SPRING 2017

Municipal Executives Opinion Survey

PARCA

Municipal Executives Opinion Survey

Spring 2017

Survey and analysis conducted by:

Dr. Randolph Horn
Professor of Political Science
Director, Strategic and Applied Analysis
Samford University

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The Public Affairs Research Council of Alabama collaborated with Samford University to launch a new survey to assess the challenges and opportunities confronting cities in Alabama.

The survey director was Dr. Randolph Horn. More than 400 email addresses were taken from known lists, including the Alabama League of Municipalities directory, and collected from city websites. Responses from 127 mayors and city managers were collected between December 8, 2016 and February 8, 2017. Exact question wording can be found at www.parcalabama.org.

While some managers are included in the survey, terms like leaders, executives, and mayors below refer to all survey participants and are not meant to draw distinction between various types of executives. Alabama has relatively few city managers compared to other states. Many states have constitutions that make it easy to adopt systems of local government that include managers. Municipalities have less leeway under Alabama's 1901 Constitution. We attempted to reach all the mayors and managers in the state. Most respondents (96%) are mayors because most city executives are mayors. Of the mayors, about three-quarters report being voting members of their city councils.

Our survey of city leaders indicates that they are generally optimistic about economic conditions and the stability of revenue sources in the coming year, although many expect increased HR costs, as well. Despite the optimism, executives face challenges, too. There appear to be substantial demands for infrastructure improvements without a letup in expectations regarding public safety, human services, or government operations. Priorities for the coming year emphasize economic development and jobs, education, and building or repairing roads, sidewalks, and parks. Executives are not facing these challenges alone, as they have partners in other local governments and other levels of government. Still, those they see as their best partners, the more local of the other governments, are subject to many of the same challenges and resource limitations confronting municipal executives.

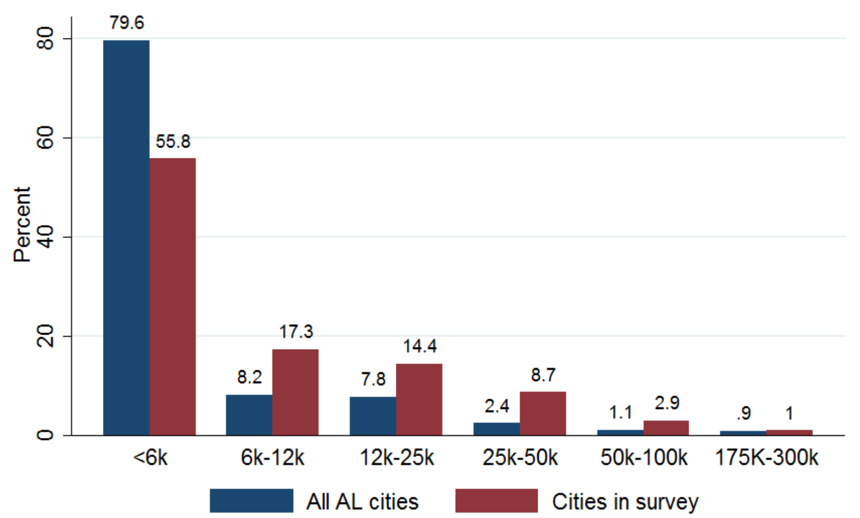
Type and Size of Cities

According to the Alabama League of Municipalities, there are 462 municipalities in Alabama. Section 11-40-6, Code of Alabama 1975 states that municipalities with populations of 2,000 or more are classified as cities. All other municipalities are classified as towns. Sections 11-40-12 and 11-40-13, Code of Alabama 1975 further groups municipalities into eight classes:

- Class 1: Cities of 300,000 inhabitants or more
- Class 2: Cities of not less than 175,000 and not more than 299,999 inhabitants
- Class 3: Cities of not less than 100,000 and not more than 174,999 inhabitants
- Class 4: Cities or not less than 50,000 and not more than 99,999 inhabitants
- Class 5: Cities of not less than 25,000 and not more than 49,999 inhabitants
- Class 6: Cities of not less than 12,000 and not more than 24,999 inhabitants
- Class 7: Cities of not less than 6,000 and not more than 11,999 inhabitants
- Class 8: Cities and towns with a population of 5,999 or less.*

The cities in this survey range in size from fewer than 50 residents to more than 180,000. The average city size is about 11,500. Figure 1 displays the number of Alabama municipalities and the number of Alabama municipalities included in the survey, both by population.

Figure 1: Alabama cities and surveyed cities in population bands

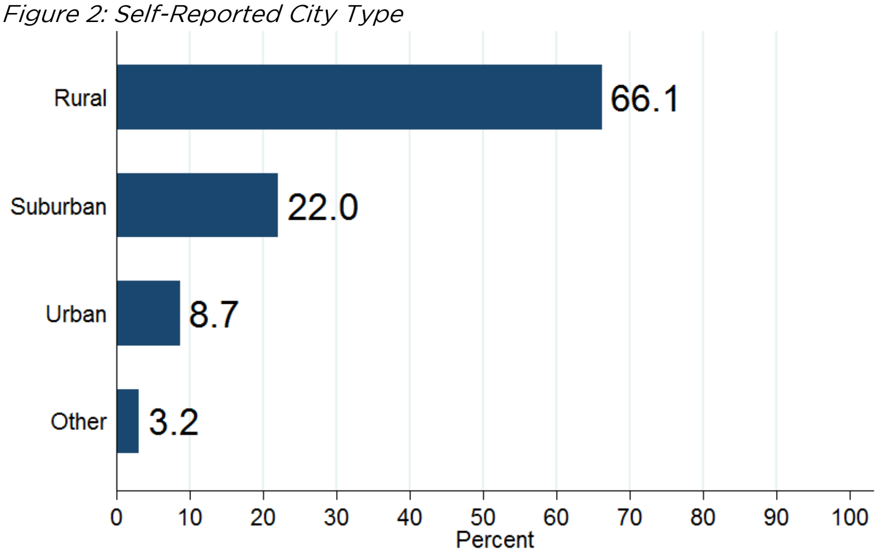


* **Smith, Ken and Lorelei Lein. 2012. *Handbook for Mayors and Councilmembers*. Alabama League of Municipalities.**

Figure 1 suggests that smaller cities are slightly underrepresented in the survey, likely because these municipalities may not be a member of the League of Municipalities, have a website, or publish an address for a mayor. A planned second wave of this survey will seek to increase the number of respondents from cities of all sizes.

As shown in Figure 2, about two-thirds of city leaders describe their cities as rural. Just over 20% are suburban, and about 9% are urban.

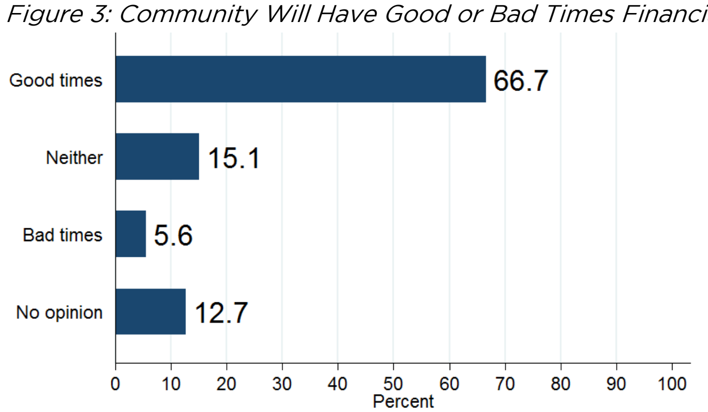
Figure 2: Self-Reported City Type



The Economy and City Resources

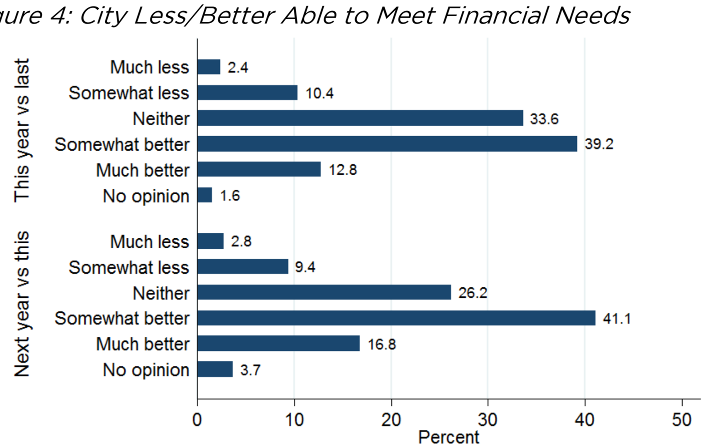
To assess leaders' expectations regarding the local economy we asked, "Thinking about business conditions in your community, do you think that during the next twelve months your community will have good times financially, or bad times financially?" Leaders are generally optimistic with about two-thirds forecasting good times for their communities and only about six percent expecting bad times (see Figure 3).

Figure 3: Community Will Have Good or Bad Times Financially



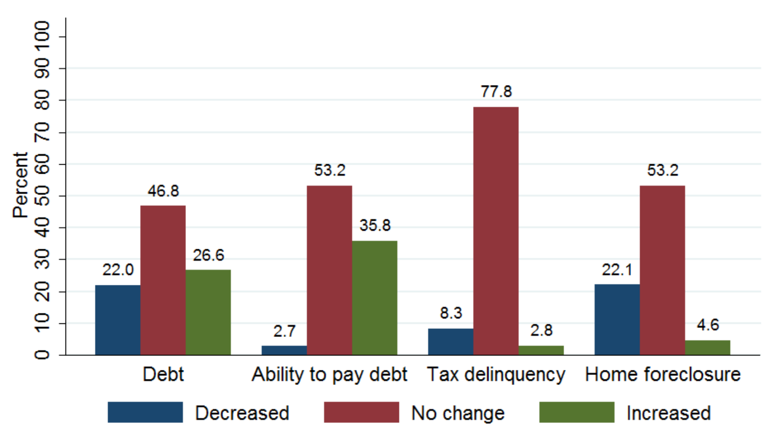
Leaders are similarly optimistic about city financial needs. We asked about cities' ability to meet financial needs in the current year (FY2017) compared to last year and the next year (FY2018). The results reported in Figure 4 show that over half of executives indicate that city government will be somewhat or significantly better able to meet financial needs this year compared to last year. Over half also report that they expect city government to be somewhat or significantly better able to meet financial needs next year compared to this year.

Figure 4: City Less/Better Able to Meet Financial Needs



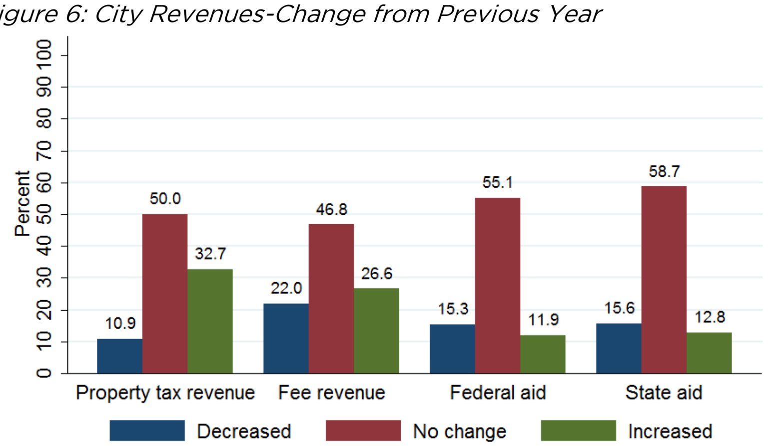
We asked leaders what changes they saw from last year to the current year across a wide range of items addressing liabilities, revenue, city needs, and human resources. For example, we asked about four potential liabilities for cites: debt, ability to repay debt, tax delinquencies, and home foreclosures (see Figure 5). Across all of these items, pluralities or majorities expect no change from last year to the current year. About a quarter expect increased debt, while about a third expect increased ability to repay debt. While most executives expect foreclosures to be unchanged, about a fifth expect a decrease in home foreclosures.

Figure 5: City Liabilities-Change from Previous Year



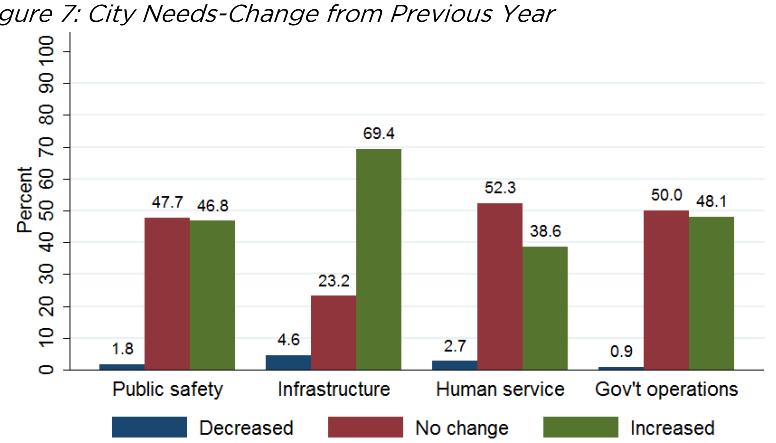
We asked about four major revenue sources: property taxes, fees, federal aid, and state aid (see Figure 6). Pluralities or majorities of city executives expect revenue from these sources to be unchanged in FY2017 compared to FY2016. Only a few see a prospect of increased federal or state aid. About a third expect an increase in property tax revenue while about a quarter expect an increase in fee revenue.

Figure 6: City Revenues-Change from Previous Year



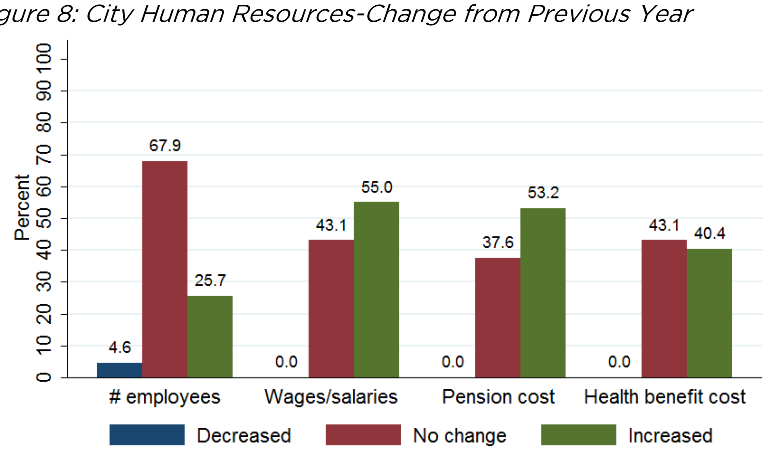
We asked about four major areas of city expenses: public safety, infrastructure, human services, and government operations (see Figure 7). While pluralities or majorities of three of the four areas expect no change in demand in these categories, large proportions expect increased needs in these areas. Over half of executives expect human service needs to be unchanged compared to last year, and about 39% expect increased demands in this area. About 48% expect public safety needs to be unchanged, while nearly as large a proportion (46.8%) expect increased need for public safety. Less than 2% percent expect decreased demand in public safety. About half of executives expect government operations needs to be unchanged in the current year, while about 48% expect increased demand. Less than 1% expect decreased government operations needs. Nearly 70% expect increased infrastructure needs in the current year compared to last year.

Figure 7: City Needs-Change from Previous Year



We asked about changes in four areas related to human resources: the number of employees, wages and salaries, pension costs, and health benefit costs (see Figure 8). About two-thirds of executives expect the number of city employees to stay the same in FY2017, while about a quarter expect an increase. No executives expect decreases in wages, pension costs or healthcare costs this year. Majorities of executives expect increased wage and pension costs this year with about two-fifths seeing those costs unchanged. Expectations regarding health benefit costs were fairly evenly divided: about 43% expect health benefit costs to stay the same, while about 40% expect them to increase.

Figure 8: City Human Resources-Change from Previous Year



Priorities for Executives and Constituents

We asked about the most pressing issues facing executives' cities and what they thought their constituents would identify as their top five issues. A complete list of the issues options can be found in the top lines at www.parcalabama.org. The top seven issues for executives and what they believe are the top seven issues for constituents are listed in Table 1 below. For executives, the number of mentions and the mean ranks track together fairly well. Economic development was top ranked and most often mentioned. A related item, jobs, came in third for executives. Amenities like roads and sidewalks and parks and recreation were ranked second and fifth, respectively. Education is fourth on the list, a high ranking since many executives do not have formal responsibilities for education. The list of perceived constituent priorities is very similar in terms of rankings, although general quality of life edges out parks for the number five slot.

Table 1: Executives' Pressing Issues and Perceptions of Constituents' Pressing Issues

Item	**Executives' Top Five: Count (Mean)**	**Constituents' Top Five: Count (Mean)**
Economic Development	85 (2.2)	53 (2.7)
Local Roads, Sidewalks	71 (2.4)	53 (2.4)
Jobs	55 (2.3)	48 (2.4)
Education	45 (2.8)	43 (2.7)
Parks and Recreation	37 (3.1)	33 (3.5)
Police Protection	35 (3.1)	32 (2.9)
General Quality of Life	34 (3.2)	39 (2.5)

Entries reflect the total number of times an item appeared in a respondent's top five with average ranks in parentheses.

We asked a similar question concerning executives' opinions of the most pressing issues facing Alabama and their impressions of their constituents' opinions. The top seven results are presented in Table 2. Many similar items appear on the list of state issues. Education and economic development top the list based on number of mentions, while economic development and jobs have slightly better ranks than education. Healthcare and Medicaid take positions four and seven with Roads and Corrections filling the fifth and sixth slots. The same items are perceived as important for constituents, with some variations in the mean rank.

Table 2: Executives' Pressing State Issues and Perceptions of Constituents' Pressing Issues

Item	Executives' Top Five: Count (Mean)	Constituents' Top Five: Count (Mean)
Education	61 (2.4)	54 (2.6)
Economic Development	61 (2.3)	47 (2.5)
Jobs	51 (2.3)	44 (2.1)
Healthcare	45 (2.8)	39 (2.6)
State/Federal roads	35 (3.1)	32 (3.3)
Corrections	34 (2.6)	25 (2.8)
Medicaid	28 (3.1)	27 (3.0)

Entries reflect the total number of times an item appeared in a respondent's top five with average ranks in parentheses.

PRIORITIES FOR EXECUTIVES AND CONSTITUENTS

We asked an open-ended question that had executives list their top three priorities for their cities for the 2017 fiscal year. The most frequently mentioned items are presented in Table 3. The top six items mentioned include economic development, roads, parks and recreation, jobs, increasing revenue, and infrastructure. These items represent about half of all items mentioned. A word cloud of all entries is presented as Figure 9.

Table 3: Executives' Priorities for the 2017 Fiscal Years

City priorities	Percent
Economic Development	15.75
Roads	13.78
Parks and Recreation	7.48
Jobs	5.12
Increase Revenue	4.33
Infrastructure	4.33

Figure 9: Executives' Top Priorities for the 2017 Fiscal Year.

We asked a second open-ended question concerning what bills or issues the city executive would be most closely following in the 2017 legislative session. Leaders could list up to three items. The most frequently listed items are presented in Table 4. The top eight issues comprise nearly 50% of all issues mentioned and include education, prisons, healthcare, roads, the budget, Medicaid, taxes, and economic development. A word cloud of all entries is presented as Figure 10.

Table 4: Bills or Issues Executives are Closely Following this Legislative Session

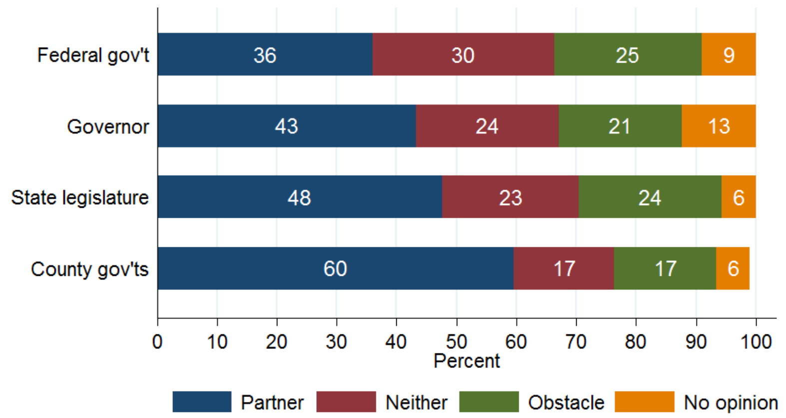
Item	Percent
Education	10.67
Prisons	8.99
Healthcare	6.74
Roads	6.74
Budget	4.49
Medicaid	3.93
Taxes	3.93
Economic Development	3.37

Figure 10: Bills or Issues Executives are Closely Following this Legislative Session

Collaboration With Other Governments

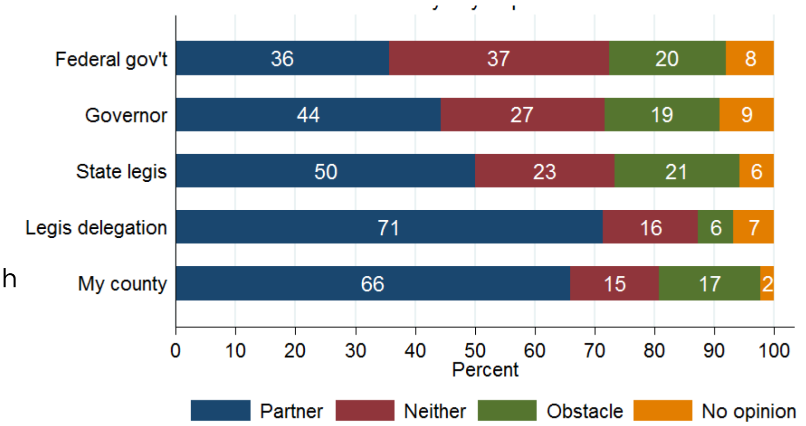
We asked a series of questions regarding the relationships between cities and other governments. The first assessed the relationship between cities (in general) and other levels of government: the federal government, the governor, the state legislature, and the county governments. Executives were asked if they saw each level of government as partners or obstacles (see Figure 11). Pluralities see each as a partner. There is a recognizable pattern. The more local the entity, the more likely it is to be seen as a partner: 36% see the federal government as a partner, 43% the governor, 48% the state legislature and 60% county governments.

Figure 11: Relationship Between Cities in General and Other Governments



A follow-up question asks about relationships between the executive's city (in particular) and different levels of government (see Figure 12). A similar pattern is evident with a couple of variations. City executives were evenly divided on the federal government's role with about 36% indicating the federal government is a partner and about 20% saying it is an obstacle. Similar proportions see the governor and state legislature as partners for their city as see them as partners to cities in general. About 44% see the governor as a partner and about half see the legislature as a partner. About two-thirds see their county as a partner, a slight increase from the approximately 60% who see counties as partners to cities in general. Interestingly, a higher proportion of executives see their state legislative delegation as a partner than other levels of government. Perhaps this is because the state's 1901 Constitution has historically required local governments to get legislators to cooperate in passing local laws and constitutional amendments for a wide range of local activities.

Figure 12: Relationship Between My City and Other Governments



Nearly all city executives report some level of cooperation with other cities. Figure 13 presents the proportion reporting some form of cooperation with other cities. About 99% of executives report some level of cooperation with other cities. We asked follow-up questions probing the areas and means of cooperation.

Figure 13: City Works Cooperatively with Others

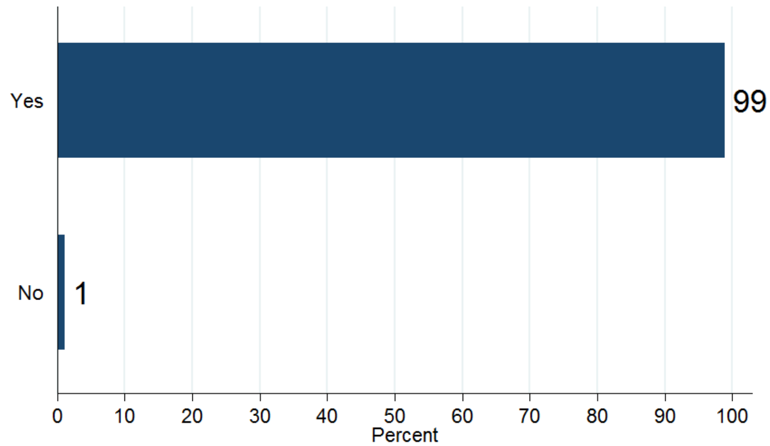
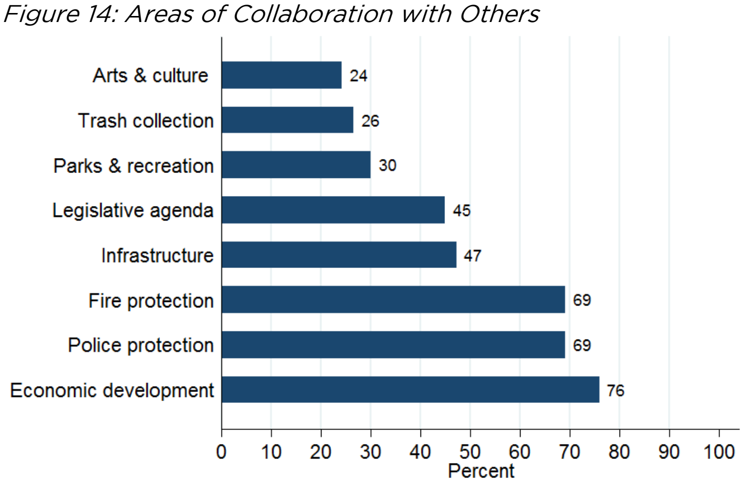


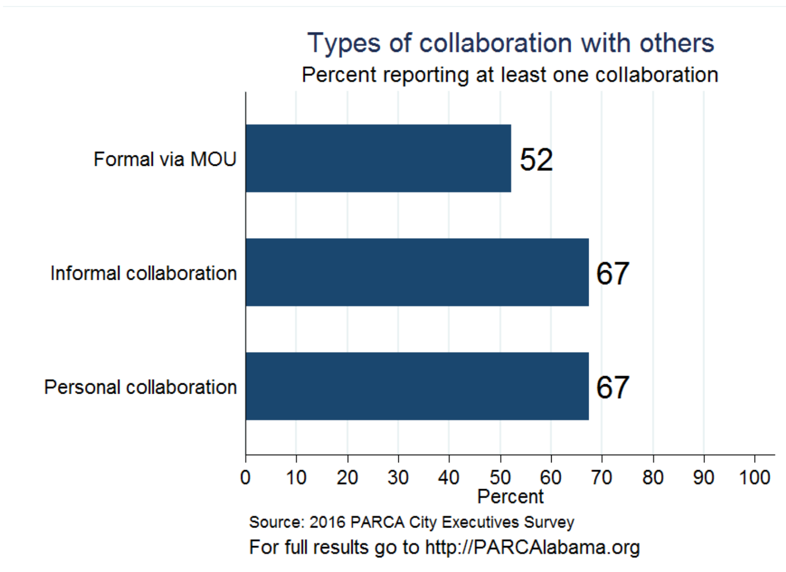
Figure 14 presents the percentage indicating cooperation in a variety of areas. About three-quarters report cooperation in economic development, and about three-fifths report cooperation in police and fire protection. Nearly half report cooperation in infrastructure and in pursuing a legislative agenda.

Figure 14: Areas of Collaboration with Others



The means or mechanisms of collaboration are reported in Figure 15. About half of city executives report at least one instance of collaboration with another government through a Memorandum of Understanding (MOU). About two-thirds report at least one instance of less formal arrangements, either informal collaborations between cities or personal collaborations between executives of different governments.

Figure 15: Types of Collaboration with Others



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P.O. BOX 293931
800 LAKESHORE DRIVE
BIRMINGHAM, ALABAMA 35229
205-726-2482

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