

Central and Eastern Europe Local Government and Housing Privatization

Prepared for the Office of Housing and Urban Programs
Agency for International Development



ICMA
Consortium Report

Consortium Members

International City/County Management Association
Urban Institute
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National League of Cities

**TECHNICAL ASSISTANCE
TO CITY LEADERS
FROM POLAND AND THE CZECH REPUBLIC**

FEBRUARY 1994

Prepared for the Office of Housing and Urban Programs
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Prepared by

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National League of Cities

**INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION
USAID Project No. 180-0034
USAID Contract No. EUR-0034-C-00-2034-00
Local Government and Housing Privatization
Request for Services #68**

ABSTRACT

This report describes the National League of Cities' educational program for elected leaders from Poland and the Czech Republic, held November 8, 1993 - December 8, 1993. The goal of the program was to help strengthen the municipal management and leadership skills of Polish and Czech local government officials. The programs activities included formal training sessions on effective municipal leadership and management, peer-to-peer roundtable discussions with American city leaders, and structured networking with members of NLC officials.

EXECUTIVE SUMMARY

At the request of USAID and ICMA, the National League of Cities (NLC) organized and implemented a second set of educational programs and structured networking sessions for city leaders from Poland and the Czech Republic. This initiative took place in conjunction with the 70th Annual Congress of Cities and Exposition hosted by NLC on December 1-5, 1993 in Orlando, Florida. In addition to conducting programs at the Congress of Cities, NLC coordinated study visits with US municipal officials and community leaders in Orlando and Atlanta, Georgia. The goal of this project was to help strengthen the municipal management and policy leadership skills of local government officials in Poland and the Czech Republic.

The structure and content of the 10-day program included the following:

- Formal training sessions of effective municipal leadership and management, in areas such as housing, infrastructure rehabilitation, financial planning, and land use planning, that present the American experience and relevant case studies that are transferable to the needs of officials in Eastern and Central Europe.
- Peer-to-peer roundtable discussions with American city leaders focused on sharing practical experiences in the conduct of city government. Policy areas for focus included soliciting citizen input, community consensus building, public/private partnerships, and intergovernmental relations.
- Structured networking with members of NLC's Board, Advisory Council, International Municipal Consortium, members and suppliers of municipal products and services.

I. BACKGROUND

During August, 1993, National League of Cities hosted a group of nine mayors and deputy mayors from the Czech Republic under the auspices of the subcontract on Local Government and Housing Privatization from USAID/ICMA (RFS#59). One of the important lessons learned from that experience was the value of peer-to-peer dialogue between elected officials from the US and from countries in Central and Eastern Europe. While the context of governing is different, the process of decision-making, the demands on elected officials, and the necessary leadership skills are very similar. In recommendations following the Czech visit, NLC stressed the importance of continuing to give attention to the needs of local elected officials as they deal with the important municipal management and policy issues relating to housing, infrastructure, land management and other areas.

At the request of the U. S. Agency for International Development (USAID), and the International City/County Management Association (ICMA), National League of Cities (NLC) organized and implemented a second set of educational programs and structured networking sessions for city leaders from Poland and the Czech Republic. This initiative took place in conjunction with the 70th Annual Congress of Cities and Exposition hosted by NLC on December 1-5, 1993 in Orlando, Florida. In addition to conducting programs at the Congress of Cities, NLC coordinated study visits with US municipal officials and community leaders in Orlando and Atlanta. The goal of this project was to help strengthen the municipal management and policy leadership skills of local government officials in Poland and the Czech Republic.

The NLC-sponsored Congress of Cities is the largest annual gathering of municipal elected officials in the U.S. Each year three to five thousand mayors and council members from communities large and small convene for this event. The convention delivers dozens of highly focused educational programs targeted to benefit elected policymakers. Prominent figures from U.S. national government (including US Presidents, cabinet members and Members of Congress), from business, from academia and from electronic and print media, keynote the conference. In addition, the NLC Board, its officers, committees and members conduct regular business meetings. At no other time during the year are so many of the nation's top city leaders and experts on municipal issues gathered in one place.

II. PROGRAM PARTICIPANTS

With the exception of Peter Tajcman, none of the representatives from the Czech Republic had visited the United States before. Three members of the Polish delegation previously had participated in U.S. study tours. While both the Czech and Polish officials acknowledged regular contacts with peer local officials from Germany and France, neither group had any contact with American municipal officials in their home country. Finally, despite the fact that the local elected leaders from Poland and Czech Republic are experiencing similar problems, no member of the Czech team had ever been in contact with any member of the Polish team.

A. Czech Delegation

Mr. Frantisek Dohnal, Mayor of Jihlava, Chairman of the Presidium of the Union of Towns and
Communities of the Czech Republic
Mr. Jan Klausner, Mayor of Prague District #4
Ms. Hana Demlova, Mayor of Pardubice
Mr. Jindrich Sebesta, Mayor of Prasily
Mr. Peter Tajcman, President, Urban Research Institute, Prague

B. Polish Delegation

Mr. Leszek Bobrzyk, Mayor of Lublin
Mr. Piotr Mync, Deputy Mayor of Szczecin
Mr. Zygmunt Lukaszczyk, Mayor of Zory
Mr. Jacek May, Deputy Mayor of Poznan
Mr. Jerzy Bielawski, City of Poznan
Ms. Franciszka Cegielska, Mayor of Gdynia

C. Interpreters

Mr. Radovan Pletka, Czech
Mr. Martin Gregor, Czech
Ms. Malgosha Nowakowski, Polish
Mr. Piotr Graff, Polish

D. USAID Representatives

Mr. Steve Giddings, US Agency for International Development
Mr. David Olinger, US Agency for International Development
Mr. Anthony Zarr, US Agency for International Development

E. Trainer & Facilitator

Mr. Jim Kunde, Coalition to Improve Management in State/Local Gov't.

F. Program Manager

Mr. James Brooks, National League of Cities

III. PROGRAM OUTLINE

The structure and content of the 10-day program included the following:

- Formal training sessions on effective municipal leadership and management, in areas such as housing, infrastructure rehabilitation, financial planning, and land use planning, that present the American experience and relevant case studies that are transferable to the needs of officials in Eastern and Central Europe.
- Peer-to-Peer roundtable discussions with American city leaders focused on sharing practical experiences in the conduct of city government. Policy areas for focus included soliciting citizen input, community consensus building, public/private partnerships, and intergovernmental relations.
- Structured networking with members of NLC's Board, Advisory Council, International Municipal Consortium, members and suppliers of municipal products and services.

IV. PROGRAM SPECIFICS

The activities developed under this project took place from Sunday, November 28 to Wednesday, December 8. Meetings were held in Orlando, Fla. and Atlanta, Ga. Under the heading of program specifics are five sub-headings: US Federal System; Interaction with American Officials; Housing and Infrastructure Issues; Leadership Roles for Local Officials; and NLC Structure and Operations.

A. U.S. Federal System

In order to establish a foundation of fundamental terms and principles for all subsequent education and training programs, the first formal presentation focused on the basics of the U.S. federal system. Topics of discussion included municipal government structure and organization, taxing and regulatory authority, municipal revenue sources, role of political parties, relationships between cities and states, and relationships between cities and the U.S. national government.

The discussion provided an opportunity to compare and contrast the U.S., Czech and Polish systems. Both the Poles and Czechs were particularly interested in the county level structure in the U.S. For the countries of Central and Eastern Europe, the laws on operating structures for local governments are as yet incomplete. Debate continues on the merits of greater centralization versus greater decentralization. The American model emphasizes having a variety of independent and autonomous local governing structures, each with authority over taxing and spending. Other models, such as the French model, provide for a stronger central government at the national level, with fewer local level government units, each having less autonomy.

Secondly, the authority and organization of U.S. city and town governments are different than in Poland and the Czech Republic. In the U.S., the *average* city council has seven members

including the mayor. These officials are volunteers who hold other jobs for their livelihood. Generally the election process at the local level is nonpartisan. By contrast, the Poles have huge city councils and smaller governing boards that are still large by American standards. The substance of the discussion focused on how the American city officials were able to be effective in managing so many diverse municipal functions. (This topic was pursued in greater depth during the sessions on leadership roles for municipal officers.)

Comments received from the program participants indicated that more time could have been spent on a discussion about U.S. local structures, federalism and the interrelationships of city, state and national governments. It was recommended that a short written document be provided to all participants describing the U.S., Polish and Czech governmental systems. Such a document might have made a more extensive analysis of the differences and similarities between the three nations possible and more enlightening.

B. Interaction with American Officials

The main reason for organizing this education and training project in conjunction with NLC's Congress of Cities was to take advantage of the talents and experiences of thousands of U.S. elected officials who attended the convention. The Polish and Czech leaders were able to engage their American counterparts in very practical discussions about local decision-making, city management reforms, and public policy development and oversight. The American officials with whom the visiting leaders interacted were from communities of all population sizes representing diverse geographic regions. Because Orlando was the host city, meetings were arranged with four members of the city commission and the chief administrator.

Opportunities existed for both formal presentations and informal question and answer sessions. For example, NLC's senior officers and leadership, including president, Donald Fraser, Mayor, Minneapolis, Minn., and 1st vice president, Sharpe James, Mayor, Newark, N.J., met with the Polish and Czech delegations as part of the program schedule. However, the program was designed to provide enough flexibility for the Poles and Czechs to make requests for ad-hoc sessions on topics of particular interest. In one instance, members of the Czech delegation casually were introduced to Councilman Jack Hebner of Spokane, Washington, whom they learned had experience in financing an incinerator project in his city. On their own initiative, the Czechs asked Councilman Hebner to provide a detailed presentation on his city's experience with the construction and financing of the incinerator. This presentation was incorporated into the schedule so that both the Poles and Czechs could learn from the Spokane experience.

The most important insight or lesson learned as a result of the peer-to-peer discussions related to the problem solving model practiced by many of the most progressive city governments in the United States. In every instance, the American elected leaders stressed the value of open community dialogue in developing consensus solutions to the most difficult problems. While this process does take more time and requires a greater investment of energy and human resources, the solutions tend to be lasting and permanent. In addition, the American municipal officials actively engage in partnerships with businesses or community service groups. The

advantage to such a partnership is that the local government can stretch services by using the added resources of the various partners. In practice, the whole partnership consortium has resources greater than the sum of its constituent parts.

The Poles and Czechs do have some experience with partnership arrangements. These have been evident in the area of infrastructure finance where cities and commercial developers have undertaken joint-ownership projects on such structures as municipal parking garages. Unfortunately, neither the investment climate nor the private volunteer sector have developed to a level sufficient to allow for an aggressive partnership agenda. Nonetheless, the process for engaging such groups and integrating various sectors of the community into one whole that is working toward a common goal was instructive.

In comments from the evaluation forms, the visiting officials indicated that they liked the extensive interaction with their American counterparts. Practical information was exchanged not only between the Americans and the foreign officials, but between the Poles and Czechs themselves. This fact alone was a major success of the program because it demonstrated the real need and value of cross-fertilization between two nations inside the region of Central and Eastern Europe. This finding corroborates the evidence gathered during the November 1993 meeting of several national municipal associations in Krakow, Poland, organized and delivered by ICMA and NLC under a different grant. The Krakow program also followed a multi-country approach.

C. Leadership Roles of Municipal Officials

In providing services and information to U.S. elected municipal officials, National League of Cities delivers education programs and training workshops on the topic of leadership development. The training is designed to teach a variety of approaches and options used to solve problems of public concern. Situational cues are explained in order to help the elected officials know when a particular problem solving process might be used. Part of the leadership training program includes review of the many "roles" of municipal elected officials. These "roles" are not necessarily those defined by law but are those carried out in practice to implement the will of the community.

For the visiting Czech and Polish officials, NLC delivered a specialized leadership training program. Over the course of three days, the officials interacted with Jim Kunde from the Coalition to Improve Management in State and Local Government. Mr. Kunde walked the group through a number of exercises to familiarize the Poles and Czechs with the differences between facilitative and directive leadership styles. The officials also considered the merits of a visible decision-making process that includes the general public versus a more restrictive process reserved for the political elites. Information about practical applications of leadership roles and styles was interspersed throughout the training by bringing U.S. local officials into the discussion to share their perspectives on leadership at the local level.

The theory about facilitative leadership and the important role for the elected official as catalyst and consensus builder was driven home to the Poles and Czechs time after time during the peer-

to-peer discussions with the American officials. In every case where U.S. officials were relating their experiences in addressing the toughest most divisive community problems, the solutions rested on principles of community input and consensus, and the elected officials acting as honest brokers working to find common ground between equally compelling community visions.

During the training, Mr. Kunde lead the group in a discussion of major policy issues facing their respective communities. Both the Poles and Czechs were asked to identify the problems that were most in need of solution. Together, the officials shared their thoughts and ideas then jointly prioritized the list. The top four issues that represented a consensus opinion of the Poles and Czechs were housing availability and cost, infrastructure construction and improvement, environmental protection and the poor state of relations with the national government. Mr. Kunde advised the officials that the same kind of nominal group technique in which they had participated could be used by them at home with their citizens to test local priorities and solution strategies. As part of the evaluation, the training delivered by Mr. Kunde, and his personal presentation skills, were given high marks by the Poles and Czechs for organization and content.

D. Housing & Infrastructure Issues

The program schedule was planned to include several different opportunities for the Poles and Czechs to learn about various examples of housing and infrastructure programs in the U.S.

In Orlando, the city government has implemented a homeless and transitional housing program that is recognized as an excellent model. Orlando's Mayor Pro Temp, Frankie Hellinger, who was instrumental in implementing this program, participated in a meeting with the Polish and Czech officials. Additionally, the Poles and Czechs participated in a mobile workshop at the Congress of Cities convention that toured Orlando's housing facilities.

Organized under a non-profit corporation, the Coalition for the Homeless of Central Florida, represents a cooperative effort between local governments, civic and religious leaders, area business owners and executives and countless volunteers. The campus-like housing complex provides an integrated package of services that includes employment counseling, a health clinic and child care services.

During the final days of this program, while in Atlanta, housing and infrastructure development also were highlighted in visits to The Atlanta Project and The Atlanta Economic Development Corporation. In presenting these models, it was hoped that the visiting officials would gain a greater understanding of the structure of U.S. community and economic development projects. Both The Atlanta Project (TAP) and the Atlanta Economic Development Corporation (AEDC) rely on coordinated actions among and between government, private businesses and grass roots community volunteers. Again, the emphasis was on partnership, government working in harmony with the larger community to set goals, plan and prioritize, share resources (human and financial) and measure the results.

The meeting and discussions at AEDC were the most profitable during the visit to Atlanta. Both

the Poles and Czechs were familiar with the concept of enterprise zones and they therefore could understand how this practice was applied in Atlanta. Some rough comparisons could be made between the Atlanta Southside Economic Park and the South Warsaw Airport Project. Second, the visiting officials were interested in the mechanism by which AEDC was established and how it actually operated. There was some confusion about the arms-length relationship between the municipal government and AEDC. In addition, the corporation does undertake some activities that are not carried forward by government. For example, AEDC can take on real estate development projects that entail higher levels of investment risk than the local city government will generally tolerate. Finally, through AEDC, new businesses that want to establish themselves in the city can access an expedited permitting process. This idea was one that generated much interest among the Poles and Czechs.

While it is true that in the U.S. The Atlanta Project and the Carter Center stand out as popular and effective models of community empowerment, their size and scope were not completely applicable to the needs of the Poles and Czechs. The visiting officials could comprehend the projects' overall goals and its multi-organizational structure. However, the operations end is far too complex and diverse to be replicated in Poland or Czech Republic. It is very unlikely, for example, that a private business involved in some organized relationship with a Polish or Czech local government would allow one of their senior executives to work full time for the community development project while still drawing full salary from the private business. As part of TAP, companies encourage top managers to devote as much as two years on work programs implemented under its auspices.

The brief meeting at city hall with officials and staff focused mostly on budget and finance issues. The Poles and Czechs asked about how cities organize budgets and development plans; how much of revenues are generated by taxes on property; and what kinds of special programs had to be undertaken to cope with the Olympic Games planned for 1996. The Poles and Czechs were given copies of the city's Comprehensive Development Plan.

A final note about Atlanta. Thanks to the participation of Anthony Zarr, the visiting officials were able to tour around Atlanta, see more of the city and learn its history. Having attended university in Atlanta, Mr. Zarr was very familiar with the neighborhoods and the progress of downtown development. The Poles and Czechs liked the opportunity to experience Atlanta as the local citizens might.

E. National Municipal Associations

Mr. Frantisek Dohnal, Mayor of Jihlava, is Chairman of the Presidium of the Union of Towns and Communities of the Czech Republic. Ms. Franciszka Cegielska, Mayor of Gdynia, holds a post on the governing board of the Association of Polish Cities. While in meetings with NLC's president and first vice president, a discussion included questions about NLC's operations, its funding and staffing. The visiting officials were particularly interested in the fact that 40% of NLC's revenues are generated by annual dues from members and that fees are paid to NLC in the form of conference registration fees. Neither the APC or UTC currently charge

anything above a nominal rate for dues and their conference are free.

Again, the benefit of hosting this education and training program at the Congress of Cities was that the Poles and Czechs could see how another municipal association structures and implements a national membership meeting. Of particular importance was the Annual Business Meeting on Sunday, December 5. This open general membership meeting sets the goals and policies for NLC for the coming year. The procedures for debate, adoption of policies and selection of officers and members of the Board of Directors offer one approach that the Poles and Czechs can compare to their own methods.

V. RECOMMENDATIONS

A. Regarding peer-to-peer learning:

The Polish and Czech visitors were highly, even aggressively, engaged in their discussions with U.S. elected city officials. The questions by the Poles and Czechs to their U.S. counterparts were very practical, very nuts and bolts oriented. The Americans could offer insights into the day-to-day running of local governments and the associated political ramifications that few consultants can provide. This kind of direct interaction and dialogue between elected officials must continue as part of the Local Government and Housing Privatization contract.

On a related issue, the conversations and discussions between the Poles and Czechs themselves is to be encouraged. During this program, participants from each delegation freely shared information with each other. Each group gained a clearer understanding that they are not operating in a vacuum. In fact, since the experiences of the Poles and Czechs are more closely related to one another than they are to the American experience, future educational and training programs should bring Poles, Czechs, Slovaks, Hungarians etc. together in Central and Eastern Europe rather than in the U.S.

B. Regarding skills building in municipal management for local officials:

Based on comments from the visiting officials, they want training that is more narrowly focused and that will give them skills in strategic planning, writing budgets, contracting for services, generating citizen input to policy debates and structuring municipal personnel. All these topic areas fall under the broad mission of improving municipal management and ought to be carried out under a future request for service.

C. Regarding building a strong grass roots (read volunteer) sector in the target countries:

In the American circumstance, volunteers and community based organizations are indispensable to good local governance. The resources that can be reached through volunteer networks are vast and very dedicated. The highly developed community based sector does not exist in Central and Eastern Europe. If local governments are to thrive in these nations, citizen participation must be energized. While this contract is not designed to advance such an agenda, actions to foster a volunteer sector might be incorporated to future programs that address reform of local governments, decentralization and privatization.

APPENDIX: PROGRAM ORDER OF EVENTS

ORDER OF EVENTS (Final)

Program for Elected Leaders from
Poland and Czech Republic
November 28 - December 8, 1993

- Sun. Nov. 28 Arrive Orlando: Delta Int'l Flt. #41, 3:20 p.m.;
Delta Domestic Flt.# 897, 2:55 p.m., Transport to
Wynfield Inn Westwood, 6263 Westwood Blvd,
Orlando, 407-345-8000 (1-800-346-1551) via Mears
Transportation, vans stage at 4:15 p.m., contact
operations at 407-423-5566.
- 6:00 p.m. Wynfield Inn Conference Suite, Welcome
and distribute per diem.
- Mon. Nov. 29 10:00 a.m. Wynfield Inn Conference Suite:
Orientation to Congress of Cities & NLC, review of
itinerary, distribute pre-program questionnaire,
evaluation form; answer questions.
- Tue. Nov. 30 8:30 a.m. Depart hotel for Peabody Hotel, Columbia
Room -- Overview of US federal system, roles,
responsibility and authority of local governments,
priority issues for US cities today.
- 12:00 -- Break for Lunch, Peabody Discovery Room
- 1:30 p.m. Depart Peabody via Mears to City Hall
- 2:00 p.m. Orlando City Hall, Third Floor, Mayors'
Conference Room -- Meeting with Bob Haven, city
administrator; Ms. Frankee Hellinger, Mayor Pro
Tem; Nap Ford, Mayor Pro Tem; Sheldon Watson,
Commissioner; Topics: infrastructure development
through public private partnerships, homeless/
housing issues, municipal economic development.
(Contact Tre' Evers 4-7-246-3190)
- Wed. Dec. 1 8:30 a.m. Embark on conference shuttle bus for
Peabody Hotel, Columbia Room -- Education program,
Facilitator will review goals and expectations of
CEE officials for this specific project; lead
discussion to identify common & critical issues
facing cities focusing around topics of municipal
finance and budgeting.
- 12:30 Lunch Peabody Discovery Room

Weds. cont. 2:00 p.m. Peabody Columbia Room -- Facilitated peer-to-peer discussions between Polish & Czech officials and NLC officers and Advisory Council members (Mayor Don Fraser, Mayor Sharpe James, Mayor Margaret Carpenter, Councilman Mark Schwartz). Focus on sharing practical experiences in management of city government. Areas for discussion will include municipal management reforms (such as contract management of public housing, strategic planning, public/private partnerships for infrastructure financing), soliciting citizen input, community consensus building, and inter-governmental relations.

Thur. Dec. 2 8:30 a.m. Embark on conference shuttle bus for Peabody Hotel, Columbia Room -- Education program Facilitator will focus on leadership roles of city officials in formulating and implementing capital development and infrastructure plans.

12:00 Lunch with NLC Board and Advisory Council, Peabody Hotel, Orlando III, Convention Level.

2:00 p.m. Peabody Hotel, continuation of morning program; discussion on implementing a municipal incinerator project with Councilman Jack Hebner.

Fri. Dec. 3 8:30 a.m. Embark on conference shuttle bus for Convention Center, Hall A -- Opening General Session of Congress of Cities.

10:45 a.m. Peabody Hotel, Discovery Room -- Facilitated Peer-to-peer discussions with International Municipal Consortium.

12:00 Lunch with International Municipal Consortium, Discovery Room.

1:30-3:00 p.m. International Municipal Consortium business meeting, Discovery Room.

2:45-5:00 p.m. Host city mobile workshop on shelters for the homeless & transitional housing. Depart from Shuttle Bus area.

Sat. Dec. 4 8:30 a.m. Embark via conference shuttle bus to Convention Center -- Structured networking with delegates at Congress of Cities; attend general session, workshops and vendor exposition.

Sun. Dec. 5 9:00 a.m. Convention Center, Hall A -- Attend closing general session on future trends with Norman Ornstein.

12:30 p.m. Attend delegates' luncheon -- Hall A; Attorney General Janet Reno.

2:00 p.m. Peabody Hotel, Plaza Ball Room -- NLC Annual Business Meeting -- NLC's policy debate process and governing procedures including election of officers.

6:00 p.m. Attend host city closing event at Sea World.

Mon. Dec 6.

9:00 a.m. Depart Wynfield Inn via Mears Transportation to airport -- Fly to Atlanta on Delta Flt. # 1086 at 10:55 a.m.

12:22 p.m. Arrive Atlanta, hotel shuttle bus to Holiday Inn Airport North (404-762-8411) (Sales Manager Linda Montgomery).

2:30 p.m. attend Atlanta city council meeting at City Hall (Staff Director Rob Barker, 404-330-6056).

4:00 p.m. City Hall East, Meeting with Christopher Mitchell, The Carter Center and The Atlanta Project (404-881-3400); Topics housing, economic & community development.

Tue. Dec 7.

11:00 a.m. -- Atlanta Economic Development Corp., 230 Peachtree St., Suite 16150, Robert Swan, contact Eleanor Martin (404-658-7000).

2:00 p.m. -- City Hall Building: Meeting with Councilmember Mary Davis and budget and finance staff; Topics economic and infrastructure development, strategic planning (contact Sheila, 404-330-6042).

Afternoon -- Final wrap-up and evaluation.

Wed. Dec 8.

Depart Atlanta: Delta Int'l Flt# 14 at 7:30 p.m.; Delta Domestic Flt# 1806 at 7:03 p.m.