To: Troy Mayor and members of City Council

cc: City Manager, John Szerlag

City Attorney, Lori Grigg Bluhm

From: Robin Beltramini, Delegate

Subject: National League of Cities Congress of Cities and Exposition

Phoenix AZ, November 9-13, 2011

First, I want to thank the Troy City Council for authorizing this trip on August 22, 2011. Once again it was an honor to represent the people of Troy at this national event. I spent time telling Troy's story, gaining insights from other delegates and participants and have returned with renewed hope for the progress of America's cities and towns. The following is a report of my time spent at the NLC Congress of Cities.

Convention General Sessions and Workshops:

The conference was focused around four areas of interest for local governments: Economic Development, Green Cities, Infrastructure and Your City's Families. The general sessions had some element of all points of interest incorporated. Workshops were developed and presented in track format. However, each participant could "mix and match" at will. . .and I did.

General Sessions:

- The *Opening General Session* contained brief snippets of background for each of the workshop tracks.
    - Majora Carter, President of the Majora Carter Group in Bronx NY, spoke of the potential for Green Infrastructure and development. Hers was a success story of one individual building a consortium for activities around reclamation of neighborhood buildings and culture. There was a training and environmental stewardship component that between 2003 and 2008 had an employment rate of 85% in addition to the 10% of youth participants that went on to college. As a neighborhood, all learned that green infrastructure reduced the wear and tear (and cost) of gray infrastructure.
    - Hill Harper, actor and author of Los Angeles CA, spoke about personal examples to make a difference in community—the city's families piece. Critical thinking skills, passion and courage are needed to move communities forward. This begins at home and moves outward. He also presented an interesting acronym—FEAR=False Evidence Appearing Real. Change is difficult, but necessary for forward progress.
    - , White House Director of Intergovernmental Affairs, spoke about immigrants as an economic development tool and necessity. Statistically, 41% of all

Fortune 500 companies were founded by immigrants. Immigrants are 30% more likely to form their own business than native born Americans. The brain drain is compounded by the fact that many aliens come here for education and then take those skills back to their homeland to compete against US industries. If allowed to stay here to work, we would not be training our competition.

  - Ed Rendell, former Governor of Pennsylvania, spoke about the decline of US investment in infrastructure, transportation infrastructure in particular. As recently as eight years ago, the US was #1 in the world in infrastructure (as rated by the World Economic Forum). Today, we are #15 overall, with our airports ranked as 33rd in the world. In the 1950's US spending on infrastructure was 12.5% of GDP. Today, we spend 2% of GDP on infrastructure. $1 billion investment in infrastructure improvements can create 25,000 to 35,000 jobs that cannot be outsourced. Deteriorating condition has become a significant public safety issue. Government is encouraged to invest in public infrastructure by following the private sector model—private sector does not expect to grow a business without investing in itself.

- *Ed Glaeser*, Professor of Economics and Director of the Taubman Center at Harvard University discussed the current state of US cities. He stressed the need to think differently about charges, fees and services as we recognize that community demographics and needs have changed (e.g., congestion pricing instead of only taxes for road construction and maintenance). Many of the conclusions are taken directly from his research for the book *Triumph of the City.*
  - Research tells us that the densest counties have populations that earn about 50% more than less dense counties. (This correlates with conclusions of Michigan Futures.)
    - Worldwide, urbanization correlates positively to happiness.
    - Average commute time and method impact local economics, culture and happiness.
  - Knowledge is more important than space in cities.
    - People working together—spaces like employee bullpens—are more productive. Facilitate "office happenstance."
    - Best local development tool is to attract smart people. Skill and college degrees DO equal wealth.
    - Small business sustains more jobs than large corporations.
  - Urban environments have larger need for public safety and government.
    - People living side by side have greater ability to contract a deadly disease or be killed than in a rural area.

Workshops:

- "*Guarding the Public Checkbook*" is a proverbial seminar in the Leadership Training Institute offerings. However, this year there was a different emphasis as more and more communities face severe revenue declines. Instead of just discussing how the relationship between staff and elected officials works best in terms of budget oversight, there was significant time spent on the sorts of "fixes" and tactics NLC's Center for Research and Innovation has learned are being

practiced by communities trying to balance the decline in revenue with the expectation of service in their communities.

- Increase fund balance: Assess how much from fund balance has been spent to maintain a balanced budget during the recent decline. Based on that information, the expected minimum of six months operating expenses may have to be increased to sustain services and/or a balanced budget.
- Know the difference between recurring and non-recurring funds: Remember that growth spurts, permit increases and the like, are NON-recurring revenue because they cannot be expected to sustain at the same level. Build reserves, pay down debt, improve infrastructure or facilities with these monies.
- Close the General Fund Structural Imbalance: Revenues matching expenses is not enough. Recurring revenues matching expenses is a truly balanced budget. However, when fund balance exceeds the necessary amounts calculated under the first point, then, sometimes those unrestricted revenues can be used.
- Identify the cost of employee salary and benefit packages: Troy has done this through their restructured contracts and retirement packages over the last 14 years. It was a good story to be able to tell.
- Prepare long-term financial operating plans: Multi-year budget projections can be early warning systems for shortfalls in retirement programs, deferred costs, salary projections and non-recurring funding (e.g., grants) impacts. It can be tempting to spend current savings in the current year. Future impacts must be assessed before that happens. Again, our Three-year budget process with the five-year projection was a great story to tell.

- *Small Business Financing:* The workshop focused on local tools such as revolving loan funds, microenterprise programs and public, private, and non-profit partnerships designed to jumpstart small business financing. Both speakers talked about having a vision and plan. Then, communities are best served if they target the CEOS and entrepreneurs who want to live the lifestyle of your town.
    - Lesia Bates Moss, President/CEO of LBM & Associates and former President of Seedco Financial Services, Inc. spoke about alternative lending and targeted recruitment. Private sector partnerships can do more than simply provide, or point to, capital for small business. Many firms can assist in targeting resources, packaging the “ask” and evaluating potential for expansion or location. Doing the preparation work in a deliberative fashion can lead to better, faster commitment of capital.
    - Bill Fulton, Mayor of Ventura CA, told the story of Ventura overcoming its anti-business reputation, lack of access to capital for local businesses and its realization that there were no technology start-ups in Ventura. These three together seemed to spell doom for any business growth in Ventura. The plan to overcome these obstacles was an integrated approach—downtown redevelopment, permitting, venture capital investment and a business incubator to equal success:
        - Anti-business image solutions: Economic summits with members of city management and elected officials, Chamber of Commerce, business leadership.

Restored the relationship with the Chamber of Commerce. Cleaned up the permitting process, which required a change in the attitude of staff—from "my way or the highway" to "how can we get this done in 48 hours?"

- Lack of access to capital solutions: Stepped up business outreach. Coordinated free technical assistance, including how to make business decisions and which ones to make (partnered with business leadership and the academic community). Used government's ability to loan more freely. The county economic development loans were targeted to downtown which needed improvement and synergy (redevelopment loans).
- Losing out on technology start-ups solutions: Ventura created $5 million dollars through a bond process. $3 million was invested in a venture capital fund. $1.6 million stayed in Ventura for loans and improvements. $400,000 was used to fund a business incubator. High priority was placed on "buzz." City hosted pitch meetings between the start-ups, venture capitalists and academics. Mayor showed up for support to all. City targeted web-based technology for the incubator. The evolving downtown area became a showcase for high-tech. Downtown amenities are critical for high-tech workers. Downtown business development escalated with the improved permitting.

- *Civic Engagement and Service:* This roundtable workshop was designed to extract the best practices for encouraging residents of all backgrounds, skills, ages and experience to join discussions around public policy and decision-making.
    - Messaging was identified as an obstacle. Recognition of generational differences in preferred communication methods and the necessity for clear framing of goals and expectations are critical elements for success.
    - Government must act as the "convener" not as the "provider."
    - Change is difficult for leadership, staff and citizens. Concerted effort must be made to change the expectation of responsibility for all these groups.
    - Everyone must be able to tell the positive story of happenings in the community, as well as bring ideas to mitigate the negative realities, or perceptions. These must be intentional, inclusive discussions.
    - Some ideas shared: Beulah ND has a Quality of Life Advisory Council which shares ideas with the mayor and council regarding what would make Beulah a better place to live. (Council members learned that the answers from citizens were different from the answers council members had contemplated.); Cupertino celebrates volunteerism with a volunteer luncheon provided by the Optimist Club.; Tempe AZ conducts a Volunteer 101 series which moves community volunteers through a progressive path to leadership—first stage is an elementary series working toward identifying and developing individual leadership skills and characteristics; stage two is completion of a volunteer project in the community; stage three is access to Leadership Tempe through the Chamber of Commerce.
- *Social Media: The New Face of Local Government:* I moderated this session which included extensive question and answers regarding the practicality and legal consequences of cities, and

their officials, using social media such as facebook, twitter, SeeClickFix.com, etc. as ways to communicate with and involve citizens.

- The practical aspects were discussed by Matt Leininger.
    - Online communication cannot replace face-to-face interactions.
        - Strength of face-to-face is real time dialogue and feedback among participants.
        - Strength of online communication is that it is easier to recruit participants in a short period of time.
    - Recognize the digital divide.
        - Not all segments of the population want or have access to electronic communication. Therefore, complete stakeholder representation is difficult.
        - Expose the differences, catalog them and eliminate the gaps.
    - Electronic and social media are good ways to lay out options, or background, for problem-solving.
        - Options must include solutions beyond those available only for government.
            - It must be clear that local government cannot always implement the quickest, most direct solution. (e.g., people using SeeClickFix sending in pictures of potholes on the Interstate and expecting the city to fix them)
        - With open transparent process, stakeholders can be trusted to arrive at acceptable solutions.
- The legal aspects/consequences were presented in scenario format by Todd Hale, Partner, Lewis and Roca LLP, Tucson AZ. (I have delivered the summary handout to the City Attorney.)
    - The body of case law surrounding online communication and social media is still building. However, the rulings so far have most often taken the position that the same communication rules apply to these methods as to other, more traditional methods.
        - First Amendment, Open Meetings Act, Freedom of Information Act, public record laws of the state, etc. apply in cases of electronic communication and data. Electronic data cannot be deleted, just as paper communication cannot be shredded, before a given period of time has elapsed.
    - Facebook pages, particularly those of the city or city departments, are most probably considered to be a “designated public forum” for legal purposes. At minimum, they would be a “limited public forum.”
    - It is in the best interest of cities to have a careful, clearly stated municipal policy surrounding social media and electronic communication.
        - The policy needs to be tailored to actual and expected use.

- Annual documentation signed by each public employee and elected official stating review and acceptance of the policy should be kept.
- Designate a single official, or employee, to approve and post content to official city sites. (I relayed our practice of designated people for each department, which seemed to be acceptable—if all understood and adhered to the social media/electronic communication policy.)

Committee Meetings and Activities:

City Futures Panel on Democratic Governance:

- Mike Huggins, City Manager from Eau Claire WI, Matt Leininger, Executive Director of the Deliberative Democracy Consortium, and I were the featured panel for an academic seminar which was part of the Participatory Governance Initiative at Arizona State University's School of Public Affairs. We shared the recent history and focus of public engagement activities in America's cities, NLC's City Futures initiatives, strengths and weaknesses of the various practices and our own personal experiences.
- I presented to the NLC Board of Directors a resolution on civility, fashioned after one I had been sent by the American Bar Association. The American Bar Association House of Delegates, during their 2011 annual conference, had passed a resolution promoting Civil Public Discourse. Their resolution called upon lawyers, ABA members, government officials and employees, political parties, the media, advocacy organizations, and candidates for political office and their supporters to strive toward more civil public discourse in the conduct of political activities and in the administration of the affairs of government. The NLC Board passed the resolution unanimously (copy attached) and will be charging all member cities to promote and model positive, respectful communication and informed public decision-making practices consistent with the First Amendment and other federal, state and local laws.
- At the Democratic Governance panel meeting:
    - We unveiled the new *Planning for Stronger Local Democracy: A Field Guide for Local Officials,* which is downloadable from the NLC Website under the "Resources" tab. This is a two-part guide featuring a series of assessment questions followed by ways to develop the civic infrastructure necessary for a culture of public engagement and inclusive problem-solving. There are examples of positive practices on almost every page.
    - Christine Ortega, Manager of Community Affairs and Grass Roots and Communication and Strategic Outreach for NLC Corporate Partner Southwest Airlines addressed the panel on partnership opportunities. SWA employees can provide volunteer service in their communities and earn a free ticket for community organizations with each 40 hours credited.
    - Kelly B. Campbell Rawlings, PhD., of the Participatory Governance Initiative at ASU's School of Public Affairs shared her research and teaching focus of the capacity building

ability of public engagement in public problem-solving and decision-making. The panel followed up with a discussion on potential academic research possibilities.

- Lyssitrata "Lyssa" Hall, Landscape Architect I with the City of Phoenix, shared particulars of Phoenix's Citizen Forester program, a green infrastructure program run by Phoenix Parks and Recreation Dept. The program trains and then uses community volunteers to plant and maintain the tree populations in city parks.
- Dan Matthys, Communication and Information Planner for the City of Cary NC, presented Cary's Virtual Interactive Planner (VIP). This internet-based planning tool was designed to provide citizens and customers of Cary with an interactive program that guides users through the development process, reduces confusion and intimidation often associated with complex, comprehensive land development processes and gives a clear, consistent "one-stop" place for answers to questions.

NLC Nominating Committee:

I was privileged, once more, to have been appointed by the NLC President, to serve on the League's nominating committee. The duties of the committee were to select from a pool of candidates a slate of officers—President, First Vice President and Second Vice President—and 21 Board of Director candidates. The process was: a public nomination hearing on November 10; November 11—individual interviews with the committee and the four nominees for Second Vice President followed by committee deliberation and decision (Interviews were not conducted with the First Vice President and President candidates because the NLC system is one of automatic upward rotation.); presentation and election at the Annual Business Meeting on November 12. The committee was comprised of 13 individuals representing a diversity of backgrounds, titles and experiences and chaired by Immediate Past NLC President, Ron Loveridge, Mayor of Riverside CA.

<u>Annual Business Meeting:</u>

There were changes to policy suggested by each of the Policy Committees. Some of these were accepted and added to federal policy. Others were sent back to the committees for further discussion. The slate of officers and directors was elected as presented. This information is available on the NLC Website. A copy of the policy changes has been delivered to the City Manager.

R.E.B.