The State of the State Survey on Municipal Governance in Texas:

The Importance of Economic Development

Submitted to
The Texas City Management Association
by

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Executive Summary

The State of the State Survey on Municipal Governance in Texas is a study conducted annually by the University of Texas at Arlington. This year, the study is sponsored by the Texas City Management Association (TCMA). City managers face multiple challenges and competing goals in providing effective and efficient public services. There is no one tool that city managers can use to solve municipal governance problems. However, knowing what other city managers across Texas think about municipal governance could help better frame the issues, identify common themes, and work on better solutions.

The SoS survey is divided into eight recurring topics. Every year, the survey highlights one of the eight recurring topics or a new topic identified by respondents from the previous year’s survey. The eight key municipal governance topics are: (1) creative governance, (2) economic development, (3) local management, (4) financial management and budgeting, (5) technology, (6) community engagement, (7) sustainable community practices, and (8) public safety and transportation. Given current questions regarding taxation and fiscal policies at the state level and how these are expected to impact revenue generation for cities and specifically their effects on economic development, it seemed prudent to make economic development the focus of the 2019 SoS survey. In the current study, city managers were asked to recommend what should be the focus of next year’s SoS Survey. The TCMA-approved survey was administered online by the use of Qualtrics (a web-based survey software) to 377 city managers who are members of the TCMA. One hundred forty-seven city managers responded for a 39% response rate.

Key findings of the study relate to pressing issues of taxation policies and their impact on the ability of city managers to plan and implement economic development strategies. Slightly
over 90% of survey respondents indicated that the prospect of state legislation to impose “revenue caps” would affect their ability to support economic development. City managers also reported a clear preference for keeping cities’ autonomy on matters related to tax abatement to support economic development (96.5%) and a strong preference to maintaining their ability to engage in economic development (97.2%). Overall, survey respondents hold a strong position regarding proposed changes to state tax policies and economic development revenue funds. They (81%) would support a half-cent tax increase to help finance their community’s economic development efforts.

Another key finding is the high level of agreement on the questions related to creative governance. City managers believe that the leadership of their organization promotes or values collaboration, collective decision-making, open communications, organizational trust, and innovative problem-solving. They see themselves as transforming leaders managing creative organizations. Other key findings of the report relate to strategic planning, community engagement, and efforts to develop sustainability plans. A significant number of city managers (41%) indicated not having a city council-approved strategic plan, 70% believe their communities do not rate high in citizen participation, 30% believe their communities do not engage in citizen participation, and almost half of city managers surveyed (49.7%) reported that they had not adopted a sustainability plan.

City managers were asked to choose the main focus of the 2020 SoS Survey from a list of municipal governance topics. Based on the recommendation of 48% of respondents, local management was chosen to be the emphasis of next year’s survey. The survey will be used to collect and inventory a list of best practices related to municipal governance across the state of Texas.
Introduction

Twenty-first-century city management in an ever more complex local government environment deals with increasing calls for democratic municipal governance and management innovation (Hambleton 2003). City managers are continuously challenged to solve what Rittel and Webber (1973) have called impossible problems while faced with dwindling financial resources and public calls to do "more with less." More specifically, Texas city managers are called to make more efficient use of fiscal resources and to expect tax reductions. The policy and management implications of renewed calls for more efficient and effective public service delivery while reducing fiscal resources are complex and affect all levels of government and segments of society. Given such trends, city managers, mayors, and city councils tend to lean to push economic development to the forefront of management solutions, which generally works except in cases where the municipality's location or residents’ preference do not align with the population growth that follows increased economic development. Even worse, confusing economic growth with development could have disastrous consequences for a city, as economic growth might not fully account for residents’ particular quality of life preferences such as low crime rates and low traffic congestion. Thus, city managers cannot always solve the lack of resources by merely increasing economic growth of the municipality. Management innovation, creative governance practices, and sustainable economic development plans are but some of the few strategies that effective city managers have in their management toolbox. There is no one tool that city managers can use to solve such seemingly insurmountable problems. However, knowing what other city managers across Texas think about governance in general and about some specific municipal governance topics could help better frame the issues, identify common themes, and work on better solutions.
The annual State of the State Survey on Municipal Governance was conceived as one tool to help Texas city management professionals better understand the issues facing the profession and their management responsibilities[1]. It is hoped that city managers will in the future use the report of the SoS survey as reference material when faced with policy and management decisions regarding municipal governance.

The SoS survey is divided into eight recurring topics. Every year, the survey will focus on one topic affecting local municipalities. The eight key municipal governance topics are: (1) creative governance, (2) economic development, (3) local management, (4) financial management and budgeting, (5) technology, (6) community engagement, (7) sustainable community practices, and (8) public safety and transportation. Given current questions regarding taxation and fiscal policies at the state level and how these are expected to impact revenue generation for cities and specifically their impacts on economic development, it seemed prudent to make economic development the focus of the 2019 SoS survey. In practice, this means that the number of survey questions on economic development was relatively higher compared to the other topics on the SoS survey. City managers were also asked to recommend what should be the focus of the 2020 SoS Survey.

Following this introduction, the next section deals with the methodology of the study, specifically the survey methodology, a brief discussion of the response rate, the implications of its response rate to the study’s claims of generalizability and representation. After the methodology section, the study discusses the findings for each of the eight topics surveyed. The study then offers recommendations, conclusions, and recommendations for the 2020 SoS Survey.
Methodology

Researchers from the Public Affairs Department at the University of Texas-Arlington designed a first draft of the State of the State Survey on Municipal Governance in Texas. The draft was shared with the TCMA staff liaison at the Texas Municipal League and the Board of Directors of the Texas City Management Association. The draft was revised to incorporate recommendations and concerns expressed by the TCMA. The final survey was approved by the University’s Institutional Review Board and was then administered online beginning on January 7, 2019. Qualtrics (a web-based survey software) was used to survey 377 city managers, city administrators, town managers, and town administrators who are members of the TCMA. The TML sent two reminders to the list urging respondents to complete the survey.

This study reports on the inaugural 2019 SoS Survey (see Appendix A for a full version of the survey), but UT-Arlington, as well as the TCMA, believe that an annual survey and report will best serve the needs of the Texas city management profession and local government officials in general. Thus, UT-Arlington and TCMA took great care in the design of the SoS survey, as we will use the same questions for future surveys. Moreover, collecting data annually has the added benefit of providing trend data on important municipal governance questions. For example, in future years, researchers will be able to analyze how Texas city managers have responded to the question “How financially sound is your organization’s pension plan?” and determine if there is a trend that needs a policy solution.

A word about TCMA sponsorship of the SoS survey is in order here. While UT-Arlington researchers will continue to work on future SoS surveys as an annual endeavor to build trend data as discussed above, we are not in any way assuming that TCMA is obligated to
sponsor the survey. We greatly value TCMA’s sponsorship and hope it will continue to sponsor future surveys, but understand that the TCMA Board will have to approve it on a year-by-year basis.

The section below further discusses the survey methodology with a focus on response rates and its effect on non-response rates, the generalizability of the findings, and other methodological concerns. First, what is the demographic profile of those that completed the survey? Table 1 shows that 42 respondents (29%) identified themselves as operating under a General Law city (Type A, B, and C) and 102 respondents (71%) operate under a Home Rule city. The number of general law cities in Texas is estimated to be slightly over 70% of all cities. Moreover, the number of city managers employed by general law cities and who are members of TCMA is much higher than city managers who are members of TCMA and are employed by home rule cities. Given these numbers, it is fair to expect that general law cities will have a higher level of participation in the SoS survey than home rule cities. However, that was not the case. The number of respondents from general law cities who are members of TCMA is much lower than home rule cities (42 versus 102, or 29% for general law versus 71% for home rule cities). Thus, while this research is valuable and applicable to the city management profession, we have to caution about making generalizable statements based on the findings of this study.

Respondents were much more likely to hold the position title of city manager (109 or 75%) than city administrator, town manager, or town administrator. For this study, city manager will be used from this point onward to refer to all four position titles identified in the SoS survey. In terms of education, city managers are more likely to have a Master’s of Public Administration (73 or 51%) than any other educational background. No one identified themselves as holding a J.D. or equivalent degree, but 17 or 12% of respondents reported having a Master's degree other
than a Master's of Public Administration. Interestingly, five city managers reported holding a Ph.D. or equivalent degree.

Table 1. SoS survey respondents’ demographic profile

<table>
<thead>
<tr>
<th>Form of Gov.</th>
<th>#</th>
<th>Position Title</th>
<th>#</th>
<th>Education</th>
<th>#</th>
<th>Race or Ethnicity</th>
<th>#</th>
<th>Age</th>
<th>#</th>
<th>Gender</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type A Gen Law (Alderm)</td>
<td>34</td>
<td>City Manager</td>
<td>109</td>
<td>High school</td>
<td>3</td>
<td>African American</td>
<td>4</td>
<td>&lt;30</td>
<td>0</td>
<td>Male</td>
<td>114</td>
</tr>
<tr>
<td>Type A Gen Law</td>
<td>3</td>
<td>Town Manager</td>
<td>4</td>
<td>Some college</td>
<td>7</td>
<td>Asian American</td>
<td>0</td>
<td>30-40</td>
<td>18</td>
<td>Female</td>
<td>29</td>
</tr>
<tr>
<td>Type B Gen Law</td>
<td>5</td>
<td>City Adm.</td>
<td>30</td>
<td>Four-year college</td>
<td>39</td>
<td>Caucasian</td>
<td>124</td>
<td>41-50</td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type C Gen Law (Comm.)</td>
<td>0</td>
<td>Town Adm.</td>
<td>2</td>
<td>Master of Public Adm.</td>
<td>73</td>
<td>Native American</td>
<td>0</td>
<td>51-60</td>
<td>59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Rule Mayor/ Council (Strong Mayor)</td>
<td>2</td>
<td></td>
<td></td>
<td>J.D. or equivalent</td>
<td>0</td>
<td>Hispanic</td>
<td>13</td>
<td>61-70</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Rule Mayor/ Council (Weak Mayor)</td>
<td>5</td>
<td></td>
<td></td>
<td>Other Master’s degree</td>
<td>17</td>
<td>Other</td>
<td>2</td>
<td>70+</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Rule Council-Manager</td>
<td>95</td>
<td></td>
<td></td>
<td>Ph.D. or equivalent</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>144</td>
<td></td>
<td></td>
<td>145</td>
<td>144</td>
<td>143</td>
<td>143</td>
<td>143</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 also shows that the city management profession in Texas is predominantly Caucasian, male, and 41 to 70 years of age. Caucasians accounted for 124 of 143 respondents or 87% of all respondents. The number of African Americans and Hispanics (4 and 13 respectively) lag considerably in numbers compared to Caucasians. The majority of respondents reported
being in the 41 to 70 age range (123 or 86%). Sixty-three percent of all respondents are in the 51 to 70 age range. Eighty percent of city managers are male. As with many other questions of the SoS survey, having trend data on age, gender, and race or ethnicity would allow future researchers to reach better conclusions and make better recommendations.

Response Rate

The SoS survey was sent to 377 city managers who are members of the TCMA. One hundred forty-seven city managers responded for a 39% response rate. In general, the survey research literature is skeptical of an overall response rate below 30% on the premise that it would introduce too much nonresponse error. Nonresponse error, however, biases the results of surveys if two conditions hold true simultaneously. One, if the response rate is below an acceptable rate for the field of study and the population being surveyed. Two, if non-respondents are different in characteristics that matter to the topic under investigation. Although this study’s response rate of 39% is above the range considered generally low, an important question is whether this response rate is acceptable when compared to other surveys in the public administration field. The 1977 Marando and Thomas’ comparison of Florida and Georgia county commissioners’ opinions is an example of a statewide survey of county officials. Marando and Thomas (1977) surveyed approximately 353 Florida county commissioners and 591 Georgia county commissioners for a total of 944. They reported 253 responses for a response rate of 27%. Another national survey by the ICMA asked managers in council-manager jurisdictions in the United States to respond to questions related to the managers’ role. The survey was mailed to 2,787 jurisdictions of which 1,301 responded for a return rate of 47% (DeSantis, 1998). The ICMA’s 1988 County Form of Government survey sent to county clerks in all 3,042 counties in the United States received
1,295 completed questionnaires for a response rate of 42.5% (DeSantis & Renner, 1996). Stumm and Corrigan’s (1998) nationwide study of city managers and fiscal efficiency reported 149 cities responding out of a stratified sample of 1,300 cities for a response rate of 12%. As shown by these examples, response rates around 40% are common for government surveys. The SoS survey response rate of 39% compares favorably with the examples cited.

**Non-Response Bias**

As discussed earlier, city managers who responded to the SoS survey are primarily 40 to 70-year-old, white males with a Master’s degree education and who serve in home rule cities. This demographic profile generally mirrors the personal characteristics of the city management profession in Texas. Except for form of government served, the percentage of non-respondents is not different with regards to demographic characteristics than their numbers across Texas cities. Thus, non-response bias is not likely to be a major limiting factor in this study. The following sections discuss the results of the survey for each of the eight topics covered in the 2019 SoS survey.

**Creative Governance**

One key assumption of this research is that city managers are creative and lead creative organizations. Furthermore, it is assumed that management innovation or creative governance is critical to managing complex and challenging municipal problems to provide effective and efficient public services. Creative governance is founded on five interrelated components namely: (1) collaboration, (2) collective decision-making, (3) open communications, (4) organizational trust, and (5) innovative problem-solving.
Questions 2 to 6 of the SoS survey asked city managers to share their opinions on the extent they agree that the leadership of their organization promotes or values the five creative governance components discussed above. All five questions used a 7-point Likert scale where 1=Strongly Agree, 2=Agree, 3=Somewhat Agree, 4=No Opinion, 5=Somewhat Disagree, 6=Disagree, and 7=Strongly Disagree. As shown in Table 2, over 95% of the survey respondents either strongly agree, agree, or somewhat agree that leadership in their organizations promote or value the five components of creative governance. More specifically, 48% of city managers surveyed strongly agree that they and the leadership in their cities promote a culture that values trust across all levels of the organization.

Table 2. Promoting the five components of creative governance

<table>
<thead>
<tr>
<th>Level of Agreement</th>
<th>Collective Decision Making</th>
<th>%</th>
<th>Creativity</th>
<th>%</th>
<th>Collab.</th>
<th>%</th>
<th>Open Comm.</th>
<th>%</th>
<th>Trust</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>39</td>
<td>27</td>
<td>48</td>
<td>34</td>
<td>58</td>
<td>40</td>
<td>62</td>
<td>43</td>
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<td>2</td>
<td>74</td>
<td>51</td>
<td>71</td>
<td>49</td>
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<td>3</td>
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<td>14</td>
<td>15</td>
<td>10</td>
<td>14</td>
<td>10</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>145</td>
<td></td>
<td>144</td>
<td></td>
<td>145</td>
<td></td>
<td>145</td>
<td></td>
<td>145</td>
<td></td>
</tr>
</tbody>
</table>
Table 2 also shows that city managers’ support for collective decision-making, as opposed to unilateral decisions, is less emphatic at the strongly agree level, with 27% of respondents choosing this answer. However, 51% agree and 20% somewhat agree that the leadership of the organization prefers collective decision-making as opposed to unilateral decisions. This is perhaps explained by the fact that city managers are frequently called to make executive decisions given time constraints and the nature of the problems at hand. The support for creativity closely follows the pattern described above regarding decision-making where there is significant support at the strongly agree level (34%), but even more so at the agree level (49%). On the other hand, support for collaboration and open communications follows more of the same pattern described above for the trust component. That is, there is a very high level of support at the strongly agree (48%) and agree levels (41%) on the Likert scale.

Question 7 asked city managers to what extent they agree with the statement that their organization is an example of creative governance. On a scale of 0 to 10, where 0=Strongly Disagree and 10=Strongly Agree, 80% (110 out of 138) chose 7 through 10 when responding to this question. Fifteen percent (21 out of 138) chose scores ranging from 4 to 6 and five percent (7 out of 138) chose scores ranging from 0 to 3. These results indicate that a great majority of city managers believe their organizations are an example of creative governance. Specifically, 95% of city managers either strongly agree or somewhat agree (scores ranging from 4 to 10) that their organizations are examples of creative governance with only five percent strongly disagreeing (scores ranging from 0 to 3).

Question 8 asked city managers, “Assuming you lead a creative organization, to what extent would the community you serve agree with such assumption?” On a scale of 0 to 10, where 0=Strongly Disagree and 10=Strongly Agree, 61% (84 out of 138) chose 7 through 10
when responding to this question. Thirty-six percent (50 out of 138) chose scores ranging from 4 to 6 and three percent (4 out of 138) chose scores ranging from 0 to 3. These results indicate that a great majority of city managers believe that the community they serve perceive them as leading creative organizations. Specifically, 97% of city managers either strongly agree or somewhat agree (scores ranging from 4 to 10) that the communities they serve agree with their assumption that they lead creative organizations with only three percent strongly disagreeing (scores ranging from 0 to 3).

Question 16 is about transformational leadership. For this study, transformational leadership is assumed to promote collaboration, collective decision-making, open communications, trust, and creativity. On a scale ranging from 1 to 5, where 1=A, 2=B, 3=C, 4=D, and 5=F, the question asked city managers to grade themselves on transformational leadership as defined above. As shown in Table 3, the great majority of city managers graded themselves A or B on all five characteristics of transformational leadership. Very few see themselves not promoting collaboration, collective decision-making, open communications, trust, or creativity. In other words, they see themselves primarily as transformational leaders. This finding corroborates the findings of questions 2 through 6 reported above, which concluded that over 95% of the respondents either strongly agree, agree, or somewhat agree that the leadership of their organizations promotes or values creative governance.
Table 3. Transformational leadership and creative governance

<table>
<thead>
<tr>
<th>Self Grading</th>
<th>Collabo. %</th>
<th>Collective Decision Making %</th>
<th>Open Comm. %</th>
<th>Trust %</th>
<th>Creativity %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>101</td>
<td>70</td>
<td>77</td>
<td>53</td>
<td>109</td>
</tr>
<tr>
<td>B</td>
<td>32</td>
<td>22</td>
<td>54</td>
<td>38</td>
<td>22</td>
</tr>
<tr>
<td>C</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>D</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>F</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Totals</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>143</td>
</tr>
</tbody>
</table>

**Economic Development**

Economic development was the focus of the 2019 SoS survey given current questions regarding taxation and fiscal policies at the state level and how these are expected to impact revenue generation for cities, specifically their impacts on economic development. Question 9 asked, “Who has primary responsibility for economic development in your community?” A slight majority of all respondents (53%) responded that the local economic development corporation (EDC) has primary responsibility, which could mean that 47% of cities prefer to keep primary responsibility for economic development to themselves. Furthermore, this preference does not change because of form of government. City managers from Home Rule–Council Manager and Type A-General Law (Commission) cities responded in a very similar fashion. That is, EDCs have the primary responsibility for economic development, but not by a large margin.
Question 10 asked, “Which of the following best describes your economic development goals?” Forty-one percent answered, “to strengthen the local tax base” followed by 16%, which chose “to increase the number of jobs.” Economic stability and recruitment of new businesses followed closely at around 15% with the goal of retaining existing local businesses coming at next to last with 12%. “To build a highly skilled workforce” was the least subscribed goal at only one percent of the total responses. These results point to how important a healthy tax base is for cities in Texas.

Question 11 asked, “If you do not have a dedicated economic development sales tax, would you support a half-cent tax increase for economic development?” The answer choices were either Yes or No. Eighty-one% of respondents answered yes to the question while only 19% answered no. The preference for the half-cent tax increase did not significantly change because of form of government. Respondents from general law cities (less than 5,000 residents) were slightly more supportive of the tax increase than home rule respondents. Specifically, 30% of city managers serving small communities support the half-cent tax increase question versus 22% of home rule respondents.

Question 12 asked respondents to identify the sources of revenue city managers use to support economic development. Respondents were allowed to choose more than one source. As shown in Table 4, EDC sales tax and general fund were identified as the two main sources of revenue city managers use to support economic development. Tax increment financing was identified as a secondary source (38.0%) followed by state economic development assistance and certificates of obligation (27.5 and 27.1% respectively) as tertiary sources. Tourism Public Improvement District (TPID) funds at 3.5% were identified as the least used source of revenues
to support economic development. Only five city managers reported using TPID and they all serve in home rule, council-manager cities.

Table 4. Sources of revenue used to support economic development.

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>Percent</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDC sales tax</td>
<td>68.3</td>
<td>97</td>
</tr>
<tr>
<td>Tax increment financing (TIF)</td>
<td>38.0</td>
<td>54</td>
</tr>
<tr>
<td>Tourism Public Improvement District</td>
<td>3.5</td>
<td>5</td>
</tr>
<tr>
<td>General fund</td>
<td>67.6</td>
<td>97</td>
</tr>
<tr>
<td>General obligations bonds</td>
<td>12.7</td>
<td>18</td>
</tr>
<tr>
<td>Revenue bonds</td>
<td>9.9</td>
<td>14</td>
</tr>
<tr>
<td>Certificates of obligation</td>
<td>21.8</td>
<td>31</td>
</tr>
<tr>
<td>State economic development assistance</td>
<td>27.5</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>143</td>
</tr>
</tbody>
</table>

Questions 13 through 15 dealt with issues related to proposed legislative changes that would most likely affect economic development efforts by Texas cities. City managers were asked to respond either Yes or No to questions 13 through 15. As shown in Table 5, city managers overwhelmingly showed concern with any policy change that might impact their ability to support economic development for their cities. For example, 96.5% of city managers indicated that the ability of cities to use tax abatements to support economic development should be preserved in the next legislative session. Similarly, 97.2% of city managers noted their preference for the ability of cities to engage in economic development to be preserved in the next legislative session. Furthermore, 90.1% of respondents indicated that the prospect of state legislation to impose “revenue caps” would affect their ability to support economic development.
The form of government did not seem to make a difference as the number of general law cities responding ‘no’ is about equal to the number of home rule cities responding ‘yes.’

Table 5. Economic development and proposed legislative changes

<table>
<thead>
<tr>
<th>Questions</th>
<th>Yes/No</th>
<th>Count</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q13: Should the ability of cities to use tax abatements to support economic development be preserved in the next legislative session (Chapter 312)?</td>
<td>Yes</td>
<td>136</td>
<td>96.5</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>5</td>
<td>3.5</td>
</tr>
<tr>
<td>Q14: Should the ability of cities to engage in economic development be preserved in the next legislative session (Chapter 313)?</td>
<td>Yes</td>
<td>138</td>
<td>97.2</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>4</td>
<td>2.8</td>
</tr>
<tr>
<td>Q15: Will the prospect of state legislation to impose “revenue caps” affect your ability to do economic development?</td>
<td>Yes</td>
<td>128</td>
<td>90.1</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>14</td>
<td>9.9</td>
</tr>
</tbody>
</table>

**Local Management**

Local management is a critical topic for city managers. Question 42 asked, “What would you think should be the focus of the 2020 State of the State Survey on Municipal Governance?” Of the eight answer choices, local management was chosen by 48% of the respondents and financial management was a distant second choice with 18% of city managers recommending it as a focus of next year’s SoS survey. None of the other six choices received more than nine percent vote. The components of public safety and transportation received zero votes. Thus, it is clear that city managers want local management to be the focus of the 2020 SoS survey.

Question 17 asked, “If your organization has a city council-approved strategic plan, are there specific council goals that support relations between the council and management?” Figure 1 shows that 55 city managers or 38.5% reported that their city council-approved strategic plan
includes specific goals that support relations between the council and management. On the other hand, 30 city managers or 21% reported that their strategic plans did not include such goals. Somewhat troublesome, 58 city managers or 41% reported not having a city council-approved strategic plan. Not having a city council-approved strategic plan seems to be more common for general law cities. Specifically, of the 33 Type A - General Law (Aldermanic) cities responding, 16 indicated not having a city council-approved strategic plan.

Figure 1. Council and management relations

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>We don't have a city council approved strategic plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>55%</td>
<td>37%</td>
<td>8%</td>
</tr>
</tbody>
</table>

On a related matter, question 18 asked, “How would you characterize council and management relations?” Figure 2 shows that 83 or 57.6% of city managers indicated that the relations were excellent and 40 or 28% indicated that the council and management relations were good.
Figure 2. Council and management relations

Question 19 asked, “What measures do you take to ensure you have an ethical organization?” City managers were instructed to check all that apply. Table 6 shows that city managers reported using rules and procedures more than any of the five measures. Rules and procedures were chosen by 129 city managers for 29.1% of the total count. Not far behind, 117 city managers or 26.4% indicated that they used leadership in support of an ethical climate.

Table 6. Measures to promote an ethical organization

<table>
<thead>
<tr>
<th>Measures Taken</th>
<th>Percent</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules and procedures (Employee handbook)</td>
<td>29.1</td>
<td>129</td>
</tr>
<tr>
<td>Ethics policy (city ordinance)</td>
<td>16.7</td>
<td>74</td>
</tr>
<tr>
<td>Departmental ethics training</td>
<td>14.2</td>
<td>63</td>
</tr>
<tr>
<td>Third party seminars</td>
<td>13.5</td>
<td>60</td>
</tr>
<tr>
<td>Leadership support for an ethical climate</td>
<td>26.4</td>
<td>117</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>443</td>
</tr>
</tbody>
</table>
A closer examination of Table 6 also shows that measures to support an ethical organization are well-balanced between rules and regulations and training and leadership efforts. Forty-six% of city managers reported using rules and procedures as well as ethics policy (29.1% plus 16.7%). Meanwhile, training and leadership measures make up the remaining 54% of the measures used.

Financial Management and Budgeting

Question 21 asked city managers to identify the budget format used by their cities. Table 7 shows that 88 city managers or 61.1% reported using the line-item budget format followed by 39 or 27.1% reporting that they use a hybrid format. Very few respondents reported using zero-based, program, or performance-based budget formats. It is arguably fair to assume that those that reported using a hybrid use line-item combined with either performance-based or program budget formats.

Table 7. Budget formats used by Texas cities

<table>
<thead>
<tr>
<th>Budget Formats</th>
<th>Percent</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line-item budget</td>
<td>61.1%</td>
<td>88</td>
</tr>
<tr>
<td>Performance-based budget</td>
<td>1.4%</td>
<td>2</td>
</tr>
<tr>
<td>Program budget</td>
<td>4.9%</td>
<td>7</td>
</tr>
<tr>
<td>Zero-based budget</td>
<td>5.6%</td>
<td>8</td>
</tr>
<tr>
<td>Hybrid (more than one format)</td>
<td>27.1%</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>144</td>
</tr>
</tbody>
</table>
Question 22 asked, “Does your organization own or operate any of the following municipal utilities?” City managers were instructed to check all that apply. Table 8 shows that cities are more likely to own than to operate municipal utilities. City managers responded that water, wastewater, and stormwater utilities are most likely to be owned or operated by Texas cities. Water utilities are owned by 112 of the cities surveyed and 19 operate water utilities. The numbers are similarly high for wastewater utilities. Far fewer city managers reported owning or operating electric and gas utilities. Furthermore, no city manager reported owning district heating utilities.

Table 8. Municipal utilities owned or operated by cities.

<table>
<thead>
<tr>
<th>Type of Municipal Utility</th>
<th>Own</th>
<th>Operate</th>
<th>Total Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water utility</td>
<td>112</td>
<td>19</td>
<td>131</td>
</tr>
<tr>
<td>Wastewater utility</td>
<td>102</td>
<td>23</td>
<td>125</td>
</tr>
<tr>
<td>Stormwater utility</td>
<td>53</td>
<td>15</td>
<td>68</td>
</tr>
<tr>
<td>Electric utility</td>
<td>12</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Gas utility</td>
<td>6</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Communications (e.g. cable, telephone,</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Internet)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District heating</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Question 23 asked city managers, “How financially sound is your organization’s pension plan?” On a scale of 0 to 10, where 0=Not Financially Sound and 10=Very Financially Sound, 96% (135 out of 141) chose scores of 7 through 10 when responding to this question. Four percent (6 out of 141) chose scores ranging from 4 to 6 and no city manager chose scores ranging
from 0 to 3. These results indicate that a great majority of city managers believe that their organization’s pension plans are very financially sound. Moreover, 76% of city managers (107 out of 141) believe their organization’s pension plan score either a 9 or a 10 and only 24 city managers or 17% scored an 8 regarding the financial soundness of their cities’ pension plans.

**Technology**

Question 24 asked city managers to what extent they agree with the statement, “My organization has the infrastructure in place to prevent cyber-attacks on city’s data systems.” Figure 3 shows a high extent of agreement on the statement. City managers seem to agree that their city’s data systems are well protected from cyber-attacks. More specifically, a significant majority (70 out of 143) answered that they agree with the statement. In all, 127 city managers or 89% of all respondents somewhat agree, agree, or strongly agree that they have the infrastructure in place to prevent cyber-attacks to their data systems.
The use of ‘smart city’ practices seems to be gaining acceptance by the city management profession. This research sought to identify to what extent cities are implementing such practices. Question 25 asked city managers to indicate how smart city practices apply to their cities. They chose one answer from the statement, “My organization has implemented “smart city” strategies in our jurisdiction (the use of technology to improve citizens’ lives and to save on energy consumption).” Figure 4 shows that 60 city managers (41.4%) answered that their cities had implemented at least one strategy. Thirty-seven or 25.5% answered that their cities had not implemented any ‘smart city’ strategy, but they are interested in learning what other communities are doing. Just as important, 19 city managers or 13.1% answered that they had not implemented any strategy, but their communities are in the planning phase of a smart city.
strategy. There were 20 city managers or 13.8% that answered their cities had not implemented any strategy and regarded ‘smart city’ practices as irrelevant to their jurisdictions.

Figure 4. The use of ‘smart city practices’

Community Engagement

Contemporary public managers recognize the critical need for civic engagement in their communities if only to maintain public safety, managing within the framework of democratic concerns, and finding ways to partner with various stakeholders important to the vitality of the community (King, 1998; Stillman, 2016). For example, engaged residents can be counted on to notice and report instances of neighborhood crime or an infrastructure problem. They can also be counted on to partner with local service providers thereby helping in the form of volunteering
and providing much-needed feedback. Question 26 asks, “From where do you most of your community feedback?” Table 9 shows that town hall meetings are the primary source of community feedback with 42% of city managers (60 out of 143) saying most of their community feedback comes through this method. The importance of digital technology and the advent of the growing use of social media platforms to communicate at all levels of society is shown by the 33.6% of city managers (48 out of 143) who answered that their communities get most of their feedback from social media. Surveys of residents and business owners came in third in importance as a source of community feedback with 16.1% of city managers (23 out of 143) reporting it as their primary source of community feedback. The data also shows that nonprofits, school districts, community outreach events, and even the cities' websites are not significant sources of community feedback.

Table 9. Most important sources of community feedback

<table>
<thead>
<tr>
<th>Sources of Community Feedback</th>
<th>Percent</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveys of residents/business owners</td>
<td>16.1</td>
<td>23</td>
</tr>
<tr>
<td>City/town hall meetings</td>
<td>42.0</td>
<td>60</td>
</tr>
<tr>
<td>Community outreach events</td>
<td>4.9</td>
<td>7</td>
</tr>
<tr>
<td>School district</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Nonprofit organizations</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Social media</td>
<td>33.6</td>
<td>48</td>
</tr>
<tr>
<td>Website</td>
<td>3.5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>143</td>
</tr>
</tbody>
</table>
Question 27 asked, “How would you rate the level of citizen participation in your community?” On a scale of 0 to 10, where 0=Low Participation and 10=High Participation, 30% (43 out of 142) chose scores of 7 through 10 when responding to this question. That is, only a third of city managers rated their communities as engaging in high citizen participation. Thirty-nine percent (56 out of 142) chose scores ranging from 4 to 6 and 30% (43 out of 142) scored their communities 0 to 3. These results indicate that a significant majority (70%) of city managers believe that their communities do not rate high in citizen participation. Moreover, a third or 30% believe their communities do not engage in citizen participation. These results, although disheartening, follow a trend of low citizen participation across communities in the United States (Wang and Wan Wart, 2007).

With only a third of city managers rating their communities as having a high level of citizen participation, it is interesting to then examine the results of question 28 which asked, “How would you rate the relationship your community has with the local police department?” As can be seen in Figure 5, around 94% of city managers believe that their communities have an excellent or good relationship with their local police departments. A minimal number indicated that the relationship is fair (8 out of 143 or 6%). This study, as designed, cannot determine what might be the reasons for the disconnect between low citizen participation (question 27) and such an excellent relationship between communities and their respective police departments. The data suggest that low citizen participation, in general, might not be a good indicator of how citizens would engage with services and public officials they deem vital for their safety and community life. Developing excellent and good relations with the police department might be one such vital service that citizens, who otherwise are not engaged, find worthy of their efforts.
Question 29 asked, “How important are the following community engagement efforts to your organization?” Respondents were presented with four choices: (1) Seek feedback from the community before making important decisions that affect them; (2) Seek feedback from a broader cross-section of the public to inform proposed solutions; (3) Provide information to the public to assist them in understanding proposed solutions; and (4) Make an honest effort to consider the public’s concerns. As seen in Table 10, most responses are in the “highly important” or “important” categories for the four categories. The data also shows the rating for “make an honest effort to consider the public’s concerns” category has the highest number of responses (100) out of all answers given for all categories. That is, 69.9% of city managers rated this component of community engagement as highly important. On the other hand, “seeking feedback from a broader cross-section of the public to inform proposed solutions” was deemed highly important by only 34.3% of city managers. Question 26 discussed above shows that city managers reported town hall meetings, social media outreach, and surveys of residents and business owners as their top three most important sources of community feedback. Knowing that, would it make a difference in how city managers responded to question 29 (‘How important are the following community engagement efforts to your organization’)? The study found a high
correlation between the various components of these two questions. For example, the majority of
city managers (42%) reported city town hall meetings as the primary source of community
feedback and 69.9% also reported making ‘an honest effort to consider the public’s concerns’ as
“highly important."

Table 10. The importance of various community engagement efforts

<table>
<thead>
<tr>
<th>Question</th>
<th>Highly Important</th>
<th>Important</th>
<th>Somewhat Important</th>
<th>Not Important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek feedback from the community before making important decisions that affect them</td>
<td>49.0%</td>
<td>40.6%</td>
<td>10.5%</td>
<td>15</td>
<td>143</td>
</tr>
<tr>
<td>Seek feedback from a broader cross-section of the public to inform proposed solutions</td>
<td>34.3%</td>
<td>49.7%</td>
<td>14.7%</td>
<td>21</td>
<td>143</td>
</tr>
<tr>
<td>Provide information to the public to assist them in understanding proposed solutions</td>
<td>60.8%</td>
<td>34.3%</td>
<td>4.9%</td>
<td>0</td>
<td>143</td>
</tr>
<tr>
<td>Make an honest effort to consider the public’s concerns</td>
<td>69.9%</td>
<td>25.9%</td>
<td>3.5%</td>
<td>0</td>
<td>143</td>
</tr>
</tbody>
</table>

**Sustainable Community Practices**

Both sustainability plans and emergency action plans are maintained to provide a
framework for dealing with environmental or ecological issues across communities. These two
types of plans share some important similarities, but they are also different. Like sustainability
plans, emergency action plans provide public managers with a plan of action for a problem. One
key difference between these two types of plans is their time frame as emergency action plans
have to be ready to go and implemented quickly while sustainability plans exist on a longer time
scale and lack a sense of emergency. They do, however, share a fundamental characteristic in
that they both exist as publicly conceived plans that are put into place for environmental problems that can affect an entire community. Like with sustainability plans, emergency action plans have also been found to vary significantly based on the jurisdiction where the plan is developed, which present a particular challenge to those in different levels of government when it comes to coordinating disaster response (Lyles, Berke, and Smith 2016). Federal legislation such as the National Environmental Policy Act of 1969 allows local residents to have more input on environmental and sustainability projects (Bonnell 2003). Likewise, emergency action plans have been influenced by federal legislation after events like the attacks of September 11th, 2001, Hurricane Katrina, and the Boston Bombings, which urged officials on local, state, and national levels to cooperate in times of disaster or mass relocation of the citizenry (Hu, Knox, & Kapucu, 2014).

Question 30 asked, “If your organization adopted a sustainability plan, please indicate whether the plan contains any of the following goals.” Looking at Figure 6, almost half of the respondents (50%) reported that they had not adopted a sustainability plan. The other roughly half of respondents who reported having a sustainability plan indicated the most popular of the plans' goals were economic development at 10%, disaster mitigation at nine percent, and public health at seven percent. Sustainability plans focused on climate change accounted for about two percent of respondents.
Similar to sustainability plans, emergency action plans provide public managers with a plan of action for a problem. As seen in Table 11, the most common form of an emergency action plan is a hazard mitigation plan with 89.4% of respondents answering ‘yes’ to whether their city had one or not. The response rate declined with the other two choices. Seventy-one percent answered ‘yes’ on whether their city had an emergency evacuation plan, and only 54.2% answered ‘yes’ on whether their city had an emergency relocation plan. The Table also shows
that 45.8% of respondents reported not having an emergency relocation plan and 28.9% not having an emergency evacuation plan.

Table 11. Emergency planning and preparedness

<table>
<thead>
<tr>
<th>Type of Emergency Action Plan</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Hazard Mitigation Plan</td>
<td>89.4%</td>
<td>126</td>
<td>141</td>
</tr>
<tr>
<td>An Emergency Evacuation Plan</td>
<td>71.1%</td>
<td>96</td>
<td>135</td>
</tr>
<tr>
<td>An Emergency Relocation Plan</td>
<td>54.2%</td>
<td>71</td>
<td>131</td>
</tr>
</tbody>
</table>

Question 32 asked, “Which of the following energy actions has your organization taken in the last five years?” Respondents were instructed to check all that apply. As Table 12 shows, four out of the top five responses on energy actions had to do with upgrading or retrofitting government facilities or equipment to be more energy efficient. This action makes sense in the light of the constant push to reduce government costs. While city managers report relatively low numbers for some of the actions taken to improve energy efficiency, the variety and the use of high tech solutions is promising. For example, while only 23 of the city managers surveyed reported the installation of solar panels on a government facility in their city, it shows the use of a resource that not only helps the environment, but also is cost-effective.
Table 12. Energy actions implemented in the last five years

<table>
<thead>
<tr>
<th>Energy Actions Implemented</th>
<th>Percent</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established a fuel efficiency target for the government fleet of vehicles</td>
<td>1.7</td>
<td>8</td>
</tr>
<tr>
<td>Increased the purchase of hybrid, plug-in hybrid, electric, or other fuel-efficient vehicles</td>
<td>5.2</td>
<td>25</td>
</tr>
<tr>
<td>Installed charging stations for electric vehicles</td>
<td>2.1</td>
<td>10</td>
</tr>
<tr>
<td>Conducted energy audits of government buildings</td>
<td>12.9</td>
<td>62</td>
</tr>
<tr>
<td>Established a policy to only purchase energy star equipment when available</td>
<td>1.9</td>
<td>9</td>
</tr>
<tr>
<td>Upgraded or retrofitted government facilities to higher energy efficiency of office lighting</td>
<td>18.4</td>
<td>88</td>
</tr>
<tr>
<td>Upgraded or retrofitted traffic signals to increase efficiency</td>
<td>6.3</td>
<td>30</td>
</tr>
<tr>
<td>Upgraded or retrofitted streetlights or other exterior lighting to improve efficiency</td>
<td>15.0</td>
<td>72</td>
</tr>
<tr>
<td>Upgraded or retrofitted government facilities to more energy efficient heating or air conditioning systems</td>
<td>16.5</td>
<td>79</td>
</tr>
<tr>
<td>Upgraded or retrofitted facilities to higher efficiency pumps in the water or sewer systems</td>
<td>12.1</td>
<td>58</td>
</tr>
<tr>
<td>Installed solar panels on a government facility</td>
<td>4.8</td>
<td>23</td>
</tr>
<tr>
<td>Installed a geo-thermal system in a government facility</td>
<td>0.6</td>
<td>3</td>
</tr>
<tr>
<td>Generated electricity through refuse disposal, waste water treatment, or landfill operations</td>
<td>0.6</td>
<td>3</td>
</tr>
<tr>
<td>Required all new government construction projects be certified green (e.g., LEED, Energy Star, etc.)</td>
<td>1.3</td>
<td>6</td>
</tr>
<tr>
<td>Required all government renovation projects be certified green (e.g., LEED, Energy Star, etc.)</td>
<td>0.6</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>479</td>
</tr>
</tbody>
</table>

Public Safety and Transportation

The SoS survey included two questions specifically designed to glean some understanding of transportation issues facing Texas cities. Question 33 asked, “Assuming your
jurisdiction does not have a dedicated sales tax for street maintenance/improvements, how do you fund street maintenance/improvements?” Respondents were instructed to check all that apply from six answer choices. Figure 7 shows that 29 or 9.7% of city managers reporting having a dedicated sales tax for street maintenance/improvements. Of the 90% that do not have such dedicated sales tax, the majority (123 or 41%) report using the city’s general fund to pay for street maintenance and improvements. A smaller number (59 or 19.7%) reported borrowing by floating bonds to pay for the improvements. Further, capital improvement program funds were also reported by 58 city managers or 19.3%. Transfers from utility funds or COG grants were reported by much smaller percentages (around 5%).

Figure 7. Funding street maintenance and improvements
The other transportation question had to do with municipal airports. Question 34 asked, “Assuming your community has a municipal airport, how is the airport maintained? As shown in Figure 8, respondents were given five answer choices. Many city managers reported not having a municipal airport (85 or 66.9%), which means around 33% of respondents indicated having a municipal airport. The primary source of revenues for those cities with airports are user fees at 17.3% followed by TxDOT Aviation grant funds (9.5%), and general fund revenues at 6.3%. There were no city managers that reported using COG grants to support municipal airport maintenance.

Figure 8. Funds used to support municipal airport maintenance
Question 35 deals with public safety. It asked, “To what extent do you agree with the following statement. My organization’s emergency service units are adequately trained to respond to a crisis event (terrorist attacks, mass shootings, hurricanes, etc.).” Figure 9 shows that 41 city managers or 28.7 strongly agree that their personnel is adequately prepared to respond to crisis events. Even a larger percent of the respondents (66 or 46.2%) agree with the statement, and 26 or 18.2% somewhat agree. As a whole, around 93% of all respondents either strongly agree, agree, or somewhat agree that their emergency response personnel are adequately trained to respond to a crisis event.

Figure 9. Training and responding to crisis events.
Recommendations

General law cities in Texas constitute around 71% of all cities with home rule cities making up the remaining 29%. That breakdown is reflected in the TCMA membership where city managers who are members of TCMA are mostly employed in general law cities. However, a relatively small number of city managers employed by general law cities responded to this survey (29%). If in fact, participation in the SoS Survey is skewed toward city managers employed by home rule cities, the question is then what outreach efforts could be implemented to include more city managers from general law cities. The sharing of this report with all city managers across Texas could serve to raise awareness of the benefits of participating in the survey. The report could be shared both as a hard copy as well as a digital document on the websites of TCMA, and an online repository at the University of Texas-Arlington.

Questions 13 through 15 dealt with issues related to proposed legislative changes that would most likely affect economic development efforts by Texas cities. City managers reported a clear preference for keeping cities’ autonomy on matters related to tax abatement to support economic development (96.5%), a preference to maintain their ability to engage in economic development (97.2%), and concern that proposed “revenue caps” would affect their ability to support economic development (90.1%). Given these concerns by the city management profession, this study recommends including these findings in future research and discussions regarding revenue sources for cities.

Fifty-eight city managers or 41% reported not having a city council-approved strategic plan. Not having a city council-approved strategic plan seems to be more common for general law cities. Specifically, of the 33 Type A - General Law (Aldermanic) cities reporting, 16
indicated not having a city council-approved strategic plan. Based on the 41% that reported not having a council-approved strategic plan, one could argue the question of how to support training and technical assistance on developing strategic plans should be high on the list of training priorities. Another high training priority is the need for cities to develop budgeting expertise on performance-based and program budgeting formats. A significant majority or 61.1% reported using the line-item budget and only two city managers indicated that they use performance-based budgeting.

The use of ‘smart city’ practices seems to be gaining acceptance by the city management profession. A significant proportion of city managers noted that their cities have implemented at least one ‘smart city’ strategy, have not yet implemented any strategies, but are interested in learning what other communities are doing, or are in the planning phase of a smart city strategy. A 14% answered their cities have not implemented any strategy and regarded ‘smart city’ practices as irrelevant to their jurisdictions. It seems, based on these findings, that training on ‘smart city’ practices could be beneficial for those communities who have not yet implemented a strategy, but who are either in the planning phase (13%) or interested in learning what other communities are doing (26%).

The SoS survey shows that city managers use town hall meetings as the primary way to get community feedback (42%). Other important methods are social media (33.6%) followed by surveys of residents and business owners (16.1%). The survey also found that city managers do not use nonprofits, school districts, community outreach events, or their websites as opportunities to get community feedback. This study recommends that city managers develop stronger relations with local nonprofits and school districts and use them for community feedback and to build a more engaged community.
Almost half of the city managers surveyed (49.7%) reported that they had not adopted a sustainability plan. In a similar vein, 45.8% of respondents reported not having an emergency relocation plan and 28.9% not having an emergency evacuation plan. These again seem to be areas in need of support and present potential training opportunities.

**Conclusions**

The annual State of the State Survey on Municipal Governance was conceived as a management and leadership tool to help the Texas city management profession decide on a myriad of issues facing their cities. Key decision makers can use the findings of this survey as reference material when faced with management decisions regarding municipal governance. It is important that city managers know and understand what other city managers across Texas think regarding governance in general and about specific municipal governance topics that could help better frame the issues, identify common themes, and work on creating better solutions.

Researchers from the Public Affairs Department at the University of Texas-Arlington designed a first draft of the State of the State Survey on Municipal Governance in Texas. The draft was shared with staff at the Texas Municipal League and the Board of Directors of the Texas City Management Association. The draft was revised to incorporate recommendations and concerns expressed by the TCMA liaison to TML and TCMA. Three hundred seventy-seven city managers who are members of the TCMA were invited to participate in the online survey. One hundred and forty-seven city managers completed the survey for a response rate of 39%. The survey asked city managers to share their insights on eight key municipal governance topics, namely: (1) creative governance, (2) economic development, (3) local management, (4) financial management and budgeting, (5) technology, (6) community engagement, (7) sustainable
community practices, and (8) public safety and transportation. Additionally, city managers were asked to choose the main focus of the 2020 SoS Survey from a list of municipal governance topics. Based on the recommendation of 48% of respondents, local management was chosen to be the emphasis of next year’s survey.

Given current questions regarding taxation and fiscal policies at the state level and how these might impact revenue generation for cities, it seemed prudent to make economic development the focus of the 2019 SoS survey. Slightly over 90% of survey respondents indicated that the prospect of state legislation to impose “revenue caps” would affect their ability to support economic development. Moreover, city managers reported a clear preference for keeping cities’ autonomy on matters related to tax abatement to support economic development (96.5%) and a strong preference to maintain their ability to engage in economic development (97.2%). Overall, survey respondents hold a strong position regarding proposed changes to state tax policies and economic development revenue funds. When asked whether they would support a half-cent tax increase for economic development, an overwhelmingly positive response of 81% supported the tax increase to help finance their community’s economic development efforts.

Another key finding is the high level of agreement on the questions related to creative governance. City managers believe that the leadership of their organization promotes or values collaboration, collective decision-making, open communications, organizational trust, and innovative problem-solving. They see themselves as transforming leaders managing creative organizations. Other key findings of the report relate to strategic planning, community engagement, and efforts to develop sustainability plans. A significant number of city managers (41%) indicated not having a city council-approved strategic plan, 70% believe their communities do not rate high in citizen participation, 30% believe their communities do not
engage in citizen participation, and almost half of city managers surveyed (49.7%) reported that they had not adopted a sustainability plan.

The 2020 SoS survey will focus on local management. It will seek to examine the question of strategic planning and how it might impact council and management relations, strategic performance management, its connections to financial management, specifically, pension plans. We will also seek the respondents' insights on professional development, training, strategies to foster employee creativity, and other questions on organizational management. The survey will ask what ‘smart city’ initiatives are they using and in general what solutions are they using on several key management questions to collect and inventory a list of best practices across the state of Texas.
References


Notes:

[1] This work owes a great deal to Brian Guenzel, former Director of the Institute of Urban Studies at the University of Texas-Arlington, who first thought of resurrecting the research conducted by the late Dr. Richard Louis Cole on municipal governance throughout Texas. In the spring of 2018, Mr. Guenzel led a group of graduate students on an exploratory State of the State research project. Their findings were used to design the first draft of the 2019 State of the State Survey.

Dr. Cole’s research focused on identifying quality of life indicators related to social conditions and municipal governance trends (Cole, 1986). He collected, analyzed data regarding these indicators, and offered the findings as a diagnostic tool that showed which social conditions were improving and which were deteriorating for Texas residents. Cole (1986) argued that municipalities cannot overnight become places that great universities call home or dramatically change their populations or environmental condition, but if research on municipal governance helps identify cities’ needs and points toward some action, then the research effort could be said to have contributed to quality of life in Texas cities. We wholeheartedly agree and aim to conduct the State of the State Survey on Municipal Governance on an annual basis to better identify governance trends affecting Texas residents.
Appendix A: 2019 State of the State Survey on Municipal Governance in Texas

Q1
State of the State Survey on Municipal Governance in Texas
The State of the State Survey on Municipal Governance in Texas is a study conducted annually by the University of Texas at Arlington and sponsored by the Texas City Management Association. This year, the focus of the survey is on economic development.

You are being invited to give your opinion on several components of municipal governance. Your completion of this survey will make the results of this study truly representative of the thinking of the city management profession regarding municipal governance in Texas.

We know how busy you are and therefore we have made this survey as short as possible. Completion of this study will take approximately 10 minutes. We truly appreciate your participation.

Q2 Think of entire leadership within your organization in answering questions 1 through 5. To what extent do you agree with the following statements.
The leadership of my organization prefers collective decision-making over unilateral decisions.

- [ ] Strongly Agree
- [ ] Agree
- [ ] Somewhat Agree
- [ ] No Opinion
- [ ] Somewhat Disagree
- [ ] Disagree
- [ ] Strongly Disagree
Q3 The leadership of my organization promotes a culture that values creativity from all individuals across the organization.

- Strongly Agree
- Agree
- Somewhat Agree
- No Opinion
- Somewhat Disagree
- Disagree
- Strongly Disagree

Q4 The leadership of my organization promotes a culture that values collaboration from all individuals across the organization.

- Strongly Agree
- Agree
- Somewhat Agree
- No Opinion
- Somewhat Disagree
- Disagree
- Strongly Disagree
Q5 The leadership of my organization promotes a culture that values open communication from all individuals across the organization.

- Strongly Agree
- Agree
- Somewhat Agree
- No Opinion
- Somewhat Disagree
- Disagree
- Strongly Disagree

Q6 The leadership of my organization promotes a culture that values trust among all individuals across the organization.

- Strongly Agree
- Agree
- Somewhat Agree
- No Opinion
- Somewhat Disagree
- Disagree
- Strongly Disagree
Q7 Creative governance is government's use of collaboration, collective decision-making, open communications, organizational trust, and innovation to solve problems. Based on the above definition and your answers to questions 1 through 5 above, to what extent do you agree with the following statement.
My organization is an example of creative governance.

○ 0
○ 1
○ 2
○ 3
○ 4
○ 5
○ 6
○ 7
○ 8
○ 9
○ 10
Q8 Assuming you lead a creative organization, to what extent would the community you serve agree with such assumption? Where 1 = Strongly Disagree and 10 = Strongly Agree with the assumption.

- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Q9 Who has primary responsibility for economic development in your community?

- City
- Local EDC
Q10 Which of the following best describes your economic development goals?

- To increase the number of jobs
- To strengthen the local tax base
- To achieve economic stability
- To retain and expand existing local businesses
- To recruit new businesses
- To build a highly skilled workforce

Q11 If you do not have a dedicated economic development sales tax, would you support a half-cent tax increase for economic development?

- Yes
- No
Q12 Please indicate which of the following sources of revenue are used to support economic development (Check all that apply).

- EDC sales tax
- Tax increment financing (TIF)
- Tourism Public Improvement District
- General fund
- General obligations bonds
- Revenue bonds
- Certificates of obligation
- State economic development assistance

Q13 Should the ability of cities to use tax abatements to support economic development be preserved in the next legislative session (Chapter 312)?

- Yes
- No
Q14 Should the ability of cities to engage in economic development be preserved in the next legislative session (Chapter 313)?

- Yes
- No

Q15 Will the prospect of state legislation to impose “revenue caps” affect your ability to do economic development?

- Yes
- No
Q16 Transforming leaders promote collaboration, collective decision-making, open communications, trust, and they value creativity in their subordinates. **How would you grade your leadership approach on the five components of leadership mentioned above?**

<table>
<thead>
<tr>
<th>Component</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>I promote collaboration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I promote collective decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I promote open communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I promote organizational trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I value creativity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q17 **If your organization has a city council approved strategic plan, are there specific council goals that support relations between the council and management?**

- [ ] Yes
- [ ] No
- [ ] We don't have a city council approved strategic plan
Q18 How would you characterize council and management relations?

- Poor
- Fair
- No Opinion
- Good
- Excellent

Q19 What measures do you take to ensure you have an ethical organization? (Check all that apply)

- Rules and procedures (Employee handbook)
- Ethics policy (city ordinance)
- Departmental ethics training
- Third party seminars
- Leadership support for an ethical climate
Q21 Please identify the budget format used by your city.

- Line-item budget
- Performance-based budget
- Program budget
- Zero-based budget
- Hybrid (more than one format)
Q22 **Does your organization own or operate any of the following municipal utilities?** (Check all that apply)

<table>
<thead>
<tr>
<th>Utility</th>
<th>Own</th>
<th>Operate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric utility</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Stormwater utility</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Gas utility</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Water utility</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>District heating</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Waste water utility</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Communications utility (e.g., cable, telephone, Internet)</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Q23 How financially sound is your organization's pension plan? Please select a number 0 through 10 where 0 is not financially sound and 10 is very financially sound.

- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
Q24 My organization has the infrastructure in place to prevent cyber attacks on my city’s data systems.

- Strongly Agree
- Agree
- Somewhat Agree
- No Opinion
- Somewhat Disagree
- Disagree
- Strongly Disagree

Q25 My organization has implemented “smart city” strategies in our jurisdiction (the use of technology to improve citizens’ lives and to save on energy consumption)

- Yes, we have implemented at least one strategy
- No, but we are in the planning phase of our strategy
- No, but I am interested in learning what other local governments are doing
- No, but our community has expressed interest in “smart city” solutions
- No, it is not relevant to my jurisdiction
Q26 From where do you get most of your community feedback?

- Surveys of residents/business owners
- City/town hall meetings
- Community outreach events
- School district
- Nonprofit organizations
- Social media
- Website
Q27 **How would you rate the level of citizen participation in your community?** Please select a number 0 through 10 where 0 is low participation and 10 is high participation.

- [ ] 0
- [ ] 1
- [ ] 2
- [ ] 3
- [ ] 4
- [ ] 5
- [ ] 6
- [ ] 7
- [ ] 8
- [ ] 9
- [ ] 10
Q28 How would you rate the relationship your community has with the local police department?

- Excellent
- Good
- Fair
- Poor
- No Opinion
Q29 **How important are the following community engagement efforts to your organization?**

<table>
<thead>
<tr>
<th>Effort</th>
<th>Highly Important</th>
<th>Important</th>
<th>Somewhat Important</th>
<th>Not Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek feedback from the community before making important decisions that affect them</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Seek feedback from a broader cross-section of the public to inform proposed solutions</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Provide information to the public to assist them in understanding proposed solutions</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Make an honest effort to consider the public’s concerns</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>
Q30 If your organization adopted a sustainability plan, please indicate whether the plan contains any of the following goals. (Check all that apply.)

- [ ] Social equity
- [ ] Energy conservation
- [ ] Climate change
- [ ] Economic development
- [ ] Disaster mitigation
- [ ] Public health
- [ ] Community resiliency
- [ ] Green energy production
- [ ] We have not adopted a sustainability plan

Q31 Your organization has

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Hazard Mitigation Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>An Emergency Evacuation Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>An Emergency Relocation Plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q32 Which of the following energy actions has your organization taken in the last five years? (Check all that apply).

- Established a fuel efficiency target for the government fleet of vehicles
- Increased the purchase of hybrid, plug-in hybrid, electric, or other fuel efficient vehicles
- Installed charging stations for electric vehicles
- Conducted energy audits of government buildings
- Established a policy to only purchase energy star equipment when available
- Upgraded or retrofitted government facilities to higher energy efficiency of office lighting
- Upgraded or retrofitted traffic signals to increase efficiency
- Upgraded or retrofitted streetlights or other exterior lighting to improve efficiency
- Upgraded or retrofitted government facilities to more energy efficient heating or air conditioning systems
- Upgraded or retrofitted facilities to higher efficiency pumps in the water or sewer systems
- Installed solar panels on a government facility
- Installed a geo-thermal system in a government facility
- Generated electricity through refuse disposal, waste water treatment, or landfill operations
- Required all new government construction projects be certified green (e.g., LEED, Energy Star, etc.)
- Required all government renovation projects be certified green (e.g., LEED, Energy Star, etc.)
Q33 Assuming your jurisdiction DOES NOT have a dedicated sales tax for street maintenance/improvements, how do you fund street maintenance/improvements? (Check all that apply)

☐ We DO have a dedicated sales tax for street maintenance/improvements

☐ General fund (streets)

☐ Transfer (utility fund)

☐ Capital improvement program (CIP)

☐ Bonds (CO, general, revenue)

☐ COG grant

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Q34 Assuming your community has a municipal airport, how is the airport maintained?

☐ We do not have a municipal airport

☐ General fund revenues

☐ Airport user fees (fuel sales, tie down, ramp fees, hangar fees)

☐ TxDOT Aviation grant

☐ COG grant
Q35 To what extent do you agree with the following statement? My organization’s emergency services units are adequately trained to respond to a crisis event (terrorist attack, mass shooting, hurricane, etc.).

- Strongly Agree
- Agree
- Somewhat Agree
- No Opinion
- Somewhat Disagree
- Disagree
- Strongly Disagree

Q36 Which form of government do you operate under?

- Type A - General Law (Aldermanic)
- Type A - General Law (Commission)
- Type B - General Law
- Type C - General Law (Commission)
- Home Rule - Mayor/Council (Strong Mayor)
- Home Rule - Mayor/Council (Weak Mayor)
- Home Rule - Council Manager
Q37 What is your position title?

- City manager
- Town manager
- City administrator
- Town administrator

Q38 Your educational background can be best described as

- High school degree
- Some college
- Four-year college
- Master of Public Administration
- J.D. or equivalent
- Other Master’s degree
- Ph.D. or equivalent
Q39 How would you describe your race and ethnicity?

☐ African-American

☐ Asian American

☐ Caucasian

☐ Native American

☐ Hispanic

☐ Other

Q40 What is your age?

☐ Under 30

☐ 30-40

☐ 41-50

☐ 51-60

☐ 61-70

☐ Over 70
Q41 Gender

- Male
- Female
- Prefer Not to Answer

Q42 What do you think should be the focus of the 2020 State of the State Survey on Municipal Governance?

- Local Management
- Financial Management & Budgeting
- Community Engagement
- Sustainable Community Practices
- Public Safety
- Technology
- Transportation
- Economic Development

Q43 We welcome your comments in the space below. We will send a copy of the State of the State on Municipal Governance report to every member of the Texas City Management Association. Is there something we could do to improve this annual survey?