

MONTANA

POLICY REVIEW

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The Montana Mayors Academy

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Introduction
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It is with enormous pride that we issue this final report on the completion of the first two Montana Mayors Academies which were funded by a generous grant from the Public Entity Risk Institute (PERI). Actually, this is more like a beginning, because the Academy was so successful that it is already viewed as an essential service to Montana's mayors. The first Academy in February 2004 had thirty participants, and word of mouth doubled the participants for the second Academy with fully one half of all of Montana's Mayors participating in 2006. The MSU-Local Government Center, our partner the Montana Municipal Insurance Authority, (MMIA), and a number of mayors have committed to finding the funding to assure the sustainability of the Academy into the future. Plans have already begun for the next Academy in February, 2007.

Consider what it's like to be an elected citizen mayor. In City Executives: Leadership Roles, Work Characteristics, and Time Management, David Ammons and Charldean Newell provide this humorous description from a former mayor of Dallas:

“Being a mayor is like walking on a moving belt while juggling. Right off you've got to walk pretty fast to stay even. After you've been in office a short time people start throwing wads of paper at you. So now you've got to walk, juggle, and duck too. Then the belt starts to move faster, and people start to throw wooden blocks at you. About the time you're running like mad, juggling and ducking stones, someone sets one end of the belt on fire. Now, if you can keep the things you are juggling in the air, stay on the belt, put out the fire, and not get seriously injured, you've found the secret to the job. You have managed to put it all together into something that works.” [Albany, State University of New York Press, 1989, page 3].

It is no surprise then, that the two Montana mayors who write about the Mayors Academy both begin their report with the question they asked themselves immediately after being elected to office – “Now what?” Where is an average citizen to find out what state laws require of them? How are they supposed to learn the limits of their authority as well as their duties?

People are often inclined to think about mayors in terms of big city, high profile personages such as Rudy Giuliani or Richard Daley. They envision complex bureaucracies, scores of department personnel, millions, even billions of dollars in revenues. However, the International City/County Management Association (ICMA) 2006 Municipal Yearbook reports that of the 19,431 municipal governments in the United States in the year 2002, the vast majority of them have populations of fewer than 2,500 residents [page xi]. A more remarkable fact is that of Montana's 129 municipal governments, 73 of them have a population under 1,000 persons, 47

municipalities have fewer than 500 persons, and five municipalities have fewer than 100 residents, tiny Ismay being the smallest at 25. While these governments serve small numbers of citizens and have a paucity of resources, they are still required to provide clean water, law enforcement, fire protection, garbage disposal and road maintenance, not to mention parks, cemeteries and dog control ordinances. The majority of mayors serve on a part time basis, for little or no pay, have no professional staff, and are required to learn their job while doing it.

The MSU-Local Government Center has long recognized the need to provide professional assistance to these public servants, but no venue existed which exclusively addressed the executive responsibilities of mayors until PERI awarded a grant to the Local Government Center in partnership with the (MMIA), to initiate the Montana Mayors Academy in 2004. We have conducted a Municipal Institute annually for twenty years, but the instruction focused primarily on the administrative responsibilities of municipal clerks, treasurers and finance officers and the policy-making responsibilities of city council members. The executive responsibilities of mayors got little attention. Now the Montana Mayors Academy has filled that professional development need.

Given the success of our Academy, we are confident that other entities in other states, will replicate our efforts, adapt our curriculum to their locally appropriate circumstances, and learn from our experience. The MSU-Local Government Center stands ready to provide assistance in these efforts. MMIA will continue to accrue risk exposure data into the future to measure the effect of the training on liability exposure experienced by participants. These data will be made available to PERI.

Many distinguished public servants have written about the importance of public service, but few have been more eloquent than the former mayor of New York City, Ed Koch, who said:

“I have as my shield ever before me the premise that public service is the noblest of professions if it is done honestly and done well . . . It is a tremendous responsibility, but there is no other job in the world that compares with it. Every day is new. Every day is dangerous. Every day is filled with excitement. Every day has the possibility of accomplishing some major success that will impact positively on the lives of the citizens. . . .”

Mayor, New York, Simon and Schuster, 1984, page. 346].

We believe that these words of praise for public service apply to all of the citizens of Montana and throughout the United States who have demonstrated their leadership by undertaking the important job of mayor. Indeed, the democratic system of government could not survive without their generous service.

THE MONTANA MAYORS ACADEMY

Kenneth L. Weaver

Anyone who has ever campaigned successfully for local elective office knows that the skills required to run an effective political campaign are not necessarily the skills needed to govern effectively. For example, consider the plight of the newly elected mayor of a small but fast growing Montana city that campaigned to run government like a business.

At his first council meeting the mayor learned that, no, he can't lawfully take money out of the water fund to fill potholes on Main Street. He also learned that the city council has to approve any and all contracts the mayor may have negotiated. How in the world, he wondered, can you run government like a business when there are so many cooks in the kitchen? And, during his first year in office, the mayor discovered to his embarrassment and at the cost of more than one hundred thousand taxpayer dollars, that the termination of a city employee, no matter how richly deserved, requires just cause, whatever that might mean.

For more than twenty years the Local Government Center at Montana State University has conducted annual training workshops for municipal officials (especially newly elected officials) aimed at strengthening their capacity to govern efficiently. Starting in 1984 with a handful of Montana municipal clerks and treasurers seeking certification from the International Institute of Municipal Clerks, our public management training programs have grown to include more than 500 municipal and county officials who enroll every year in one of the Center's six on-going certification programs. Mindful of a part-time mayor's complex responsibilities and the scarcity of helpful resources, the one group that we believed might especially benefit from an intense workshop experience was, of course, municipal mayors. Yet, this has been the one group of local officials we had the most difficulty recruiting as participants in our annual Municipal Institute, which each spring brings together and provides an intense training experience to nearly 100 municipal clerks, sixty or seventy council members and as many city attorneys. Typically, however, only a handful of mayors have been willing to join with their council colleagues to participate in the one and a half day learning opportunity. The mayors always seemed too busy, or the distance to the Institute location in Billings was too great, or it cost too much to send both the mayor and several council members. We had known for some time that we needed to design a training program exclusively for mayors but we also knew that some modest start-up grant

funding would be critical in demonstrating the value of such a training program.

Thanks to the Montana Municipal Insurance Authority (MMIA) and especially its president and CEO, Mr. Bob Worthington, we learned of a funding source that just might be interested in helping us get a training program up and running for newly elected mayors . . . but, there was a catch. The Public Entity Risk Institute (PERI) is a not-for-profit information clearing house focused on risk management education related to liability and workman's compensation issues of public and not-for-profit organizations, such as municipal governments. It is particularly interested in developing enhanced skills and knowledge of loss prevention and control strategies within small public entities. We wondered if that mission might not include risk management training for Montana's newly elected municipal mayors. A brief grant proposal submitted jointly by MMIA and the Local Government Center met with a prompt and very positive response including the commitment of \$39,700 to help fund a demonstration program that would include a substantial risk management component.

The Montana Mayors Academy now had a solid financial foundation but we still needed to design a curriculum that would meet the expectations of the funding agency, provide useful information for brand new mayors and, perhaps most importantly, actually pull mayors into the Academy from the smallest cities and towns in the most distant corners of Montana.

The Curriculum

From our years of combined experience serving in local government and working with municipal officials we were confident that there are three topic areas that are always a high instructional priority: (1) Council procedures; (2) The budget; and (3) Human resource management. Additionally, MMIA was and continues to be concerned about the frequency of procedural errors that have occurred when city councils deal with complex land use proposals. Hence, selecting the core areas of our Mayors Academy curriculum was not a difficult call. What complicated curriculum development was the need to incorporate risk management familiarization and loss control strategies into these four core subjects without reducing the whole enterprise to a risk management workshop, while at the same time squeezing the entire package into 16 instructional contact hours.

To insure that our instructional efforts would indeed accomplish our learning priorities in all four content areas while also addressing the risk management considerations of each topic, we developed behaviorally based *learning outcomes* for each of the four blocks of instruction. These learning outcomes comprise the building blocks of the curriculum and insure that the curriculum will be *learner centered*, as distinct from the typical university style *teacher centered* plan of instruction. The underlying assumption of our curriculum is that all instruction ought to be based upon the day-to-day governing needs of a Montana municipal mayor and *not* upon what is convenient for the instructor to teach.

The behavioral learning outcomes also explicitly recognize that *knowing* about something is not the same as *understanding* the subject and is certainly not the same as actually *being able*

to apply the knowledge in the art of governing. For example, a typical mayor's responsibilities do not require a detailed understanding of the state mandated budgeting, accounting and reporting system (BARS) but it usually does require that the mayor have a basic *knowledge* of the annual budgeting process and the *ability* to read and adjust the basic budget document. Therefore, precious classroom time should not be wasted teaching to a learning level that might be appropriate for a municipal treasurer but is not needed by most mayors. Hence, each learning outcome specifies the level of learning (Knowledge, Understanding or Application) to be achieved by the student as a result of the instruction. Needless to say, when the student and instructor are both responding to the same set of learning outcomes and learning levels, the opportunity for student success in the classroom is usually enlarged. As will be detailed below in the section on evaluation, the participating mayors agreed enthusiastically.

The entire set of learning outcomes encompassing all four blocks of instruction are set forth below. This is the curriculum of the Montana Mayors Academy:

I. Council Procedures:

- 1. Understand*** that the elected City Council is the municipal governing body.
- 2. Know*** that the City Council is solely empowered to enact resolutions and ordinances.
- 3. Know*** the role of the Mayor as the presiding officer of the City Council
- 4. Know*** the legal requirements for conducting a lawful meeting of the City Council.
- 5. Be Familiar*** with the most common rules of parliamentary procedure as they relate to municipal government
- 6. Be Familiar*** with widely accepted practice in developing an effective and acceptable meeting agenda for the City Council.
- 7. Be Familiar*** with generally accepted practice in facilitating Council member and citizen participation in the deliberations of the City Council.
- 8. Know*** the correct procedures for conducting a public hearing.
- 9. Know*** the risk exposure for the municipality arising from hasty or improper City Council decision-making.
- 10. Know*** the limits of personal risk arising from the official acts of the Mayor during the course and scope of his duties as the presiding officer of the City Council.

II. The Municipal Budget

- 1. Know*** the budget format of Montana Budgeting, Accounting and Reporting System (BARS).
- 2. Know*** the significance of governmental fund accounting;
- 3. Know*** basic budgeting terminology;
- 4. Know*** that the municipal budgeting process is set forth in state law.
- 5. Understand*** the relationship between limited resources, spending priorities and the goals of municipal government.
- 6. Be able to*** review a municipal budget and adjust it to conform to the government's revenues and spending priorities.

III. Human Resource Management

- 1. Know*** that the plan of government for the municipal mayor-council (commission-executive) form is set forth at Title 7, Chapter 3, Parts 1 and 2 or in a voter approved charter.
- 2. Know*** the roles of the mayor and council with respect to the supervision of employees and departments.
- 3. Know*** the typical committee structure of the council and the principal functions of the committees.
- 4. Know*** the value of a current position description for every municipal employee.
- 5. Be Familiar*** with the advantages, disadvantages and risk exposure in conducting periodic performance appraisals of municipal employees.
- 6. Be Familiar*** with the general provisions of Montana's *Wrongful Discharge From Employment* statute (39-2-901, MCA)
- 7. Know*** the risk exposure for a municipality arising from sexual harassment of/by municipal employees or officials.

IV. Land Use Planning

1. **Understand** the role municipal government plays in the *land use* matters.
2. **Know** the appropriate roles of the Mayor and the Council in *land use* decisions.
3. **Know** the appropriate functions of City Council committees.
4. **Be able** to conduct a legally sufficient public hearing.
5. **Understand** that the City Council sits as a *quasi-judicial* body on land use matters.
6. **Know** the land use theory of *takings*.
7. **Know** the risks involved in engaging in *ex parte* communications.
8. **Understand** the role the City Attorney plays in Council decision-making.
9. **Know** the legal requirements for obtaining professional services by contract.
10. **Know** the risks involved in land use decision-making.

Case Study Methodology

Given these multiple learning outcomes, the limited instructional contact time and the fact that our students were truly adult learners, most of whom already had a degree in life, *case study* methodology applied in a small group setting seemed the obvious teaching/learning strategy.

Drawing upon the considerable experience of the lead faculty, all of whom had served as elected officials in Montana local government, a complex scenario (case study) involving realistic municipal problem situations was developed for each topic area. These case studies depicted a set of decision-making (governing) requirements and circumstances that would be readily recognizable by an experienced local official but would be generally unfamiliar to a newly elected mayor. Thus, the key to initiating vigorous and instructive discussion among the participants in each of the 6-8 person working groups was the inclusion of one or two experienced mayors at each round table. These resource mayors were briefed beforehand to serve as discussion facilitators for their discussion group but to avoid simply solving the problem for the group. The lead faculty members circulated among the groups to insure that discussions were indeed addressing the learning outcomes of each topic area and to provide authoritative answers to whatever question might arise within the group that could not be answered confidently by the resource mayors.

During the four hours allocated to each case study the participants were asked first to

review the learning outcomes to be accomplished during the case study. Thereafter, they were instructed to read the background data describing the hypothetical city or town and the case scenario setting up the problem situation. Each round table was then given about an hour to do a collective case analysis. The case analysis was pre-structured with prescribed questions that had to be answered before any decisions or actions could be taken by the group. Following a report by each working group of the outcomes of their independent analyses of the problem(s) set forth in the case study, the groups were then tasked during the last two hours of the exercise to implement their collectively determined response. Each round table then briefed the entire workshop on its proposed response which was then subjected to a critique by the instructional faculty and a general group discussion. Importantly and in order to capture the most reliable formative evaluation input, immediately upon the conclusion of each case study, the participants were asked to complete a standardized evaluation document, the results of which are reported below in some detail.

In structuring the composition of each roundtable, we were mindful that the problems of a small town mayor working in an environment of very limited resources, citizen volunteer council members, and very limited staff capability are fundamentally different than the problems encountered by a mayor of a large, urban municipality (by Montana standards) with a city-manager plan of government and a fully trained professional staff. We were also mindful that a stated outcome of the Mayors Academy experience was the development of an on-going communication network among the participating mayors. To accomplish our stated learning outcomes while fostering the kind of working associations among the participants that would enable durable communication networks, made it imperative that each roundtable be composed of mayors of comparably sized cities or towns and include at least one resource mayor who was also from a comparably sized jurisdiction. The integrity of group composition was maintained throughout the four exercises and the resultant quality of intense interaction among the similarly situated mayors within each group was impressive. So too was the energized communication networks retrospectively reported by the participating mayors in our follow-up evaluation.

Evaluation

Three different evaluation strategies were applied to the project, each designed to elicit formative input that would enable us to validate or modify our instructional plan. At one level, we asked the participants to evaluate each of the four blocks of instruction immediately upon completion of each case study exercise. Secondly, we sought each participant's overall evaluation of the learning experience at the end of the two day session. Finally, we conducted a follow-up, retrospective evaluation six months after the participants had returned to their home communities and mayoral duties. Additionally, the second phase of instructional programming conducted for the mayors at our annual Municipal Institute was also evaluated by the participating mayors and although the results were as favorable as those reported below, they are

incidental to this report and are not included.

Case Study Evaluations: The following five evaluative questions were included on a pre-printed evaluation form for completion by each participant immediately following each case study:

1. *How well did this session achieve these Learning Outcomes?*
2. *Which Learning Outcomes were not achieved for you?*
3. *In general, was this block of instruction worth the time allocated to it?*
4. *How could this block of instruction be improved?*
5. *How well did the instructor/facilitator conduct this block of instruction?*

The responses to items 1 and 5 were reported on a five point Likert scale ranging from *Not Very Well* to *Very Well*. The responses to items 2, 3 and 4 were, of course, in narrative format and were tabulated as verbatim statements. All five items asked for any additional comments, which were also tabulated.

The combined average scores of both the 2004 and 2006 Mayors Academy classes for the relative achievement of the learning outcomes for each case study were:

<u>Case Study</u>	<u>Score (5 point ordinal scale)</u>
1. <i>Roles and responsibilities of the Mayor</i>	4.5
2. <i>Building the Municipal Budget</i>	4.5
3. <i>Personnel Management and Related Risk Exposures</i>	4.6
4. <i>Land Use Decision Issues and Risk Exposures</i>	4.6

Overall Evaluation: The following five overall evaluation questions were included on a pre-printed evaluation form for completion by each participant immediately following the conclusion of both the 2004 and 2006 Mayors Academy classes:

1. *How well did this Mayors Academy meet your expectations?*
2. *In general, was your participation in this program worth your time away from other responsibilities?*

3. *What changes in the instructional content or presentation would you recommend for the next Mayors Academy?*

4. *What changes in facilities, meals or support services would you recommend for the next Mayors Academy?*

5. *Would you recommend participation in the Mayors Academy to other newly elected mayors?*

The responses to items 1, 2 and 5 were reported on a five point Likert scale. The responses to items 3 and 4 were, of course, in narrative format and were tabulated as verbatim statements. All five items asked for any additional comments which were all tabulated.

The combined average scores of both the 2004 and 2006 Mayors Academy classes for items 1, 2 and 5 were as follows:

1. *How well did this Mayors Academy meet your expectations?* 4.9

2. *In general, was your participation in this program worth your time away from other responsibilities?* 4.8

5. *Would you recommend participation in the Mayors Academy to other newly elected mayors?* 5.0

Retrospective Evaluation: The following nine questions were asked of the 31 mayor participants six months after the 2004 Mayors Academy. Twenty-six mayors responded. The retrospective evaluation of the 2006 Mayors Academy class has not as yet been conducted.

1. Did your learning experiences at the 2004 Mayor's Academy increase your knowledge of the role and responsibilities as Mayor of your community?

- 22 reported "A great deal" and 4 reported "Somewhat".

2. Did the case studies presented at the Mayors Academy increase your awareness of the legal limits of governing authority and related risk exposure in dealing with the real problems of municipal government?

- 21 reported "A great deal" and 5 reported "Somewhat."

3. Were the case studies and related discussions a useful method for meeting your learning needs?

- 24 reported "Very useful" and 2 reported "Useful."

4. Since completing the Mayors Academy have you had the opportunity to communicate with any of your fellow mayors who also attended the Academy?
 - 22 reported “Yes” and 4 reported “No.”
5. Did your interaction with fellow mayors during the Mayors Academy increase the likelihood of future contact with them?
 - 12 reported “A great deal” and 14 reported “somewhat.”
6. Did your participation in the Mayors Academy increase your awareness of the assistance resources available to you as mayor of your community?
 - 14 reported “A great deal” and 12 reported “Somewhat.”
7. Did your participation in the Mayors Academy increase your awareness of the risks and the related liability coverage you have for official acts as mayor?
 - 23 reported “A great deal” and 3 reported “Somewhat.”
8. Would you recommend participation in the Mayors Academy to other newly elected mayors?
 - 26 reported “Highly recommend.”
9. Do you have any additional comments that will help us improve our next Mayors Academy?
 - All 19 responses were tabulated.

Summary and Lessons Learned

We believe that the ambitious purposes of the Mayors Academy were accomplished during the first two demonstration classes encompassing a total of some 76 mayors, comprising nearly half of all of Montana’s municipal chief executives. Our goal of rapidly increasing the governing knowledge of newly elected mayors while at the same time alerting them to the liability exposure of their governments in critical management areas was accomplished by building a curriculum of pre-stated *learning outcomes* that structured four realistic *case studies* in *council procedure, budgeting, human resource management and land use decision-making*.

An important, even critical element, in the success of our instructional methodology was the small working group environment we created in which each 6-8 member group was composed of similarly situated mayors, each group with one or two experienced resource mayors from comparably sized jurisdictions. These artificial cohorts gelled rapidly into effective and self-energizing *learning circles* that, after two days of intense interaction, also enabled the mobilization of new communication networks among our graduate mayors.

Without doubt, the unlikely partnership of an insurance company (MMIA) and a university (MSU), backed by the resources of a not-for-profit foundation (PERI) produced a new and remarkably successful program to strengthen the governing capacities of Montana's municipalities, especially Montana's smaller cities and towns. Confirmation of the success of the loss control objective of the curriculum awaits the results of a longitudinal, comparative analysis of the liability loss experience of those municipal governments whose mayors have participated in the Academy with those who have not. However, at this writing we already understand that the acid test of our demonstration project will be the willingness of the next batch of newly elected mayors to enroll in the Montana Mayors Academy and to do so without the generous subsidy of the Public Entity Risk Institute.

MONTANA MAYORS ACADEMY
Bob Worthington, ARM
CEO Montana Municipal Insurance Authority

In the mid 1980's cities and towns across Montana and the nation faced an "insurance crisis" involving rapidly escalating premiums and/or limited availability of liability insurance for municipal operations. In response to this crisis, municipalities within state boundaries joined together to form pooled risk retention programs. Montana cities and towns formed a self insurance organization that would become the Montana Municipal Insurance Authority (MMIA) in April of 1986. The vision of the MMIA was to create consistent access to coverage for municipal exposures, with a mission of providing broad form liability coverage, a stable rate structure and limited ability to exclude either certain elements of coverage or general coverage to a specific member.

As the MMIA matured, a key challenge that arose was to provide leadership training to the elected representatives of our membership. The very nature of the political process produces frequent changes in the leadership of elected officials, thus a need for on-going basic educational programs as well as providing more advanced programs for elected officials with a number of years in office. The geographic size of Montana and the number of small communities whose governing bodies meet infrequently make one-on-one or individual city educational programs very difficult to produce.

To meet the challenge of educating the leadership, the MMIA and the Local Government Center of Montana State University (Center) came together in a collaborative effort to educate

elected officials. The focus is on the key leader of each community -- the mayor. A key premise of the program is that educating the top official of each city and town would start a trend of recognizing the exposures facing local government and provide the officials with the tools to conduct an appropriate risk assessment of their operations. To finance the initial Mayors Academy (Academy), we turned to the Public Entity Risk Institute (PERI) and utilized its grant application process.

The core curriculum of each Academy focuses on elements that represent significant exposure for all Montana municipalities. These elements are: roles and responsibilities, budgeting, personnel and land use management. An analysis of the liability loss histories of the MMIA membership shows that these subjects represent elements that repeatedly produce significant claim activity for the MMIA Liability Program.

A key assumption with development of the Academy was that by providing the mayors with the tools to conduct risk assessments of their operations and understand the appropriate methodology to apply when directing the municipality in management of those operations, a reduction in liability claims would ultimately follow. We developed a database to ascertain the effectiveness of the program to support this assumption. The data process includes collection of baseline claim data for all MMIA members. The baseline time period was the five fiscal years preceding the development of the Academy. The aggregate data was sorted and we established a list of MMIA members whose mayors participated in one or more sessions of the Academy. Loss data for each fiscal year will be compared to the baseline data. The data analysis includes sorting the data and comparing the group of members represented by Academy participation with the losses from those not participating in the Academy. All data will be compared to the baseline data. The data is captured so that a variety of sorts and comparative analysis can be conducted including: number of claims, incurred dollars, paid dollars, and claim analysis by member by department

At the onset of the Academy project, it was recognized that claim and loss trends develop slowly. Therefore, it will be, at the very minimum, a period of five years from the start date of 2004 before any trends or assumptions can be quantified. That fact notwithstanding, the analysis of data since inception reveals some intriguing points for discussion. The baseline data contains trends of declining claim numbers and incurred loss costs. To date, the data shows this trend continuing, possibly even accelerating a bit. In addition, it appears the claim trends of members represented by Academy attendees are marginally better than for the total membership. However, given the limited time period and amount of data, it is too early to draw any definitive conclusions. The data collection points and data analysis are being captured in the standard quarterly claim reporting of the MMIA. Ongoing analysis will be performed as part of the MMIA's risk management assessment for our membership.

Data analysis is a key element in the assessment of any focused education project. The Academy is no exception. However, there are also a number of unplanned benefits that should be pointed out. They include:

- **Request for Risk Management Assistance** - The number of requests from MMIA members, and in particular from the Academy participants, has increased significantly.
- **One-on-one Risk Management Training** – The MMIA staff is conducting more RM 101 classes per the request of members and the requests from Academy participants have increased at a greater pace. RM 101 is a personalized, basic risk management course for elected municipal officials.
- **Depth of Inquiries** - The depth of the inquiry and the level of knowledge of the mayor making the inquiry has increased significantly. This makes the job of understanding the issues and providing usable assistance much easier and more effective.
- **Early Notification of Concerns** - Participants are notifying the MMIA much earlier of potential or actual claims or issues that represent an exposure for the member.
- **Increased Participation in Training** -Attendance at other MMIA risk management programs has increased significantly. The MMIA conducts a variety of risk management courses and projects. These include programs for the general membership as well as focused programs for individual departments, municipal attorneys, municipal clerks/treasurers and elected officials. When inquiries were made as to why individuals were attending the training, it was noted there was more support and encouragement from the elected officials. We feel this is directly attributable to the awareness of risk management provided through the Academy.
- **Testimonials** - The most telling complements are in the comments made by Academy participants during evaluation. The evaluations have consistently ranked the Academy very high. Comments include:
 - “best program I ever attended,”
 - “should be a required course for all mayors,”
 - “would like more sessions,” etc.
- **Continued Operation** – During the grant phase, the PERI funding allowed for participation of all attendees at minimal expense because the majority of the cost of participation was borne by the Academy. When asked, participants readily offered to participate at future Academies at their own expense.

The state is currently reliving the visit of Lewis and Clark two hundred years ago. While much has changed since they passed through this vast state, the challenges of today are no less daunting. Montana covers a broad geographic area and there is great economic diversity between the east and west. Principally agrarian, the eastern half of the State faces a declining economic and population base. The scenic western half of the State is generally experiencing explosive growth and economic boom. Local government is either struggling to make ends meet or struggling to keep up with huge increases in the demand for services.

These challenges are evident in the operations of the MMIA as it works to manage the risk of the membership. Management of resident demands and maintenance of infrastructure,

while different politically in growth vs. declining areas, represent the same fundamental challenge -- not enough resources to meet the needs. The ability to reach a significant number of the mayors from these communities and create a culture of risk awareness and the tools to manage that risk has, and will continue to have a significant impact on the losses incurred by the MMIA membership. The development of the Montana Mayors Academy, unique in risk management activities, is a significant step in the right direction. It has evolved into a program that is widely acclaimed by attendees and is a program that will continue to grow well into the future. Processes are in development to create a stable funding mechanism. The collaboration of the MMIA and the Local Government Center, made financially possible through PERI grant funding, resulted in the development of a management tool that is worth repetition in other political environments.

Academy Attendee's Breakout of Claims by Department

	2004	2005	2006	Totals
Administration				

	Claims	20	21	14	55
	Incurring \$	\$ 34,530.07	\$ 167,963.04	\$ 195,752.00	\$ 398,245.11
Airport					
	Claims	0	0	1	1
	Incurring \$	\$ -	\$ -	\$ -	\$ -
Ambulance					
	Claims	4	2	1	7
	Incurring \$	\$ 39,998.39	\$ 15,002.00	\$ -	\$ 55,000.39
Building					
	Claims	6	14	2	22
	Incurring \$	\$ 76,551.00	\$ 211,610.73	\$ 15,050.00	\$ 303,211.73
Cemetery					
	Claims	0	1		1
	Incurring \$	\$ -	\$ 5,000.00		\$ 5,000.00
Fire					
	Claims	4	8	6	18
	Incurring \$	\$ 951.00	\$ 15,151.28	\$ 5,870.56	\$ 21,972.84
Garbage					
	Claims	53	53	36	142
	Incurring \$	\$ 38,534.10	\$ 62,738.87	\$ 20,971.17	\$ 122,244.14
Housing					
	Claims	0	0	1	1
	Incurring \$	\$ -	\$ -	\$ 1,657.39	\$ 1,657.39
Golf Course					
	Claims	5	7	2	14
	Incurring \$	\$ 967.93	\$ 63,654.00	\$ 16,000.00	\$ 80,621.93
Parks & Rec					
	Claims	24	24	25	73
	Incurring \$	\$ 7,992.88	\$ 12,504.16	\$ 17,970.26	\$ 38,467.30
Parking					
	Claims	8	6	2	16
	Incurring \$	\$ 28,088.85	\$ 36,556.00	\$ -	\$ 64,644.85
Planning					
	Claims	1	0	0	1
	Incurring \$	\$ 16,000.00	\$ -	\$ -	\$ 16,000.00
Police					
	Claims	73	42	30	145
	Incurring \$	\$ 396,939.11	\$ 331,887.46	\$ 313,274.77	\$ 1,042,101.34
Public Buildings					
	Claims	1	4	4	9
	Incurring \$	\$ -	\$ -	\$ 7,915.00	\$ 7,915.00
Sewer					
	Claims	81	65	42	188
	Incurring \$	\$ 372,272.54	\$ 157,421.43	\$ 185,770.90	\$ 715,464.87
Sidewalk					
	Claims	18	15	10	43
	Incurring \$	\$ 177,461.33	\$ 10,850.00	\$ 51,386.50	\$ 239,697.83

Street & Road

Claims	81	60	50	191
Incurred \$	74,716.30	\$ 92,757.18	\$ 58,357.73	\$ 225,831.21

Swimming Pool

Claims	5	4	4	13
Incurred \$	694.36	\$ 29,822.28	\$ 1,650.00	\$ 32,166.64

Transit

Claims	4	4	2	10
Incurred \$	2,440.58	\$ 4,293.48	\$ 3,526.72	\$ 10,260.78

Water

Claims	37	51	34	122
Incurred \$	24,992.69	\$ 64,935.38	\$137,446.27	\$ 227,374.34

Comparison of Liability Claims and Incurred Costs All Members & Academy Attendees, 1999 - 2003 & 2004 - 2006

All Members	1999	2000	2001	2002	2003	2004	2005	2006 YTD
# Liability Claims	725	849	829	779	754	685	638	539
Incurred Cost	\$4,089,89	\$4,327,19	\$4,422,01	\$2,980,64	\$2,431,06	\$2,827,50	\$2,566,96	\$2,438,64
	1	1	8	4	3	1	3	3

Academy Attendees	1999	2000	2001	2002	2003	2004	2005	2006 YTD
# Liability Claims	482	364	469	508	380	425	383	267
Incurred Cost	\$2,743,09	\$2,944,17	\$2,822,62	\$1,891,35	\$1,461,03	\$1,257,13	\$1,282,70	\$1,033,54
	2	8	3	7	9	1	0	5

By Member City

Alberton

# Claims	0	1	0	0	2	1	0	0
Incurred Cost	\$0.00	4,100	\$0.00	\$0.00	1,501	\$0.00	\$0.00	\$0.00

Anaconda/Deer Lodge

# Claims	18	10	14	14	6	6	5	5
Incurred Cost	\$784,150	\$245,015	\$113,802	\$226,406	\$33,000	\$19,990	\$1,959	\$46,500

Belgrade

# Claims	4	2	2	8	0	0	4	3
Incurred Cost	\$93,555	\$5,080	\$18,749	\$90,996	\$0	\$0.00	\$0.00	\$5,120

Big Timber

# Claims	1	6	2	0	0	0	1	0
Incurred Cost	\$250	\$10,896	\$12,433	\$0.00	\$0.00	\$0.00	\$739	\$0.00

Boulder

# Claims	1	1	0	0	0	0	2	0
Incurred Cost	\$1.00	\$45,018	\$0.00	\$0.00	\$0.00	\$0.00	\$15,002	\$0.00

Bozeman

# Claims	34	35	34	29	28	28	28	33
Incurred Cost	192,954	260,014	430,568	463,299	146,735	\$66,125	\$53,664	\$169,824

Bridger

# Claims	0	1	1	0	3	3	0	0
Incurred Cost	\$0.00	\$250	\$1.00	\$0.00	\$4,000	\$0.00	\$0.00	\$0.00

Cascade

# Claims	0	0	0	0	0	1	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Choteau

# Claims	0	0	2	1	0	0	3	2
Incurred Cost	\$0.00	\$0.00	\$3,501	\$15,000	\$0.00	\$0.00	\$4,941	\$10,000

Academy Attendees	1999	2000	2001	2002	2003	2004	2005	2006 YTD
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Circle

# Claims	1	6	5	4	1	1	1	2
Incurred Cost	\$500	\$30,054	\$9,030	\$5,900	\$100	\$0.00	\$35,250	\$193

Clyde Park

# Claims	0	1	1	1	0	0	0	0
Incurred Cost	\$0.00	\$150	\$10,020	\$2,500	\$0.00	\$0.00	\$0.00	\$0.00
Colstrip								
# Claims	0	5	1	3	4	0	0	2
Incurred Cost	\$0.00	\$10,551	\$7,500	\$9,286	\$7,501	\$0.00	\$0.00	\$55,750
Columbia Falls								
# Claims	4	7	3	1	7	7	3	2
Incurred Cost	\$60,768	\$10,671	\$9,420	\$5,100	\$373,731	\$192,553	\$4,951	\$2,000
Columbus								
# Claims	4	3	2	5	2	2	2	0
Incurred Cost	\$145,950	\$6,053	\$600	\$55,736	\$5,949	\$954	\$12,680	\$0.00
Conrad								
# Claims	1	4	4	0	0	0	1	0
Incurred Cost	762	2,050	8,545	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cut Bank								
# Claims	3	5	29	5	5	5	4	2
Incurred Cost	\$52,700	\$47,219	\$155,940	\$26,275	\$21,350	\$8,120	\$26,898	\$2,660
Darby								
# Claims	0	1	0	0	0	1	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$611	\$0.00	\$0.00
Deer Lodge								
# Claims	0	0	4	0	5	0	0	3
Incurred Cost	\$0.00	\$0.00	\$304	\$0.00	\$10,411	\$0.00	\$0.00	\$7,900
Denton								
# Claims	0	0	0	0	0	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dillon								
# Claims	3	3	6	3	2	2	3	2
Incurred Cost	\$8,436	\$16,953	\$33,350	\$3,254	\$559	\$1,780	\$5,000	\$2,407
Dutton								
# Claims	1	0	0	0	0	0	0	0
Incurred Cost	\$14,759	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Academy Attendees	1999	2000	2001	2002	2003	2004	2005	2006 YTD
Eureka								
# Claims	0	0	3	0	2	5	2	3
Incurred Cost	\$0.00	\$0.00	\$4,358	\$0.00	\$29,320	\$1,313	\$5,257	\$678
Fairview								
# Claims	0	6	0	0	1	0	0	1
Incurred Cost	\$0.00	\$11,464	\$0.00	\$0.00	\$1,711	\$0.00	\$0.00	\$0.00
Forsyth								
# Claims	7	3	4	5	4	0	5	3
Incurred Cost	\$68,636	\$993	\$614	\$22,675	\$406	\$0.00	\$0.00	\$170
Fort Benton								
# Claims	0	1	0	0	0	2	1	1
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,866	\$0.00	\$5,000
Fort Peck								

# Claims	0	0	0	0	0	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fromberg								
# Claims	0	2	1	0	0	1	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,092	\$0.00	\$0.00
Geraldine								
# Claims	0	1	2	3	5	3	0	0
Incurred Cost	\$0.00	\$1,318	\$0.00	\$4,455	\$81,881	\$3,000	\$0.00	\$0.00
Glasgow								
# Claims	7	9	7	4	6	7	4	0
Incurred Cost	\$43,250	\$14,983	\$25,862	\$484	\$43	\$6,366	\$12,410	\$0.00
Glendive								
# Claims	8	5	12	3	11	6	5	4
Incurred Cost	\$4,444	\$809	\$24,538	\$2,192	\$9,599	\$4,467	\$9,769	\$3,500
Great Falls								
# Claims	102	71	101	89	61	76	80	40
Incurred Cost	\$316,161	\$370,304	\$1,702,194	\$175,207	\$47,435	\$433,790	\$200,582	\$57,329
Hamilton								
# Claims	8	3	0	6	9	13	7	3
Incurred Cost	\$26,281	\$51,749	\$0.00	\$150,000	\$32,138	\$50,621	\$27,345	\$32,525
Hardin								
# Claims	8	1	3	3	1	1	0	1
Incurred Cost	\$26,281	\$973	\$53,878	\$0.00	\$0.00	\$1,274	\$0.00	\$810
Academy Attendees								
	1999	2000	2001	2002	2003	2004	2005	2006 YTD
Harlem								
# Claims	1	1	1	0	0	2	0	0
Incurred Cost	\$5,895	\$0.00	\$2,947	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Havre								
# Claims	13	16	12	32	15	20	14	9
Incurred Cost	\$5,973	\$450,033	\$1,896	\$64,239	\$13,547	\$434,933	\$14,738	\$45,582
Helena								
# Claims	56	39	66	85	66	72	67	45
Incurred Cost	\$41,145,953	\$179,356	\$88,193	\$126,374	\$40,438	\$31,021	\$105,138	\$79,611
Hot Springs								
# Claims	0	0	0	0	0	2	2	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$872	\$40,000	\$0.00
Kalispell								
# Claims	33	26	32	15	15	24	17	25
Incurred Cost	\$21,110	\$97,731	\$221,367	\$236,840	\$23,804	\$74,628	\$10,986	\$31,551
Laurel								
# Claims	21	8	19	19	10	15	17	9
Incurred Cost	\$45,318	\$7,233	\$17,357	\$48,812	\$75,301	\$5,797	\$11,776	\$19,292
Libby								
# Claims	2	6	2	11	5	6	4	1
Incurred Cost	\$0.00	\$7,813	\$0.00	\$102,029	\$20,943	\$3,141	\$150	\$0.00

Lima								
# Claims	0	0	0	0	0	1	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,925	\$0.00	\$0.00
Lodge Grass								
# Claims	0	0	0	0	0	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Malta								
# Claims	2	6	1	1	0	2	1	0
Incurred Cost	\$0.00	\$247	\$290	\$3,300	\$0.00	\$904	\$0.00	\$0.00
Manhattan								
# Claims	0	2	8	0	2	1	1	3
Incurred Cost	\$0.00	\$137,523	\$9,225	\$0.00	\$1,375	\$0.00	\$467	\$16,100
Miles City								
# Claims	18	14	15	28	12	15	10	10
Incurred Cost	\$57,066	\$248,576	\$14,272	\$85,275	\$382,068	\$143,405	\$13,031	\$24,659
Academy Attendees	1999	2000	2001	2002	2003	2004	2005	2006 YTD
Missoula								
# Claims	37	39	63	52	46	64	56	24
Incurred Cost	\$101,282	\$306,595	\$201,210	\$164,516	\$185,398	\$71,327	\$358,257	\$282,938
Moore								
# Claims	0	0	0	0	1	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$146	\$0.00	\$0.00	\$0.00
Nashua								
# Claims	2	1	2	2	1	0	2	0
Incurred Cost	\$0.00	\$0.00	\$1,178	\$60	\$0.00	\$0.00	\$0.00	\$0.00
Niehart								
# Claims	0	0	0	0	0	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Plains								
# Claims	1	0	1	15	2	1	2	1
Incurred Cost	\$34,000	\$0.00	\$0.00	\$115,049	\$20	\$0.00	\$35,010	\$311
Polson								
# Claims	11	5	6	13	10	7	11	9
Incurred Cost	\$1,213	\$7,946	\$93,160	\$56,013	\$39,865	\$84,295	\$210,065	\$24,502
Popular								
# Claims	4	1	0	4	1	0	3	0
Incurred Cost	\$0.00	\$973	\$0.00	\$74,744	\$0.00	\$0.00	\$2,433	\$0.00
Red Lodge								
# Claims	12	3	3	3	4	1	3	2
Incurred Cost	\$120,906	\$145,047	\$2,804	\$14,902	\$1,196	\$0.00	\$10,100	\$1,963
Saco								
# Claims	0	0	0	0	0	0	2	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shelby								
# Claims	6	6	1	3	5	7	5	6
Incurred Cost	\$239	\$150	\$1,032	\$0.00	\$685	\$287	\$0.00	\$32,000

Stanford								
# Claims	0	0	0	0	0	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stevensville								
# Claims	0	2	3	0	5	1	0	1
Incurred Cost	\$0.00	\$1,907	\$66,774	\$0.00	\$6,503	\$837	\$0.00	\$5,050
Academy Attendees	1999	2000	2001	2002	2003	2004	2005	2006 YTD
Superior								
# Claims	0	0	1	1	1	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$17,953	\$0.00	\$0.00	\$0.00	\$0.00
Thompson Falls								
# Claims	2	4	1	2	1	5	3	0
Incurred Cost	\$0.00	\$8,183	\$2,098	\$262	\$5,000	\$889	\$0.00	\$0.00
Three Forks								
# Claims	0	2	0	0	0	1	0	0
Incurred Cost	\$0.00	\$3,500	\$0.00	\$0.00	\$0.00	\$865.00	\$0.00	\$0.00
Troy								
# Claims	7	2	1	2	0	2	0	0
Incurred Cost	\$1,425	\$22,456	\$965	\$0.00	\$0.00	\$807	\$0.00	\$0.00
Twin Bridges								
# Claims	0	0	0	0	1	0	1	1
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,600
Virginia City								
# Claims	0	2	0	2	0	0	0	1
Incurred Cost	\$0.00	\$15,001	\$0.00	\$2,860	\$0.00	\$0.00	\$0.00	\$300
West Yellowstone								
# Claims	5	2	1	1	1	2	0	3
Incurred Cost	\$2,155	\$2,715	\$1,016	\$1,520	\$1,475	\$4,488	\$0.00	\$3,228
White Sulphur Springs								
# Claims	0	0	0	0	0	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Winfred								
# Claims	0	0	0	0	0	0	0	0
Incurred Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



Montana Mayors Academy – Making Good Mayors Great!

By Dan Clark, MA

Choteau City Mayor & MSU Teton County Extension Educator

On January 2, 2002, I embarked on a new life adventure. With some apprehension, I was sworn in as the new Mayor for the City of Choteau. Being the first in the history of my family to hold an elected office I was rolling into uncharted territory. Despite the lack of familial tradition, I was excited by the challenges facing the City of Choteau and the opportunity to serve as a change agent in my community.

Municipal elections in the City of Choteau, similar to other communities across Montana, are not the blistering bed of democracy as James Madison may have envisioned. Although choice, freedom, and personal rights are still very much cherished by our citizenry, few communities find enthusiastic candidates to run for public office. As for myself, I was a reluctant, eleventh hour, write-in candidate running unopposed. If I were to mount a campaign for the office of Mayor, my slogan would have been, “Vote for Dan – He’s Better than Nothing.”

For weeks prior to taking office, I wracked my brain trying to recall lessons from my junior high civics class on government and its role in communities. I really wanted to do a good job as the new Mayor of my community. It was important to me to do the right things, but more importantly, I didn’t want to do the wrong things.

Communities of every size in Montana are facing challenges on multiple fronts. Challenges for some communities come in the form of rapid growth. Urban and suburban areas are encroaching on nearby rural communities and threatening to extinguish small town’s identity and heritage. Conversely, other Montana communities are not facing growth, but stagnation. Young people are moving to larger cities to work and raise families. Higher cost of production and low commodity prices for crops make farming a less viable employment option and many communities are losing population. There are few people left with the energy and time needed to devote to local civic or municipal efforts.

I have often described the community of Choteau as teetering on the fulcrum, experiencing neither community growth and economic prosperity nor population decline and stagnation. This is a difficult position to be in since the society we live in is very dynamic with change being the only consistent aspect of our culture. Without people possessing the right skills and leadership, communities like Choteau would not be able to navigate the often complex processes of creating a future by design rather than by default. Creating the right mix of public education, leadership and policy are essential to guiding a community to its potential.

The most valuable training I have received as a newly elected Mayor has been the Montana Mayors Academy. The topics covered and the delivery style of the Academy has added to my capacity as a leader and change agent for my community.

There are few opportunities for elected municipal officials to receive training on the role and scope of their positions. Montana State University's Local Government Center (LGC) and Montana Municipal Insurance Authority (MMIA) sponsored the first Montana Mayors Academy two years after I had been sworn in as Mayor. For me, the timing couldn't have been better. I had been in office long enough to appreciate the immediate responsibilities of the position and was seeking additional training to improve my performance as an elected official. The Academy expanded my understanding of the complex process of transitioning from a reactive community to a proactive community.

The Local Government Center and MMIA developed realistic case studies that walked the participants through an effective educational process using small group discussion and a debriefing session. Each topic covered had clearly defined educational outcomes that were reviewed and accomplished. The lively discussions were helpful by establishing a philosophical foundation for the policies, procedures and processes of local government and allowed ample time for individual Mayors to ask questions and offer specific experiences consistent with the topic.

Newly elected Mayors often rely heavily on the traditions of past administrations. However, not all traditions are appropriate or consistent with the laws, policies and statutes that govern municipalities. In the fall of 2005, communities in Montana experienced an unprecedented turnover of elected Mayors. The timing of the second Montana Mayors Academy couldn't have been better. Mayors participating in the program will be better prepared as leaders by learning how to minimize their risk and legal exposure and by understanding the role and scope of their elected office. Ultimately, Academy graduates will establish new trends and cultures in their communities and have less dependence on the traditions of their predecessors.

I have had the privilege of participating in two Montana Mayors Academy sessions. The first session, in 2004, as a participant, and the second, as a resource Mayor acting as a mentor. The strategy of having seasoned resource Mayors teaming up with newly elected Mayors for discussion creates a great learning environment. It is also a time for Mayors to develop valuable networks among themselves. Although the issues addressed in the case studies did not differ between the two events, I have learned from each event and have returned to my community and implemented something new or changed some procedural process.

I believe the training I have received from the Local Government Center and Montana Municipal Insurance Authority at the Montana Mayors Academy has given me the competence to address the dynamic needs and issues of the community of Choteau. My decision to run for a second term as Mayor, in part, is due to training I received at the Academy. I have a greater clarity of understanding my role as an elected official, a professional network with other Mayors from across the State and a support base found within the LGC and MMIA. The Montana Mayors Academy has truly made good Mayors great!

The Montana Mayors Academy
By Mayor Larry Bonderud
City of Shelby, Montana

What do I do now? I am a newly elected mayor of a Montana municipality and my community expects great things. The question is one that many newly elected Montana mayors ask themselves every day during their first term of office. There is no guide book on how to be a mayor in this state, and the vast majority of newly elected mayors have no formal training on how to govern, what are the rules under which municipal governments operate, and where can a new mayor get help.

Mayors and City Council Members can and do make mistakes. In today's world these mistakes can be very costly to the community and ultimately the taxpayer in that community. We currently have many examples of these costly mistakes all across Montana in both large and small communities. Finally, we have a new resource to help us avoid some of these costly mistakes.

The Montana Mayors Academy provides a unique opportunity for mayors to develop a true understanding of municipal government in Montana. It provides a very valuable service to every Montana community whose mayor attends.

Mayors seek office for many different reasons. The Mayors Academy instructs mayors on how to govern in a fair, equitable and legal manner. Experienced mayors who have served multiple terms also attended the Academy. These mayors serve as tremendous resources because of their longevity and willingness to share the good, the bad and the ugly events they have experienced as mayors. When you hear it from a colleague, it sinks in. Many mistakes in municipal government can be avoided because they have already happened somewhere else and

we can learn to avoid those same mistakes from other experienced mayors.

I sincerely wish that I would have had the opportunity to go to the Mayors Academy when I was first elected. It did not exist then, but if it did, my first term would have been even more productive. I would have had a much broader understanding of municipal government and I would have known where the resources were to answer the many difficult questions that mayors face every day. I would have quickly gotten up to speed on council procedures, budgeting, municipal law and insights on how to deal with the public.

Montana's mayors are a unique group of individuals who for the most part love and cherish their communities, and the complexity of their jobs continually increases. They are made more effective by attending the Montana Mayors Academy.



Benefits of Benchmarking
By
Mary L. Stewart, ARM, CPCU
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Public Entity Risk Institute
703-352-1846

The Data Exchange program is a tool used to provide statistical claim comparisons. The various comparisons reveal differences among public sector claims and offers totals and averages for entities and pools with similar exposures.

I. Definitions

- *Performance measurement* is a tool used to improve a specific process. The design of each measurement should monitor tasks or work load production and create resulting facts that can be used for internal and external comparison. The process includes defining how, when and what to measure; choosing one or more ratios that effectively measure those factors; and developing peer comparisons of those measures through benchmarking. Performance measurement usually breaks down into one of three groups:

- Workload measurement
 - Effectiveness and ratio measurement
 - Productivity and results measurement
- *Benchmarking* is the comparison of results or established standards used to incorporate best practices into your operation. It involved different factors designed to address various exposures common to most governmental organizations. Benchmarking offers pool administrators a process to:
- Support goals defined within the pool’s operations
 - Document a return on investment by using cost/benefit analysis
 - Increase productivity
 - Evaluate the effectiveness or inefficiency of a program or function
 - Support budget commitments
 - Evaluate employee morale
 - Justify training or modifications in services or programs
 - Monitor changes in loss control programs

Managers use quantitative information to demonstrate the value of their programs and services. Boards and members need objective quality measurement to evaluate their overall goals. Benchmarking has become the common way to make external comparisons.

II. Benchmarking Results

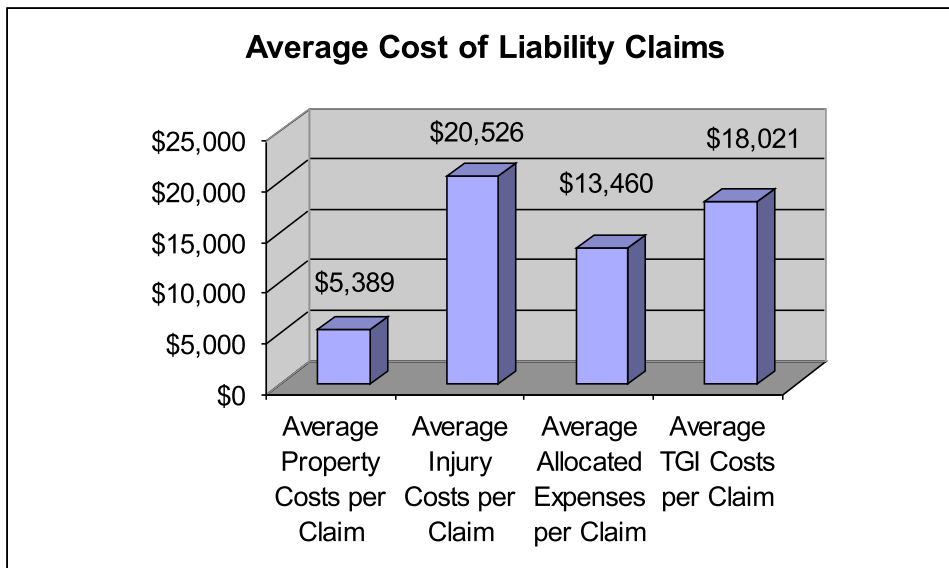
In a recent meeting of several risk pool administrators the group listed the following top three reasons they benchmark results:

1. Reduce costs
2. Obtain actuarial statistics, and
3. Provide documentation to meet political, legislative, and internal requests.

Common Uses of Benchmarking

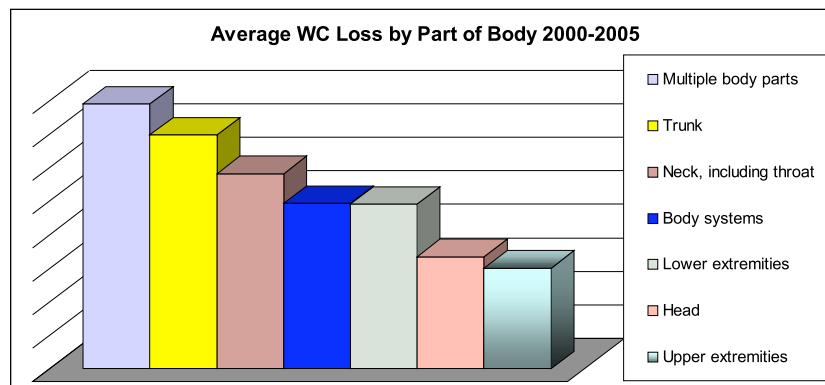
- Forecasting. Having statistics readily available to provide “best in class” information is valuable for legislative documentation, budgets, and strategic planning. Sorting loss statistics in different ways helps you review and identify possible improvements in your administrative and financial processes, loss control training, attachment points, and other risk-based treatments. Benchmarking against other pools:
 - Reduces uncertainty
 - Provides objective, quantifiable documentation of results
 - Adds credibility to an evaluation of claim variations

- Ability to forecast member loss experience
- Plan activities for member improvement.



Statistics from PERI Data Exchange – December 2005

- **Cost Reduction.** Finding ways to reduce costs and save money is always a primary focus. Optimizing activities, identifying detailed costs, documenting effective techniques, changing governance procedures, providing a positive communication message to members, finding fraud, aligning responsibilities and cost allocations, evaluating programs and administrative decisions, and implementing initiatives that will overcome cultural and organizational hurdles are among the list of results performance measurement can support.
- **Data Evaluation.** Benchmarking provides insight into cause and effect relationships, especially when the focus depends on facts and information. Statistical comparisons help to quantify the costs of past events and can justify the need for procedural changes.



- Sharing Statistics. Benchmarking provides a quantifiable basis for public entities to enhance their risk evaluation process by learning from each others' experiences and to implement change based on that enhanced risk evaluation. Pools that benchmark improve their ability to measure performance and demonstrate their successes to boards, members and potential members.

One of the important statistical comparisons PERI tracks is the average cost of liability claims. The chart entitled *Average Cost of Liability Claims by Type of Claim* shows that employment practice suits have a much greater average cost than other types of liability claims reported between 2000 and 2004.

Average Cost of Liability Claims By Type of Claim		
Order	Major Type of Legal Liability	PERI Pool Data
1	Employment practices liability	\$65,294
2	Airport liability	\$29,422
3	Law enforcement liability	\$25,087
4	Management & governance liability	\$15,049
5	Medical malpractice liability	\$10,746
6	Professional liability	\$8,605
7	Comprehensive general liability	\$7,545
8	Vehicle liability	\$5,742
9	Auto damage	\$237
Average Risk Experience 2000-2004		\$7,818

In summary, performance measurement is a common business tool frequently used to support decisions and improve specific processes. By incorporating benchmarking into the review, your organization will add the support and documentation to validate its successes.