

MEMORANDUM

To: Richmond City Charter Review Commission
From: Michael Pruitt, Maya Artis, and Andrew Block
Re: Social Science Research on Different Forms of Local Governance
Date: April 18, 2023

INTRODUCTION

At the request of the leadership of the Richmond City Charter Review Commission (the Charter Commission) we have examined, and describe below, the social science research on the benefits and costs of different kinds of local governance, with a particular focus on comparing Mayor-Council models with Council-Manager models. To provide context for a discussion of the research, we have also summarized the balance of power and allocation of decision-making authority under the current charter and provided a brief overview of some of the stakeholder feedback the Charter Commission has received on these issues.

EXECUTIVE SUMMARY

Richmond currently uses a moderated Mayor-Council form of government: while the mayor is the chief executive officer, the mayor exercises authority largely through the chief administrative officer (CAO) whose mayoral appointment is approved by council. The CAO then serves at the pleasure of the mayor and exercises exclusive authority of hiring and firing city officers, including department heads. Research and theory suggest some differences in outcomes between Mayor-Council and Council-Manager systems. Mayor-Council systems like Richmond's result in more political engagement from residents, a government that's more responsive to resident concerns, and a greater capacity to lobby and counter state government. Council-Manager systems result in slightly more economic stability, more innovative government practices, and a reduced likelihood of corruption. Experts attribute the benefits in the Council-Manager system to the political insulation it offers staff, creating a more professional culture. Richmond's current system captures the benefits of the Mayor-Council system while still providing political insulation for staff.

RESEARCH METHODS

To prepare this memo we conducted a range of research including:

- (1) Reviewing the history and text of Richmond's current charter, with a particular focus on those sections allocating decision authority between city council, the mayor, and the chief administrative;

- (2) Analyzing the summary of the feedback received by Charter Commission members from elected and appointed officials in Richmond;
- (3) With the help of law librarians at the University of Virginia, gathering and reading scholarship on different forms of local government and governance, including an article summarizing and synthesizing the known body of literature on the topic up to 2015—76 empirical studies comparing the effects of local government structure.
- (4) We have also consulted with Professor Richard Schragger, a national expert on local government law.

BACKGROUND

To better understand the research on effectiveness of various forms of local government and, in particular, the difference between council/manager and council/mayor systems, it is helpful to remember how decision-making authority is divided under the current charter. In this section we provide a brief review of some the allocation of decision-making authority between city council, the mayor, and the chief administrative officer (CAO).

- **ANALYSIS OF THE RICHMOND CHARTER**

In general, the current charter divides decision making authority between the mayor, city council, and the CAO. While in many ways it sets up a traditional executive/legislative branch system, it splits the executive functions between the mayor and the CAO in ways that appear designed to insulate the CAO from political pressures from either the mayor or the city council.

- **General Powers of the Council**

The charter gives the city council the power to organize the structure of the city government. This includes the power to establish or dissolve city departments, boards, and commissions, pass ordinances, set compensation and roles for city employees and officers, and amending, modifying, and eventually approve the city budget. The council is responsible for providing for the organization, conduct and operation of all departments, bureaus, divisions, boards, commissions, offices and agencies of the city.¹

- **General Powers of the Mayor**

The Charter recognizes the mayor as the chief executive officer of the city, with ultimate responsibility for the “(P)roper administration of city government.”²

- **Hiring and Firing of the Chief Administrative Officer**

The mayor, with the advice and consent of a majority of the council, has the power to appoint the CAO, “solely” on the basis of their “executive administrative qualifications, with special reference to [their]

¹ RICHMOND, VA., CITY CHARTER § 4.02 (2018).

² RICHMOND, VA., CITY CHARTER § 5.01 (2018).

experience in or knowledge of accepted practice with respect to the duties of [their] office.”³ The CAO serves at the pleasure of the mayor, meaning that the mayor has sole authority to fire the CAO.

- **Hiring, Supervision, and Firing of Agency & Department Heads**

The charter gives the CAO the authority to appoint, supervise, and fire the heads of all city departments, and, unless terminated by the CAO, such employees shall serve indefinite terms. Significantly, while the mayor and the city council can communicate concerns about city employees to the CAO, the decision to discipline or fire is the CAO’s alone.⁴ Likewise, the charter makes clear that, “[e]xcept for the purpose of inquiry, the mayor, council and its members shall deal with the administrative services solely through the chief administrative officer, and neither the mayor, council nor any member thereof shall give orders either publicly or privately to any subordinate of the chief administrative officer.”⁵

- **Passing Ordinances**

The city council has the authority to propose and pass new ordinances. The mayor, subject to council override, can veto any ordinance.⁶

- **Budgeting**

The charter gives the mayor the responsibility, based on input from the different agency and department heads, to prepare and present the budget to the city council for consideration and approval.⁷ The city council, in turn, has the ability to amend the proposed budget, so long as it stays balanced, prior to final approval. Once approved, the mayor has the authority to veto any section of the budget ordinance, such veto being subject to council override.⁸

- **Amending the Budget**

If sufficient funds are available, the city can amend the budget throughout the fiscal year. However, the request to amend the budget must come from the mayor, and the council must approve any such request.⁹

- **Representing the City**

The City Attorney is the main legal advisor for “the council, the mayor, the chief administrative officer, and all departments, boards, commissions and agencies of the city in all matters affecting the interests of the city. The city attorney shall perform particular duties and functions as assigned by the council.”¹⁰ The City Attorney is appointed by the council and “shall serve at its pleasure, and shall devote full time and attention to the representation of the city and the protection of its legal interests.”¹¹

³ RICHMOND, VA., CITY CHARTER § 5.01.1 (2018).

⁴ RICHMOND, VA., CITY CHARTER § 5.03 (2018).

⁵ *Id.*

⁶ RICHMOND, VA., CITY CHARTER § 5.05 (2018).

⁷ RICHMOND, VA., CITY CHARTER § 5.05 (2018).

⁸ RICHMOND, VA., CITY CHARTER § 6.11 (2018).

⁹ RICHMOND, VA., CITY CHARTER § 6.16 (2018).

¹⁰ RICHMOND, VA., CITY CHARTER § 4.17 (2018).

¹¹ *Id.*

- **STAKEHOLDER FEEDBACK**

The Charter Commission sent “interview requests to those with experience in the Richmond City government”¹² to get feedback about the different city officials and administration practices. Overall, most of the interviewees “*thought that the current structure should essentially stay the same, with tweaks to improve what was intended from the 2002 effort.*” We briefly summarize some of that feedback, which was shared with the Charter Commission at a previous meeting, below:

- **Budget**

- (a) The administration should have the ability to transfer money between departments, without the need for introducing an ordinance and with a more streamlined schedule.
- (b) The council needs to have more involvement in the “formation process” of the budget, potentially with the creation of a budget committee that regularly meets throughout the year.

- **Chief Administrative Officer**

- (a) The CAO has too much authority independent of the mayor.
- (b) Disagreement about whether the council has too little input in the selection and the retention of the CAO.
- (c) There is concern that the CAO can be a purely political appointment, with no experience required.

- **City Attorney**

- (a) The CA is viewed as sometimes having an inherent conflict when the Council and Administration “are at loggerheads on an issue.”
- (b) There is a disagreement about whether the CA should be hired and fired solely by the council.
- (c) The CA has too much power to unilaterally stop any government action
- (d) Most of the work of the CA’s office is focused on administration and there is less of a focus on the council.

- **Council**

Regarding the council, the stakeholders asked the Commission to consider the following:

- (a) Improving the pay of some of the council members
- (b) Expressly permitting or prohibiting individual council members from directing executive employees
- (c) The implementation of ranked choice voting to account for lack of a primary
- (d) The council’s authority regarding economic development

¹² This group included current top administrators, current and former mayors, current and former city council presidents, current and former city attorneys, and current members of city council.

- **Mayor**

Many of the community members interviewed felt that the current system is not truly a “strong mayor” system and it could be worth considering:

- (a) Giving the mayor a line-item veto power
- (b) Whether or not the mayor should have a role in the process to create departments
- (c) Whether the mayor should be required to sign ordinances

RESEARCH ON ADVANTAGES AND DISADVANTAGES OF DIFFERENT SYSTEMS

Both experts and laypeople alike broadly categorize local governments into two types: Council-Manager systems and Mayor-Council systems. In a Council-Manager system, the council holds both the executive and legislative authority, while in a Mayor-Council system, the council holds legislative authority while the mayor holds executive authority. The relationship of power defines the systems rather than the presence of specific officers: Council-Manager systems often have a mayor and Mayor-Council systems often have a manager. The Council-Manager system rose to prominence in the early 1900s, when it was seen as a nonpartisan and efficient alternative to fractious and often-corrupt mayoral systems.¹³

Though discussion may focus on the distinction between a Council-Manager system and a Mayor-Council system,¹⁴ this binary oversimplifies matters and, just as the Richmond City Charter itself is nuanced, does not account for a range of factors in how local governments manage themselves. Nelson and Svava, for example, identify seven different types of local government structures by looking at distinctions in both how a mayor is elected and the process for nominating the chief administrative officer (CAO).¹⁵ They place these structures in order to create a scale of increasing mayoral power.¹⁶ Using this scale, Richmond’s system, with an elected mayor who nominates a City Administrator whom the council approves, is placed fifth on the one-to-seven scale of mayoral power. Other scholars use a multivariate system to analyze local government structures. Wei uses seven independent variables, such as mayoral election method, budget and veto power, partisan nature of elections, and the use of at-large elections, to place government systems on a scale of more managerial governments versus more political governments.¹⁷

Analysis of the advantages and disadvantages of different systems, then, should be considered in terms of poles on a spectrum rather than a binary toggle. On one end of options is a highly “political” system with a powerful, independent mayor, partisan district-based elections, and no CAO. On the other end of options is a very

¹³ Kimberly L. Nelson & Whitney B. Alfonso, *Ethics by Design: The Impact of Form of Government on Municipal Corruption*, 79 PUB. ADMIN. REV. 591, 591 (2019). See generally, Richard C. Schragger, *Can Strong Mayors Empower Weak Cities? On the Power of Local Executives in a Federal System*, 115 YALE L.J. 101 (2005).

¹⁴ This extends to the work of major luminaries in the field. See, e.g., Jered B. Carr, *What Have We Learned about the Performance of Council-Manager Government? A Review and Synthesis of the Research*, 75 PUB. ADMIN. REV. 673 (2015). This use of a dichotomous structure remains valuable for researchers, but for the project of reforming a local government system, a more complex spectrum provides more utility.

¹⁵ Kimberly L. Nelson & James H. Svava, *Form of Government Still Matters: Fostering Innovation in U.S. Municipal Governments*, 43 AM. REV. PUB. ADMIN. 257, 258, 260-61 (2012).

¹⁶ *Id.* at 258, 261.

¹⁷ Wenchi Wei, *Municipal Structure Matters: Evidence from Government Fiscal Performance*, 82 PUB. ADMIN. REV. 160, 163 (2020).

“managerial” system, with a largely ceremonial mayor (or no mayor at all), nonpartisan at-large elections, and a robust CAO’s office.

- **Economic Stability**

Researchers have consistently found that more managerial council-manager governments feature higher measured economic stability, with measures of stability improving the further a government sat on the “managerial” end of the spectrum.¹⁸ Researchers commonly look at the governments’ solvency to measure economic stability, but also may use variables such as reliance on intergovernmental (i.e. state and federal) transfers, debt ratio, and operating budget balances.¹⁹

These outcomes are statistically robust: even when the analysis includes a wide range of additional factors, the correlation between government system and economic stability remains strong, indicating causation.²⁰ The magnitude of improved financial stability, however, may be low. Jimenez, comparing two opposite poles of the spectrum, found only a net change in improved budget solvency of \$4 – \$5 million—a “relatively modest amount[.]”²¹ Additionally, Wei suggests that government structure appears to moderate the impact of external environmental factors on stability.²² Put differently, factors that normally would result in either lower stability (such as low area incomes) or higher economic stability (such as a strict state-imposed tax system) had their impact reduced in more managerial systems.²³ Wei theorizes that this form of government owes this moderation to a more professional staff capable of applying novel techniques to manage their budget in the face of various conditions.

- **Innovation**

With important qualifications discussed below, studies frequently link measures of government innovation to more managerial systems, finding higher levels of innovation in Council-Manager systems and in those governments with more managerial features.²⁴ In systems with less executive authority and autonomy in a mayor, innovation occurs more frequently.²⁵ Researchers measure innovation—the ability to tailor local

¹⁸ *Id.*

¹⁹ Benedict S. Jimenez, *Municipal Government Form and Budget Outcomes: Political Responsiveness, Bureaucratic Insulation, and the Budgetary Solvency of Cities*, 30 J. PUB. ADMIN. RSCH. & THEORY 161 (2020); Wenchi Wei, *Municipal Structure Matters: Evidence from Government Fiscal Performance*, 82 PUB. ADMIN. REV. 160 (2020).

²⁰ Wenchi Wei, *Municipal Structure Matters: Evidence from Government Fiscal Performance*, 82 PUB. ADMIN. REV. 160, 167 Table 4 (2020); Benedict S. Jimenez, *Municipal Government Form and Budget Outcomes: Political Responsiveness, Bureaucratic Insulation, and the Budgetary Solvency of Cities*, 30 J. PUB. ADMIN. RSCH. & THEORY 161, 173-75 (2020).

²¹ Benedict S. Jimenez, *Municipal Government Form and Budget Outcomes: Political Responsiveness, Bureaucratic Insulation, and the Budgetary Solvency of Cities*, 30 J. PUB. ADMIN. RSCH. & THEORY 161, 175 (2020).

²² Wenchi Wei, *Municipal Structure Matters: Evidence from Government Fiscal Performance*, 82 PUB. ADMIN. REV. 160, 171 (2020).

²³ *Id.* at 169.

²⁴ See, e.g., Amir Hefetz and Mildred Warner, *Privatization and Its Reverse: Explaining the Dynamics of the Government Contracting Process*, 14 J. PUB ADMIN. RSCH. & THEORY 171 (2004); Jonathan Levin & Steven Tadelis, *Contracting for Government Services: Theory and Evidence from U.S. Cities*, 58 J. OF INDUS. ECON. 507 (2010); Amir Hefetz, Mildred Warner & Eran Vigoda-Gadot, *Privatization and Intermunicipal Contracting: The U.S. Local Government Experience 1992-2007*, 30 ENV’T & PLAN. C: GOV’T & POLICY 675 (2012); Kimberly L. Nelson & James H. Svara, *Form of Government Still Matters: Fostering Innovation in U.S. Municipal Governments*, 43 AM. REV. PUB. ADMIN. 257, 261-67 (2012) (presenting findings and summarizing other literature on local government innovation).

²⁵ Kimberly L. Nelson & James H. Svara, *Form of Government Still Matters: Fostering Innovation in U.S. Municipal Governments*, 43 AM. REV. PUB. ADMIN. 257, 269 (2012).

policies and adopt new techniques—using a variety of metrics, including patterns of service contracting,²⁶ the adoption of “e-government” technology,²⁷ and the use of strategic planning, among other factors.²⁸

However, these results do not map linearly across the continuum of managerial authority: relevant factors appear to be the use of an appointed administrative officer and a system that compels mayors and councilors to collaborate in the selection of said officer.²⁹ These results are further moderated by two issues. First, as with economic stability, the results do not show a dramatic difference in magnitude between the innovation levels of even the most polar governments.³⁰ Additionally, while at least four studies have found robust correlations between government structure and innovation, an even larger number have produced no statistically significant results in either direction (a “null result”).³¹

Systems also differ considerably in the *types* of policy innovations they deploy. Both data and intuition suggest that more political, strong-mayoral systems showcase innovation of a different sort: namely, high-profile policy decisions that are particularly salient to voters. Scholars reason that in more politically-driven localities with strong mayors, mayors need to implement “big” policy shifts that address issues of particular significance to voters in order to maintain support—a need that more managerial regimes mitigate.³² This comes at the risk, however, of reliance on policy interventions with “questionable effectiveness” that promise highly-visible benefits with widely dispersed costs over more proven yet less politically expedient strategies.³³ Politically-minded mayoral governments also appear to produce larger volumes of symbolic policy.³⁴ In contrast, more managerial systems show a tendency toward comprehensive, strategic policies that touch multiple areas of governance.³⁵ Like the issue of innovation frequency, researchers have looked into this proposition extensively and, while finding considerable support in data, have also produced frequent null findings.³⁶ This muddies the findings somewhat and makes generalizations more challenging.

- **Public Engagement**

More politically-driven, strong mayoral systems consistently produce higher levels of voter participation.³⁷ This finding is robust, consistent across multiple studies, and presents a large magnitude of difference across

²⁶ See Amir Hefetz and Mildred Warner, *Privatization and Its Reverse: Explaining the Dynamics of the Government Contracting Process*, 14 J. PUB. ADMIN. RSCH. & THEORY 171 (2004); Jonathan Levin & Steven Tadelis, *Contracting for Government Services: Theory and Evidence from U.S. Cities*, 58 J. OF INDUS. ECON. 507 (2010); Amir Hefetz, Mildred Warner & Eran Vigoda-Gadot, *Privatization and Intermunicipal Contracting: The U.S. Local Government Experience 1992-2007*, 30 ENV'T & PLAN. C: GOV'T & POLICY 675 (2012).

²⁷ Kimberly L. Nelson & James H. Svara, *Form of Government Still Matters: Fostering Innovation in U.S. Municipal Governments*, 43 AM. REV. PUB. ADMIN. 257, 264-67 (2012).

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

³¹ Jered B. Carr, *What Have We Learned about the Performance of Council-Manager Government? A Review and Synthesis of the Research*, 75 PUB. ADMIN. REV. 673, 681 (2015) (citing studies with null results).

³² *Id.* at 675-78.

³³ *Id.* at 678 (quoting Richard C. Feiock, Moon-Gi Jeong & Jaehoon Kim, *Credible Commitment and Council-Manager Government: Implications for Policy Instrument Choice*, 63 PUB. ADMIN. REV. 616, 623 (2003)).

³⁴ See generally, Rachel Krause, *Policy Innovation, Intergovernmental Relations, and the Adoption of Climate Protection Initiatives by U.S. Cities*, 33 J. URB. AFFS. 45 (2011)

³⁵ Jered B. Carr, *What Have We Learned about the Performance of Council-Manager Government? A Review and Synthesis of the Research*, 75 PUB. ADMIN. REV. 673, 675 (2015).

³⁶ *Id.* at 67.

³⁷ *Id.* at 678-79.

systems; voter participation is the largest, most consistent differential outcome between local government systems.³⁸ This finding proves consistent with theory: more political systems produce incentives for elected officials to engage more frequently with constituents and motivate those constituents to go to the polls. Powerful mayors present a prominent, culturally-salient touchstone for political life that encourages more active voting.

Some have theorized that managerial systems may produce greater public engagement in different non-electoral modes. A manager's office may be more inclined to seek constituent input and build policy consensus using public hearings, surveys, and online outreach³⁹ due to factors like political insulation⁴⁰ and an ethos of professional best-practices.⁴¹ The evidence for this theory, however, remains weak. As of 2015, only three studies explored the question, of which two produced a null result and the third presented a low-magnitude trend in favor of managerial systems.⁴²

- **Countering State and Federal Interests**

Powerful mayors in more political systems may be more effective in asserting local independence by countering state and federal government actors to advance city interests than similarly situated managerial local governments. Because this proposition is difficult to quantify, scholars rely on theory and anecdote rather than empirical data to argue its accuracy.

Schragger outlines a conception of a strong mayor who is “populist, constitutionally self-confident, [and] politically subversive” as a possible counterbalance to the centralization of political power at the state and national level.⁴³ The clear lines of accountability and the possibility for agile government action make strong mayors more capable of channeling local interests toward higher levels of government. The mayor can interact with other levels of government both collaboratively and combatively: Schragger notes the example of both New York's Giuliani, able to request grants of considerable power from the state due to his broad political appeal,⁴⁴ and San Francisco's Newsom, legally challenging California's marriage licensing regulations through his unilateral decision to issue licenses on a gender-neutral basis.⁴⁵

However, these efforts appear to produce mixed results.⁴⁶ What power local mayors *do* exert over state and federal government interests might owe largely to their ability to marshal voters: because mayors themselves create more politically-engaged communities, they are able to influence electoral outcomes for “up ticket” state and Congressional candidates in the same location, thus earning a degree of fealty.⁴⁷

³⁸ *Id.*

³⁹ Tina Nabatchi & Lisa Blomgren Ansler, *Direct Public Engagement in Local Government*, 44 AM. POL. SCI. REV. 63S (2014).

⁴⁰ Howard Frant, *High-Powered and Low-Powered Incentives in the Public Sector*, 6 J. PUB. ADMIN. RSCH. & THEORY 365 (1996).

⁴¹ James H. Svara & Kimberly L. Nelson, *Taking Stock of the Council-Manager Form*, 90 PUB. MGM'T 6 (2008); Kimberly L. Nelson & *Repercussion of Reform: The Effect of Municipal Form of Government on Citizen Participation Strategies*, 3 J. PUB. ADMIN. 25 (2010).

⁴² Jered B. Carr, *What Have We Learned about the Performance of Council-Manager Government? A Review and Synthesis of the Research*, 75 PUB. ADMIN. REV. 673, 679 (2015).

⁴³ Richard C. Schragger, *Can Strong Mayors Empower Weak Cities? On the Power of Local Executives in a Federal System*, 115 YALE L.J. 101, 132 (2005).

⁴⁴ Interview with Richard C. Schragger, Prof., U. Va. Sch. L., Albemarle Cnty. (Feb. 17, 2023).

⁴⁵ Richard C. Schragger, *Can Strong Mayors Empower Weak Cities? On the Power of Local Executives in a Federal System*, 115 YALE L.J. 101, 132 (2005).

⁴⁶ *Id.* at 126.

⁴⁷ *Id.* at 127.

CONCLUSION

It is important to note that, in many respects, the current charter aligns with the primary benefits suggested by the research and blends different aspects of both a Mayor-Council form of government with a Council-Manager form. The current charter provides for a mayor as the chief executive of the city who is elected via a city-wide race. This structure, according to the scholarship, is likely to elevate voter engagement and ownership, while also providing a figure and a leader who can advocate for the city in Virginia's Dillon rule political system.

Likewise, by insulating some of the CAOs' decision-making (most notably, the hiring and firing of department heads) from both the mayor and city council, the current charter, at least in theory, allows for the kind of professional management that the research suggests leads to more positive outcomes in terms of innovation and economic stability.