

# COST OF GOVERNMENT COMMISSION 2015 – 2016 ANNUAL REPORT

## Evaluation and Recommendations of the Adoption of a Council-Manager System of Government in Maui County

### EXECUTIVE SUMMARY

The form of local government for any municipality should represent the underlying values and aspirations of its constituents. Maui County has historically been led by an elected mayor with responsibility over executive powers (e.g., budget and appointment of department heads) alongside an elected County Council with legislative responsibilities. The question of a change in the form of government has been expressed in various bodies starting with the 1976 Charter Commission until the present day. In September 2015, representatives from both the County Council and Mayor's Office asked the Commission to evaluate possible changes in the form of government from the current structure to a Council-Manager form of government.

#### A. FINDINGS

The Commission has been focused on the expressed values of stakeholders concerning a possible change from a Mayor-Council form of government to a Council-Manager form of government. Pursuant to its Charter mandate to support the County's declaration of policy, the Commission decided to investigate whether a change in the form of government would lead to substantive improvements to the transaction of public business in Maui County government. Based on its investigation, the Commission offers the following findings.

1. A Council-Manager form of government will not necessarily result in lower expenditures in providing public services. This conclusion is primarily based on the consensus of academic literature and studies that have found there is no substantive difference between a Council-Manager and Mayor-Council form of government in terms of government spending.
2. A Council-Manager form of government is not a necessary condition for professional, qualified management at the Chief Administrative Officer (CAO) level. More stringent qualifications for CAOs are sometimes found in job descriptions, but need not exist in municipal ordinances or charters. The Commission could not determine, using the evidence available, whether the adoption of a Council-Manager form of government would directly lead to more qualified CAOs than a Mayor-Council form of government.
3. A Council-Manager form of government will not necessarily reduce turnover costs at the CAO level. This is because there is little difference in the median turnover rate of CAOs at the national level when compared with the turnover rate of managing directors historically in Maui County. Evidence concerning the average tenure of department heads between a Council-Manager and Mayor-Council form of government could not be found.

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4. A Council-Manager form of government will not necessarily result in lower overall executive costs. Even if the Mayor's position were eliminated, there is no guarantee that the council manager's salary and executive administration costs would be lower than that of the Mayor's Office, nor is there a guarantee that department head salaries would be any less. It is possible that executive costs could rise under a Council-Manager form of government. These findings were completed assuming that the current functions and tasks of the Mayor's office would be retained with the change to a Council-Manager form of government.
5. A Council-Manager form of government will likely have no effect on the acquisition of advantageous terms for general obligation bonds or County financing. The financial health of the County has more to do with the County's fiscal policy, tax base, economy and structure of long-term obligations than its form of government.

A discussion of the evidence that underpins each respective finding can be found in the proceeding sections of this report.

## **B. RECOMMENDATIONS**

Based on the findings summarized above and discussed further below, the Commission offers the following recommendations.

1. The decision to change the form of local governance for Maui County should not be based solely on issues of economy/efficiency or cost savings between Council-Manager or Mayor-Council forms of government. Instead, the decision should also include values concerning:
  - a. Minimizing political influence on County officials
  - b. Accountability of County officials
  - c. Representativeness of County officials to their respective constituencies
  - d. Retaining checks and balances between legislative and executive branches of government
  - e. Ensuring that any change goes through proper due process and evaluation

The Commission encourages the Maui County Council and Special Committee on Local Governance to systematically evaluate the above values against various forms of government to inform their decisions as to possible change to Maui County's form of government.

2. Update existing department-level performance measures to make them more operational, accessible, frequent and commensurate with County-wide plans and executive vision.
3. Grant the Maui County Council the right to vet mayoral appointments either by letter or in a formal hearing. The vetting process would necessitate that the Mayor's Office provide relevant job descriptions and appointment qualifications for appointees. The vetting process would not be mandatory but could be called with the Council having the right to provide an opinion on the qualification of appointees without the right of refusal for the appointee.
4. If a Charter amendment to move toward a Council-Mayor form of government is deemed appropriate by the Maui County Council, it should be proposed by the Charter Commission.