



# TESTIMONY

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## ST. LOUIS COUNTY COUNCIL BILL 153

*By David Stokes*

Testimony before St. Louis County Council Committee  
of the Whole

### TO THE HONORABLE MEMBERS OF THIS COUNCIL

Thank you for the opportunity to testify. My name is David Stokes, and I am the director of municipal policy at the Show-Me Institute, a nonprofit, nonpartisan, Missouri-based think tank that advances sensible, well-researched, free-market solutions to state and local policy issues. The ideas presented here are my own and are offered in consideration of the proposal that voters amend the county charter to adopt a “county manager” form of government for St. Louis County.

### **The Question of Whether To Adopt City and County Managers**

While approximately 190 municipalities in Missouri have adopted professional management by either city managers or city administrators, no county in the state has yet done so. That doesn’t mean county managers are unheard of—about 400 counties around the nation

have adopted this system.<sup>1</sup> However, because city managers are much more common than county managers, the bulk of the academic literature on the question of local government management relates to municipalities, not counties. I am therefore taking the evidence from studies of city managers and applying that guidance to the question of whether to adopt a county manager form of government here.

The fundamental choice every 3rd-class, 4th-class, or charter city faces is whether or not to hire a professional city manager. There are two options: city managers or city administrators. The differences between them are subtle yet significant. City managers tend to have greater authority. They generally run the day-to-day operations of the city while the mayor and council stick to their legislative and ceremonial roles. In some cities with a city manager, elected officials can be impeached and removed from office for having contact with city employees who are under the city

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manager's authority. University City and Ellisville, for example, have that rule in their charter.

As a charter county, St. Louis would have the freedom to set up whatever type of county management system it wishes (as long as it does not violate the state constitution, of course).

Whether using city managers or city administrators, does professional management have a positive effect on local government? I believe most people assume it does. The revealed preference of larger Missouri municipalities certainly suggests as much. Four of the five largest cities in Missouri (Kansas City, Springfield, Columbia, and Independence) use the city manager system. Only the City of St. Louis does not, but clearly there are hundreds of unelected employees engaged in managing the day-to-day operations of St. Louis, as is true of any large city. St. Louis simply does not have a designated city manager or administrator. The largest city in St. Louis County that does not use a city manager or administrator is Florissant. According to a systematic review of the research on city managers (and administrators), there is strong evidence that professional management allows city officials to focus more on policy and management and less on politics. It also reduces legislation or regulation favoring particular interest groups in favor of more broadly applied policy.<sup>2</sup>

Municipalities with professional managers also experience less criminal-level government corruption, which was one of the reasons for creating the council–manager system of local government in the first place a century ago. A nationwide study of local government criminal convictions between 1990 and 2010 determined that municipalities with professional management were 57 percent less likely to experience corruption.<sup>3</sup>

On the other hand, voter participation is lower for city manager and administrator municipalities.<sup>4</sup> Taking the politics out of local government works both ways.

Regarding budget and fiscal transparency, a study of larger American cities found that those with a city manager structure consistently performed better on financial reporting and accounting measures. The authors credit the different incentives faced by city managers and mayors:

The incentives of mayors vs. CMs [city managers] as chief executive officers are quite different, which was discernable in both theoretical and empirical

models. Fundamentally, mayors are expected to seek reelection and be motivated to please key constituencies. CMs are professional CEOs who signal competence through high level financial and accounting performance.<sup>5</sup>

Other studies have determined that municipalities with city managers had more conservative budgeting and lower audit fees (because the financial reporting was more accurate in the first place).<sup>6</sup>

There is limited evidence to support the idea that professional management reduces local political conflict, increases policy innovation, or limits symbolic legislation (as opposed to actual legislation that affects people).<sup>7</sup> Reducing conflict and symbolic legislation are good things, but the evidence supporting the hope that professional management has an impact on them is tenuous. Increased policy innovation is a trickier area, because the studies assume that the innovative policies are positive ones, and often that isn't the case. Studies find that cities with professional managers contract with private firms and other governments more and that they use economic development tools more frequently.<sup>8</sup> The evidence suggests contracting with other entities can be beneficial, while the use of economic development tools invariably involves tax subsidies that rarely live up to their promises. Having a county manager increase the use of tax subsidies in St. Louis County is the last thing the county needs.

There are many policy areas in which, perhaps surprisingly, the evidence suggests conditions are not improved by having a professional manager. Cities with professional management spend the same per capita, pay employees the same, provide the same quality of services, and are equally effective in carrying out the basic functions of government as municipalities without city managers or administrators.<sup>9</sup>

The last two impacts on government service quality are key. It is relatively easy to compare cities A and B in whether they provide a service at all, the form they use to provide that service, and how much they spend on that service. Comparing the quality of that service between cities A and B is harder. A literature review from Jared Carr reveals that:

. . . scholars have more often chosen to study how form of government affects the sector choices that municipalities make for services production rather than how well they perform this function.<sup>10</sup>

Interestingly, there is no consensus about whether having a city manager or administrator system affects taxes and spending. Conflicting studies abound on this point. While some studies report limited evidence that city manager structures reduce taxes and spending, other studies have determined that cities with city managers have higher levels of taxes and spending. For the latter studies, the key insight is not that city managers caused higher spending, but that the types of municipalities that historically adopted reforms such as professional city administrators were the same types of municipalities that supported higher levels of local services. While that is a valuable historical note, it is of limited use when considering Missouri communities in 2024.

Overall, most studies on this important question have determined that the structural change of adopting city managers does not make a difference on the question of taxes and spending levels.<sup>11</sup> As Carr stated, “. . . the most common finding from the studies examining this question is that spending differences are attributed to factors other than form.”<sup>12</sup>

One risk in cities with the city manager system and strong prohibitions against elected officials contacting other city employees is that elected officials who may be on the opposite political faction of city leadership and the city manager can effectively be shut out of the information and decision-making process. If all the information an elected official has access to is filtered through the duties of a city manager they are opposing, the ability of opposition factions to function in local government is likely to suffer. While that may be seen as a feature rather than a bug for a system designed to be depoliticized, it is still problematic and subject to abuse. Such a situation happened in Ellisville in 2013, where a newly elected mayor was hamstrung by a city manager loyal to the council majority that had previously hired him.<sup>13</sup>

Professional city or county management can be an effective system for running local government, but care should be taken not to go too far in limiting the role of elected officials, especially those who may dare to ask questions of whatever current leadership team is in place. Democracy at all levels works best when there is a functioning opposition that demands accountability.

### ***Should St. Louis County Have a County Manager?***

Would St. Louis benefit from having professional

management? In 2022, several St. Louis County city managers wrote an article for the *St. Louis Post-Dispatch* recommending that both the City of St. Louis and St. Louis County adopt professional management (I am going to focus on St. Louis County). The authors argued that adopting a county manager would reduce corruption, improve public service, and address long-term issues of regional growth. Based on the research I have reviewed, the first point is likely, the second one is possible, and the third one is improbable (and an unrealistic expectation to start with).

There are important differences between city and county government that must be considered. While managing the daily governmental operations for the unincorporated areas would be very similar to a city manager, the larger, countywide operations would be starkly different. There are county operations that city managers in Missouri have no experience with, including property assessment, public health, and large-scale transportation projects. Coordinating regional issues with the 88 municipalities in the county, all of the surrounding cities and counties, and two state governments is a major part of county government in St. Louis and best left to an elected official, not an appointed bureaucrat with no experience in those areas.

Discussing change in St. Louis County without considering the crime problem would be an enormous omission. The prevailing assumption is that police are more insulated from public pressure in cities with a city manager, for better and worse, because elected officials have to respond to public demands more directly or they will lose votes. I see no reason to doubt that prevailing belief, but does it lead to higher or lower crime rates? Thomas Stucky researched that question, and he hypothesized that cities with mayor–council systems (i.e., no city manager) would have lower crime rates than council–manager cities because elected officials would respond to pressure to police high-crime areas more than professional managers.<sup>14</sup> Stucky’s analysis of the data, however, did not support his hypothesis. There was simply no evidence that the presence or absence of professional management has any effect on crime rates.

Perhaps the most direct question is whether the use of a county manager would improve the service quality of basic governmental activities. In other words, would the potholes get filled faster under a county manager? The

article in the *St. Louis Post-Dispatch* by the three city managers avoids this question, perhaps assuming that professional, nonpartisan city management equals better city services. Indeed, I think that assumption is common, and it may be correct. But the evidence for it is not as clear as its supporters would suggest. It isn't that professional management doesn't perform better than management by elected officials. It might. The problem, as Carr points out, is the lack of concrete evidence for this argument:

For decades, analysts have presumed this performance gap exists, but they have yet to empirically demonstrate that any differences actually exist.<sup>15</sup>

Appointing a county manager for St. Louis might be an option worth considering. The evidence suggests such a change could reduce corruption, improve financial reporting and budget accuracy, lead to more broadly focused legislation, reduce political conflict, and increase innovative policy thinking (for better and worse). These are beneficial examples from national studies, so the extent to which they would apply directly in St. Louis County might vary.

On the other hand, there is not enough evidence to support the claim that professional management would impact taxes and spending, county employment pay, crime rates, or the quality of county services.

As stated at the beginning, St. Louis County has great freedom in constructing its own county government system. I would suggest consideration of a county manager system that focuses the job of the county manager on the day-to-day operations of government for the unincorporated areas of St. Louis County. That would be a system very similar to the use of a municipal city manager. I would also strongly suggest that any charter changes guarantee the right of elected officials to communicate with all county government employees, not just a possible new county manager. The implementation of a county

manager should not be a way to marginalize certain members of the council who are not fully aligned with the new manager, executive, and/or council majority.

If adopted by voters, professional county management is unlikely to provide dramatic or easy solutions to the county's many issues.

## ENDNOTES

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3. Nelson, Kimberly and Whitney Afonso, "Ethics by Design: The Impact of Government on Municipal Corruption," *Public Administration Review*, Vol. 79, Issue 4, July/Aug. 2019, pages 591-600.
4. Carr, page 679.
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6. Ibid, page 211.
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8. Ibid, page 681.
9. Ibid.
10. Ibid, page 683.
11. Morgan, David R. and John P. Pelissero, "Urban Policy: Does Political Structure Matter?", *The American Political Science Review* 74 (December 1980): 999-1006. It should be noted that adoption of a city manager was one of several "reforms" considered in this guide.
12. Carr, Jered, "What Have We Learned about the Performance of Council-Manager Government? A Review and Synthesis of the Research," *Public Administrator Review*, Vol. 75, No. 5, September / October 2015, p. 675.
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14. Stucky, Thomas, "Local Politics and Violent Crime in U.S. Cities," *Criminology*, Vol. 41, No. 4, 2003, pages 1101-1135.
15. Carr, page 685.



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