchmarking using comparable public sector salaries on regional and national bases. The guidelines more clearly define roles and responsibilities, and they address issues that relate to all employees as well.

The Process

For the process to have any credibility, the organization must be able to clearly articulate how the compensation package was calculated. To establish fair and reasonable compensation, the governing body should either operate as a committee of the whole or designate an evaluation and compensation subcommittee. This group should design and implement

the methodology for setting compensation of the local government manager and any other appointees of the governing body.

Compensation benchmarks should be established on the basis of compensation in comparable local government and public sector agencies. The governing body should engage experts, whether contracted or in-house, to provide the information required for establishing fair and reasonable compensation levels.

All decisions on compensation and benefits must be made by the entire governing body in a public meeting.

The Realities

The principles and guidelines outlined above provide insights into how to address such unusual or questionable practices as these:

Is it okay to negotiate a retention bonus?

Known as an inducement to retain the services of the CEO, retention bonuses are controversial even in the private sector. Some experts think that well-run organizations with competitive compensation plans don't need to chain senior employees to the organization with a promise of a substantial future payout; better to set a reasonable salary based on the position's requirements.

Then, set goals with defined metrics that if met, result in a

Continued on page 4

ETHICS, CONTINUED FROM PAGE 3

performance-based reward. After all, past performance is not always a predictor of future results.

Having negotiated severance, is it okay to negotiate and accept more in a forced departure? If so, under what circumstance?

A deal is a deal! The most ethical approach generally is to accept what was originally negotiated and not to leverage the departure to obtain more. But there are unique situations where it is fair and ethical to negotiate for more: long-tenured managers who are terminated close to retirement and short-tenured managers who sometimes incur the cost of relocation but are terminated before being afforded the chance to show what they can do. It is rare, but the settlement of legal claims may result in additional payments made at departure.

Is it okay to request an exception to the policy that caps the amount of leave that can be sold back in order to boost retirement?

Managers are in a unique class and do negotiate for benefits that other employees do not receive. But changes to benefits should be considered during agreement negotiations or renegotiations so that changes can be considered in the context of the cost of the entire package. Avoid one-offs and practices that lead to pension spiking.

In a small organization with limited resources, it can be beneficial for staff to play multiple roles. Can the manager serve multiple functions and be paid a salary for each job?

An individual should receive a single salary that recognizes all duties and responsibilities assigned rather than different salaries for different assignments.

Key Reminders

Elected officials have a governance role to play. Create a compensation committee of the governing body or committee of the whole to design and implement the framework for setting the

manager's compensation.

Decisions on compensation and benefits must be made by the entire governing body in a public meeting. In the interests of transparency, the salary plan and salary ranges for local government positions, including the manager's employment agreement, should be publicly accessible on the agency's website.

Don't put your personal compensation interests before the good of the overall organization and that of the citizens.

Local government managers have an ethical responsibility to be clear about what is being requested and to avoid excessive compensation.

Greed is not good.

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ASSISTANT MANAGER OF THE YEAR, CONTINUED FROM PAGE 1

long time assistants or outstanding newcomers to the profession.

A panel will review the nominations and select the recipient. The award will be announced and presented at the NCCMA Business Meeting on Saturday, June 22, 2013.

If you wish to nominate an assistant manager for consideration for this award, please complete the nomination form, which is available at the association's website, www.ncmanagers.org, and return it to:

NCCMA
 Attn: Melissa Smith

308 West Jones Street,
 Raleigh NC 27603
 or
msmith@ncm.org

Please submit the nominations by May 29.