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March 27, 1992

**TO:** Susan Kosinski, Program Officer, AID/ DC  
Anne Chermak, Program Officer, AID/ Sofia

**FROM:** Gladys Bunce, Project Director  
Institute of Public Affairs, USC

**RE:** Cooperative Agreement EUR-00180/A-00-1079-00

**TRIP REPORT: January 11 - February 19, 1992**  
**Local Government/ Public Administration Project - Bulgaria**

From January 11 - February 19, 1992, I was in Bulgaria with three teams of advisers to conduct the first intensive visit in USC's local government and public administration training project. (A trip in November which was conducted under the USIA grant included an introduction to this project.) I arrived a week earlier than the first group of advisers in order to assure that preparations were complete.

Prior to my arrival, Blagovest Georgiev from the Center for the Study of Democracy, our subcontractee organization in Bulgaria, visited municipal offices in all three cities to discuss the project and the arrangements. From the November visit we had identified a contact in each city to help publicize the courses and assist in selecting participants. I provided Mr. Georgiev a statement in Bulgarian describing the topics to be covered during the January/ February visit; he delivered and discussed it with these contacts (see attached statement).

Program presented.

The first team of two advisers arrived on Saturday, January 18, and began their course in Sofia the following Monday. After three days they moved from Sofia to Plovdiv and the following Saturday another team of two arrived in Sofia. This pattern continued until three teams had arrived and begun rotating in a set pattern from Sofia to Plovdiv to Varna. (See attached schedule).

The first day in each city, the course was offered for elected officials; the second and third days were for senior appointed staff. The course was held each morning from 10am to 1 pm; more informal question and answer sessions were held in the afternoon from 2:30 to about 4:30.

We had asked for twenty to twenty-five participants in these sessions and generally that is the number who attended. Sometimes there was a large crowd (usually in Sofia) and sometimes there were fewer (usually in Plovdiv). Also in Sofia there were a few participants from national ministries, including the Ministry of Finance during the session on budgeting and finance, who had been invited by city officials or who knew about the course from the newspaper.

We had good press coverage in all three cities. In Sofia, there were articles in Democracia and I was interviewed for a popular radio program "Horizons." In Plovdiv, filmed coverage of the first topic appeared on the evening news and there was also a story in the newspaper. In Varna a radio journalist taped the sessions and said she planned to play the material back on her program.

The topics covered in this visit with a brief description of information included follows.

- Organizational management. Ed Thomas (USC) and Rich Ellis (UT). Ed Thomas discussed the concepts of "leadership" and "organizational change." Mr. Ellis explained the idea of "strategic planning." Then the team went through a strategic planning exercise (that continued in the afternoon) with both elected officials and with appointed officials and explained how this tool could be used in organization management. Participants were asked to identify the critical issues facing their municipalities. Next, they were asked to prioritize those issues. Finally, they were asked to identify and prioritize possible strategies for dealing with those issues.

Participants clearly thought this was a useful and interesting approach but were uncertain how they could adopt it when their cities are in "crisis." This comment was probably most often raised in Plovdiv where the city government is least organized and seems to view itself as under siege. Advisors stressed the importance of using a systematic approach to problems to assure orderly development even in difficult times.

- Finance and budgeting. Holley Ulbrich (Clemson) and Jim Finane (UT). Dr. Ulbrich focused on the role of local government in a market economy and sources of revenue for local governments. Mr. Finane discussed the budget process, including discussion of use of budgeting as a planning tool. Dr. Ulbrich's experience in presenting a course on local government finance for the World Bank and Mr. Finane's experience with city finance offices in a variety of US locations complemented each other, provided background to answer wide-ranging questions, and lent credibility to their explanations.

- Personnel administration. Steve Hays (USC) and Joe Muscatello (UT). Dr. Hays and Mr. Muscatello covered a wide range of topics in the area of personnel: recruitment and selection (including role playing and critiquing a job interview), job analysis and classification and compensation, discipline and removal, development of personnel policies and procedures and performance evaluation. Methods, such as a probationary period for new employees (to respond to the concern about motivation and loyalty) and

restructuring a department (to be able to dismiss ineffective or unneeded workers and to avoid restrictions on dismissal under the Labor Code), were suggested.

Also during this visit we provided handouts for participants translated from English to Bulgarian with the first and third topics. Comments on participants' evaluations were that the handouts were especially useful. Chapters on "Staffing" and "Organizing" from Managing the Public Organization, a book published by the Congressional Quarterly and co-authored by Dr. Hays (USC) were distributed. In addition, a number of personnel forms used in developing job descriptions, in job analysis, performance appraisal, and other aspects of personnel administration were provided. Based on requests for specific information about expenditures and revenue for US cities of comparable size, Dr. Ulbrich has provided a set of data which will be distributed during the next visit.

In addition, in each city we left a set (in English) of certain short articles on the topics presented that could be used by interested individuals. On the next visit, I will ask whether this material has been used and decide whether to translate any of it into Bulgarian. I video-taped the presentations with a camcorder. These tapes (approximately 30 hours) will be edited, the English deleted, and converted to a system compatible with Bulgarian video recorders. Copies will be left in each city for review and viewing by staff who were not able to attend the course.

#### City by city impressions.

Despite being the three largest cities in Bulgaria, these cities are very different.

\* Sofia. Sofia is large enough that the city suggested different participants for each topic, according to the specialty of staff. The same group of elected officials were expected to attend throughout the course; each party was asked to select persons to attend based on its representation on the Council. In Sofia the main contact was the International Office.

Each Monday of the three weeks that we were there, the Chairman of the Municipal Council met with the new team of advisers to welcome them and to discuss the issues which he considered to be most important for Council. This was useful as a formal introduction and to give some credence to our visit, but the discussion of issues was too general to provide much guidance. Each week on Tuesday, the senior staff member closest to the topic being presented (the Deputy Mayor or Secretary of the Municipality) met with the advisers for a similar briefing.

Sofia is very conscious that it is the national capital and by far the largest city, and considers itself the most cosmopolitan. The city is much more accustomed than the other two to having foreign "experts." Even while we were there, they were preparing for other teams that were presenting advice on other aspects of local government.

\* Plovdiv. Of the three cities, Plovdiv was the most disorganized and the least responsive. We still have not identified the best person with whom to work in Plovdiv. The Director of Protocol, Mr. Dimov, was the person whom I approached for assistance with appointed staff. One of the councilwomen helped with elected officials and tried to attend regularly simply because she was interested; I am not sure that she has enough influence to be our best contact on the Council. The elected officials who attended most regularly all three sessions were two pensioners who had free time to participate.

Appointed staff who attended in Plovdiv were from the twelve sub-municipalities, either the secretary or the appointed mayor. Most of them had only been in the position since the beginning of January and were very uncertain of their future. Their selection was based on party recommendations; thus those who are not from the Mayor's party are not trusted and cannot expect much job security. One of the main concerns in Plovdiv continues to be how to determine loyalty of employees and the city seems to expend considerable energy on who are communists and what current party affiliation is.

In Plovdiv there was no official recognition of our presence; I had the sense that they thought we were doing these sessions for our own benefit until my final meeting with Mayor Thomasian. He commented that staff from the central municipal authority had not been attending, not because of lack of interest or belief that they knew everything, but simply because they were too overwhelmed in dealing with day to day problems; their absence was not a reflection on our program but on the way city is doing business in Plovdiv.

I had two meetings with the Mayor while I was in the city--on arrival and at the completion of the program. During each visit the Mayor raised concerns and asked for advice from the advisors. The first time he was trying to determine how to limit access to his time when citizens felt they must present their problems to the Mayor himself. We suggested a number of possible solutions. The second time he was considering hiring a staff person as an "Executive Assistant" to handle administrative responsibilities and wanted to know whether this was a good solution. After considerable discussion about the organization of the city and practice in the US, we confirmed that it was an appropriate solution and he seemed satisfied. He seems inclined to deal with issues as they arise rather than began looking at approaches to handling problems in general. He gives the impression of being completely overwhelmed and weighed down with the burden of his office and uncertain about where to begin; he certainly does not relish the role that he has.

\* Varna. Of the three cities, Varna is the best organized and most progressive in developing a strong and effective local government; it is also the most eager to learn from outside advisers. Being farther away from the capital may be a definite advantage. We were told that even under the communist government, Varna had a tendency to go its own way.

The Secretary of the Municipality and several Deputy Mayors regularly attended all the courses. During most of the sessions, they also ate lunch with us in the City Restaurant on the ground floor of the Municipal building. (This dining hall, run as a benefit for city employees, is also open to other customers as a restaurant. The other cities also operate employee dining facilities, but not on a for-profit basis to the general public). Having lunch together provided an informal setting to continue some of the morning discussions.

Stanka Raikovska, Secretary of the Municipality, runs the city, almost in the way a professional city manager in an American city does. She had the best understanding of the idea that this was a cumulative course and that we wanted to have a regular group of around thirty appointed officials throughout the two days over a three week period. She had her staff there, eager and ready to learn.

On the other hand, attendance by elected officials was not very good. The Chairman of the Municipal Council is domineering and he may not have considered it important to have other members attend. On the last day of the third topic, only four members attended: the Chairman, a pensioner, a Council member who works for the city, and one regular member. The Chairman was very interested and usually attended all three days on all topics.

In all three cities, we were surprised that the number of municipal employees is relatively small. The following numbers are rough estimates:

Sofia:	central - 400	sub-municipalities - 250	total - 650
	(about 180 municipal companies - about 65,000 more)		
Plovdiv:	central - 130	sub-municipalities - 120	total - 250
	(I have no information on municipal companies)		
Varna:	central - 135	sub-municipalities - 165	total - 300
	(13 municipal companies - about 1500 more).		

City functions are still not clear and there is overlap between the central authority and local government. For instance, although the Local Government Act states that public safety is the responsibility of local government, police services are still based in the Ministry of the Interior. However, in Varna Ms. Raikovska mentioned that there are sixty municipal police with an office in the Municipal Building. In fact these policemen serve to protect municipal property, not to protect citizens. While a local government law was passed in September 1991, like other legislation adopted under the socialist regime, it will probably be revised. This lends an air of uncertainty and contributes to the sense of chaos.

## Related activities.

During this visit (and since my return) my office has pursued several other avenues of support for local government in Bulgaria. A brief description of these activities is included below:

- **Sister Cities.** This trip I took the standard Sister Cities introductory material for the Embassy (since the national Sister Cities office is doing nothing to promote Sister Cities between the US and Bulgaria). USIS staff said they would have the leaflet translated into Bulgarian and distribute it. Since winter of 1991, I have been pushing a Sister City relationship between Columbia and Sofia. At the end of my visit, I was assured by officials in Sofia that it was 90% sure that Sofia would agree; however on his visit to Columbia in early March, Mayor Yanchulev was not willing to sign the agreement, stating that the relationship had still not been approved by Sofia's Municipal Council. Once this is settled, so that Columbia has a Bulgarian sister city, I will look for matches with American cities for other interested cities in Bulgaria. Varna and Charleston, SC, may be a possibility and Knoxville and Plovdiv another possibility.

- **Peace Corps.** The Peace Corps in Bulgaria will open six multi-resource centers in cities around the country this spring. I discussed with the Director the possibility of making materials and other information available to local governments at these locations to expand the impact of this project. He is enthusiastic about cooperation in this area. Handouts from this visit were provided to his office for copying and distribution to interested Volunteers.

- **Mayors' visit.** This month mayors from eight of the nine largest cities in Bulgaria have studied local government in the United States on a USIA International Visitors program. Their first stop after Washington, DC, was a visit to South Carolina because of the local government projects USC is conducting. They were in Columbia from March 7 - 10 (3 full days); their schedule is attached. Their visit gave us an opportunity to introduce the AID local government/ public administration project and to promote its expansion beyond Sofia, Plovdiv, and Varna. Because we had hoped to execute the Sister Cities agreement during this visit, it also gave us a chance to focus on Sister Cities relationships. In addition, we used their visit to promote the municipal association idea.

- **Municipal Association.** This project ties in closely with a USIA grant that the Institute has to develop a Bulgarian municipal association. Just as in November, during the first visit we promoted both projects, during this visit I discussed the municipal association idea with key persons in the three cities, to determine if progress had been made. In Varna, I was told that the central government was hindering organization of such an association but that a resolution had been signed by representatives of 29 cities at a meeting on December 8, 1991, sponsored by the Konrad Adenauer Foundation whereby cities governed by the former opposition agreed to work together. I was told that Sofia had not signed, preferring to reactivate an organization from the previous regime that had promoted city relations between the old USSR and East European cities.

I did not hear these comments during the Mayors' visit—either about the prohibitions of a municipal association by the central government, or any reluctance to be involved on the part of the Sofia mayor. While the mayors were in Columbia, we discussed the possibility of a Mayors' Conference in late May; the eight who were here committed their support for such a meeting.

Also during the Mayors' visit, the Mayor of Stare Zagora mentioned that in his region he and mayors from seven smaller municipalities had been meeting monthly to discuss problems they have in common and share solutions they have developed. This is clearly the beginning of a municipal association approach; we will try to build on it and may suggest that he present their cooperation as a model at the Mayors' Conference in May.

- Under the USIA grant, six young Bulgarians (aged 25 - 35) are working in government offices in Columbia from March 21 - May 15. As part of their internship experience, we are preparing them for the role of trainers in their own cities on their return. One of their first training assignments will be a presentation on their internships at the Mayors' meeting at the end of May.

#### Issues, observations and areas of concern.

Identified below are some of the concerns we confront in developing this project.

- In all three cities, there were comments about the continuation of strong central control and how it hampers development of effective local government. An interesting variable is how the different cities perceive these constraints and how much initiative they are willing to take. In Plovdiv, the tendency is to wait for instructions from Sofia and to complain about the power of the central government. In Varna which benefits from strong leadership, the tendency is to go ahead and see if the central government reacts; thus Varna is much further along in developing effective local government. Creating an attitude that encourages initiative is something the Mayor's office in Plovdiv has not been able to accomplish.

Because of these comments, at the end of my stay in Bulgaria I met with two key officials at the national level to discuss possible presentations on the role of local government in a democratic society to central government authorities during the spring visit. Krassen Stanchev, Program Director of the Open Society Fund and a former member of the Grand National Assembly, arranged for and accompanied me to two appointments.

First, we met with Alexander Premartarsky, Chairman of the Commission for Administrative Buildings and Local Self-Government of the National Assembly. He was amenable to further discussion of the possibility of the sort of workshop I am proposing. Also he mentioned that the Labor Code (which is very restrictive of dismissal) is being considered for revision but is not a priority issue before the National Assembly.

The following day I met with Liliana Georgieva, Head of the Local Self-Government Department in the Council of Ministers. In the past, her office was responsible for drafting legislation in this area but is being overlooked by the Ministry.

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**It was the assessment of both Mr. Stanchev and me that she is a holdover from the communist regime and may not last long in this position.**

**- All three cities inherited a local government structure that includes sub-municipalities with elected mayors and municipal councils. The Local Government Act of September 1991 states that further legislation will be passed to deal with the status of these entities; so far that legislation has not been passed nor is it clear how the issue will be resolved. In the interim the mayor of the greater city has appointed mayors to these posts. The proper role of these sub-municipalities continues to be an issue in all three cities, but particularly in Sofia and Plovdiv.**

**- In these cities there is already an underlying tension between the Mayors' offices and the Municipal Council. The Councils are huge: 101 members in Sofia, 65 in Plovdiv and Varna. This is a holdover from the communist regime; the same model was used in the Soviet Union. As the National Assembly reviews legislation passed prior to the elections of October 1991, it is likely that local government legislation will be revised. However, it is not high priority (legislation dealing with the economy will be considered first).**

**The chairman of the Municipal Council is the only paid member. Council operates with a committee structure but has no staff. Meetings are called irregularly. These restraints suggest that elected Councils will have limited effectiveness and will be pawns of the Mayors or that a limited number of Council members will be well-informed and will dominate the Councils, such as pensioners who have the time to spend on Council business.**

**- One of the major questions raised in each city was how American cities handle city owned property and manage their municipal companies. Advisers explained that American local governments do not normally operate businesses and own little property except buildings for city offices.**

**In Bulgarian cities, municipal governments operate companies and own a large number of buildings and real estate. At the same time the national legislature is discussing privatization of government owned companies, municipalities rely on these companies as their only independent source of revenue. At some point municipalities will have to confront the issue of where revenue will come from when these companies are privatized.**

**- Some things are beyond our control. For instance, we have to work with the elected officials who are in place and who have been in office only a short time. The mayors are not able to attend; their responsibilities limit time for extended training. At least in Sofia and Varna we have the sense that the Mayor's offices support what we are doing and considers it important. I believe that Plovdiv also supports the program, they are just less aware of the proper protocol to demonstrate their support.**

**- Also we cannot control who attends; all I can do is stress the kind of persons for whom the training is planned and request regular attendance, but all the people are dealing with a number of daily problems and feel drawn to handle those crises. Varna**

understood our objective best, that is we were presenting a cumulative course and participants should commit to attend throughout the three week period. We did keep attendance sheets for all sessions but these are not completely accurate because some people arrived late, left early, or neglected to sign.

- By the end of three weeks, I had the sense that participants may tire of seminar presentations; therefore I am recommending a modification in the training approach for the next visit. Despite our efforts to make the presentations interactive while we invited questions and comments throughout the morning sessions (as well as during the open-ended question and answer periods in the afternoon), advisers were regularly identified as prominent American professors who were "reading lectures" at the Municipal Offices. To counter this I explained that American universities often consider public service a part of their missions, and that the public service institutes represented by the advisers were examples of this broad mission.

- So far we have not identified the appropriate institution with which to work to develop a training of trainers approach. The interns who are currently in Columbia (described above) are being trained for this role for the moment.

- While the Center for the Study of Democracy has been very capable as far as making logistical arrangements (such as hotel reservations, transportation arrangements, and selection of interpreters), I have been disappointed that the coordinator for the project or any other staff have not shown interest in the substance of this project or developing a role for the Center in relation to local government such as the one USC's Institute of Public Affairs plays with local governments in South Carolina. I have discussed this with the Center director but seem not to have made much impact; we shall continue to raise this issue. One of the interns currently in Columbia is from the Center and she is assigned to the Institute. I hope that she may provide this interest on her return.

- During this visit I noticed that there are more and more foreign organizations working with local government in Bulgaria. I wondered how city officials could absorb and process so much information. Some of the other programs that I encountered are the Know-How Fund, the Konrad Adenauer Foundation, the Nauman Foundation, PHARE (EC), and Ouverture (EC). There are also visits by experts on particular topics; transportation and public utilities are two I heard about.

While I was in Bulgaria the Know-How Fund conducted a two-week residential program for local government staff in Lovech; I visited it the weekend before leaving Bulgaria to meet Robert McCloy and discuss their training program. They had asked nine cities to select three senior employees (Sofia was allotted five) to attend their course in Lovech; in addition mayors from the same cities were invited to attend for a day and a half. Plovdiv had been invited to participate but the Mayor told me they declined because of participation in our project. My impression is that it was difficult to maintain the same number throughout the two week period and that people were arriving and leaving as their schedules allowed. Focusing on the three largest cities, attempting to reach more officials in each, taking the project directly to the participating cities, and making several training visits have distinct advantages.

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**I am less familiar with the other programs but have the impression that they involve bringing groups of local officials to Sofia for a workshop on some aspect of local government. Our approach with regard to these programs will be to try to keep informed about what sorts of programs they are providing and avoid duplication as much as possible.**

### **Evaluation.**

**In each city I met with a senior official at the end of the visit to discuss the results and possibilities for the next visit. Their comments were favorable; indeed, they are so gracious that it is difficult to get them to make any critical comments. They felt the sessions had been useful and that their staff had benefitted.**

**We also distributed a simple evaluation form on the last day of the three topics. Comments were very complimentary. A comment often heard was that approaches we described might work in the US but that they were beyond the resources of Bulgarian local government. Another comment was that the American advisers needed to be better informed about Bulgaria. Frankly, I think this is a way of reminding us that only Bulgarians can really be experts about Bulgaria. Our advisers have briefing books that include the key local government legislation and articles on Bulgaria. I have stressed the importance of becoming familiar with this material.**

### **Recommendations for the May visit.**

**Based on the experience of the January/ February visit, I am suggesting certain revisions for the next visit which will take place in May. Rather than sending four advisers on the four different topics and having participants in seminars, I suggest that two sets of advisers present seminars on two of the four topics: program analysis, implementation, and evaluation (which was not included in the first visit) and local government accounting (a continuation of the finance and budgeting topic). In addition resident advisers would be assigned to each of the cities for three weeks. This would allow them to get to know the cities well, to follow-up on training topics initiated with this first visit, to provide consultation on specific problems, and to organize seminars for small groups on particular areas associated with the three project topics from this visit. In Plovdiv, the Resident Adviser can organize small group meetings for the Mayor and his Deputies on particular problems they identify, such as we did this time on a spur of the moment basis.**

**In addition to working with the municipal government of Sofia, the person assigned to the capitol would participate in special seminars for central government officials as well as other specially selected seminars. In April I will again meet with the Chairman of the Local Self-Government Commission in the National Assembly and the Head of the Local Self-Government Department of the Council of Ministers. I will also try to see staff at the Ministry of Regional Development and Housing (I met two**

**members of the staff in Lovech) to discuss this project and seek their support.**

**I discussed this approach with officials in each city at the end of this visit and they found the idea appealing. To further lay the groundwork for this approach, I will spend a week in Bulgaria in early April and will visit each of the cities to discuss how the resident adviser will work with the city. We will identify particular issues or problems with which such an adviser could assist and consider how to integrate him into the management of the city. Two advisers, Mr. Ellis and Mr. Finane, from this visit have been identified for Plovdiv and Sofia; a third person Jim Budds, who has extensive local government experience, is being submitted for approval for assignment to Varna.**

**At the end of the May visit, we are planning a conference of mayors to push the municipal association idea. Some of the advisers from this project will stay a few extra days to participate in that event; this will result in a savings for both projects.**

**SCHEDULE: January - February, 1992**  
**(this version of the schedule shows events in each city)**

**SOFIA**

**January 20-22**      **Organization management component (Thomas, Ellis)**  
**Monday, 1/20**      **Elected officials**  
**Tuesday and Wed.** **Senior employees**

**January 27-29**      **Finance and budgeting component (H.Ulbrich, J.Finane)**  
**Monday, 1/27**      **Elected officials**  
**Tuesday and Wed.** **Senior employees**

**February 3-5**      **Personnel systems component (S.Hays, J.Muscatello)**  
**Monday, 2/3**      **Elected officials**  
**Tuesday and Wed.** **Senior employees**

**PLOVDIV**

**January 23-27**      **Organization management component (Thomas, Ellis)**  
**Thursday, 1/23**      **Elected officials**  
**Friday and Mon.**      **Senior employees**

**Jan.30-Feb. 3**      **Finance and budgeting component (H.Ulbrich, J.Finane)**  
**Thursday, 1/30**      **Elected officials**  
**Friday and Mon.**      **Senior employees**

**February 6-10**      **Personnel systems component (S.Hays, J.Muscatello)**  
**Thursday, 2/6**      **Elected officials**  
**Friday and Mon.**      **Senior employees**

**VARNA**

**January 29-31**      **Organization management component (Thomas, Ellis)**  
**Wednesday, 1/29**      **Elected officials**  
**Thurs. and Friday**      **Senior employees**

**February 5-7**      **Finance and budgeting component (H.Ulbrich, Finane)**  
**Wednesday, 2/5**      **Elected officials**  
**Thurs. and Friday**      **Senior employees**

**February 12-14**      **Personnel systems component (S.Hays, J.Muscatello)**  
**Wednesday, 2/12**      **Elected officials**  
**Thurs. and Friday**      **Senior employees**

## **OVERVIEW OF THE ORGANIZATIONAL MANAGEMENT WORKSHOP**

**Ed Thomas and Rich Ellis  
January 20 - January 31, 1992**

**The topics included under the broad heading of Organizational Management include the role of local government officials in regard to policy-making; management and delivery of services; decision-making; planning and control; creation of an environment for change; leadership; supervision; and methods to improve morale and motivation. These topics provide a critically important foundation upon which the other topics to be covered during the project will build. During the first visit, we will focus on leadership, creation of an environment for change, and the strategic planning process.**

**Our objectives will be as follows:**

- 1. To help municipal officials understand the concepts of leadership and the strategic planning and management process.**
- 2. To empower the officials by helping them understand that they have both the responsibility and the opportunity to chart the future course of their municipalities.**
- 3. To demonstrate a decision-making process.**

**On the first day we will present a brief overview of the concepts of leadership, change and strategic planning, illustrating how each is linked to the other. Emphasis will be placed on engaging the participants in discussion so that we can tailor the presentations to their current concerns and interests.**

**On day two we will focus on a more in-depth discussion of leadership and the elements of a strategic planning process. On day three we will explore the creation of an environment for change and sustaining change over time.**

**We will be available during the afternoons of each day for individual or group questions and consultations as needed.**

**As an option, if elected officials and senior appointed officials can arrange their schedules to be with us for all three days, we can expand the presentations and engage the participants in an actual strategic planning process. We can focus on a particular issue or concern and work with the group on the development of a plan to deal with the issues. This would be our preferred approach. In a time of such organizational chaos and rapid change, municipal leaders have considerable discretion in how they organize to meet the demands being placed on the cities. Such questions should be dealt with in a systematic, strategic manner rather than being resolved on an ad hoc basis. This option would give the participants the opportunity to engage in a decision-making and planning process dealing with actual issues they are facing.**

## **OVERVIEW OF THE FINANCE AND BUDGETING WORKSHOP**

**Holley Ulbrich and Jim Finane**

**January 27 - February 7, 1992**

**This workshop will focus on three broad areas. First, the role of government and particularly local government in a market economy, which will be discussed the first day. We will review some of this material briefly on the second and third day to the extent that it is necessary background to the other topics. The second area, revenue sources, that is taxes, fees, charges, licenses, and payments for services of public enterprises, will be presented the second day. Finally, budgeting and expenditure management will be the topic for the third day.**

**In terms of the role of government, we will begin with a discussion of why western economies have such a strong preference for markets and a limited role for government in terms of efficiency and freedom as economic goals. We will then acknowledge the existence of certain kinds of goods and services that markets are ill-equipped to provide; in these cases, there is a need for government intervention, either directly by providing the good or service or indirectly in terms of regulating or discouraging or encouraging private production. However, one must be realistic in terms of what government can achieve, so we will talk about some of the problems of government involvement in production and distribution. Finally, we will address the roles of different levels of government and what kinds of activities are best suited to each level.**

**On the second day, we will focus on revenue sources for local governments and the mechanics, advantages and disadvantages of each source. We will start with taxes, and spend some time on the property tax -- how it works, what some of the incentive and distributional effects are and how productive it can be. Then we will look at other local taxes, such as retail sales, payroll or income, excise taxes (including accommodations, especially for cities like Sofia and Varna), motor vehicle, and others. We will also consider the business license which is an important local revenue source in many countries. Next we will consider fees and charges for various public services both as a revenue source and as a rationing device, and how those fees and charges are set and where they are appropriate to use. In Sofia, we plan to talk about tax exporting -- collecting taxes from people who do not live in the city but benefit from its services. Finally, time permitting, we will talk briefly about intergovernmental grants.**

**On the third day, we will discuss budgeting and expenditure management. We will start by describing a typical budget process, and the roles of the principal players in a budget process. Next, we will address the need for a good budget process, what the uses (and abuses) of budgeting are, with emphasis on performance and efficiency measurement, and expenditure control. This will lead into the selection of a budgeting system and the strengths and weaknesses of each system. Time permitting, we will also cover methods of revenue and expenditure forecasting.**

**PERSONNEL ADMINISTRATION IN LOCAL GOVERNMENT  
AN OVERVIEW OF COURSE OBJECTIVES**

**Steve Hays and Joe Muscatello**

**February 3 - 14, 1992**

**Personnel Administration involves the recruitment, selection, evaluation, compensation, training, motivation, and disciplining of the people who constitute the work force of the municipality. Local government services are highly labor-intensive, with personnel expenses (salaries, fringe benefits, and retirement pay) taking up the largest share of most cities' budgets. Thus, a municipality's greatest investment of time, resources and money is involved with its personnel. Maintaining a competent and motivated workforce enhances the delivery of city services, improves the government's efficiency, and thus affects the quality of life for all the city's residents. For this reason, the personnel function should receive a high priority from all municipal decision-makers.**

**The presenters will be prepared to discuss a wide range of issues relating to the design and operation of government personnel systems. Our intent is to provide a very general overview, followed by discussion and responses to specific questions. Depending upon the participants' interests, the Personnel Administration Overview Course will include information on the following topics:**

- 1. An explanation of basic terms and definitions relating to personnel administration, and a discussion of the role that personnel management plays in city government;**
- 2. An overview of personnel techniques designed to attract and select the most capable job candidates available, including discussions of recruitment procedures, testing and interviewing strategies;**
- 3. A discussion of personnel assessment procedures that can assist cities in evaluating their current staffing needs. Job analysis strategies leading to the review and establishment of "staffing standards" (appropriate levels of workers by job function) will be described;**
- 4. A look at job classification techniques, including the writing of job descriptions, the design of compensation plans, and approaches to performance evaluation;**
- 5. An interpretation of how personnel procedures may be codified into a city's legal charter, as well as discussions of other legal issues (city ordinances, city liability to civil lawsuits, and related matters);**
- 6. Examples of employee evaluation strategies, position descriptions, and other documents will be available.**

**COLUMBIA SCHEDULE FOR MAYORS: March 7 - 10, 1992**

**SATURDAY, March 7**

**Arrive from Greenville, check-in at Governor's House, 1301 Main Street**

**SUNDAY, March 8**

**10:15 am Meet Anita Floyd in hotel lobby to leave for tour of Mills House and Woodrow Wilson Boyhood Home. Historic Columbia Foundation**

**12:00 Lunch**

**2:00 Mayor's Summit, meeting with South Carolina mayors  
Columbia City Hall, 1737 Main Street  
Robert ("Bob") Coble, Mayor of Columbia  
Stephen Creech, Mayor of Sumter  
John Nave, Mayor of Greenwood**

**Barbeque dinner with Mayor Coble and other mayors. Sydney Park**

**MONDAY, March 9**

**7:00 am Breakfast as guests of the Columbia Sertoma Club, Capitol City Club.  
Meet Glenda Bunce and Peter Korn in hotel lobby to walk. AT & T  
Building, 1201 Main Street (top floor)**

**8:45 Depart AT & T Building for University of South Carolina  
9:00 Workshop on municipal governance. 429 Gambrell Hall**

**Welcome and general description of the work of the Institute with local government. Dr. Jane Massey, Associate Director, Institute of Public Affairs**

**Background on the Institute's programs on local government in Bulgaria, Glenda Bunce, Project Director**

**Overview on the structure of local government in the United States. Dr. Timothy Meade, Professor of urban politics, University of North Carolina at Charlotte**

**Break**

**Organizational management: Leadership in local government  
Edwin Thomas, Director, Center for Leadership and Public  
Management, Institute of Public Affairs, University of South  
Carolina and Adviser on Bulgaria project**

- 12:30 Lunch**
- 2:00 Workshop (continued)**  
**Financial management. Dr. Holley Ulbrich, Professor of  
economics, Clemson University and Adviser on Bulgaria project.**
- 6:45 Leave for supper**
- 7:00 Potluck supper with Sister City Committee, home of Peter and Patti Korn,  
117 S. Sims Avenue**

**TUESDAY, March 10**

- 9:00 am Depart from hotel**
- 9:15 Benefits of an association of municipalities.**  
**Don Wray, Executive Director, and Jim Rohe, staff, Association of  
Municipalities of South Carolina, 1529 Washington Street**
- Break**
- 10:45 Leadership South Carolina (continue at Municipal Association offices)**  
**Ann Yancey, Director, and Dave Ames, Alumnus of Program**
- 12:00 Tour of State House. Lobby, ground floor.**  
**Meet Senator Joe Wilson, presentation to South Carolina Senate.**  
**(ceremonial activities)**
- 12:30 Lunch**
- 2:30 Discussion with Andrew Smith, Director of Research, SC Advisory  
Commission on Intergovernmental Relations. IBM Building, 1333 Main**
- 4:00 "Economic climate and investment opportunities in Bulgaria," Todor  
Tchourov, Deputy Chief of Mission, Bulgarian Embassy, Washington, DC.**  
**Time for discussion with mayors and Chamber of Commerce members.**  
**Greater Columbia Chamber of Commerce, 930 Richland Street**
- 5:30 Wine and Cheese Reception sponsored by Columbia Sister City  
Association. Greater Columbia Chamber of Commerce, 930 Richland St.**
- evening Dinner, free time, pack.**

**WEDNESDAY, March 11**

- 6:00am Depart hotel for airport**
- 7:10 Depart Columbia on American Airline flight 1298**