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How Weston, Florida, a City of 65,000, Gets By on 9 Employees

BY: Ryan Holeywell | May 14, 2012

Weston, Fla., an affluent suburb 25 miles northwest of Miami, has one of the most unusual charters of any city: it specifically discourages the city from hiring employees.

Since the 1980s, state and local governments across the country have increasingly sought to outsource various service to the private sector. But few do it like Weston.

Since its inception, the city has used contractors to fulfill virtually every city function. Today, the city of 65,000 has a budget of $121 million -- and just nine of its own employees. "I see no reason why we'd ever have to increase the number of employees," says Mayor Eric Hersh, who's led the city for over 10 years.

All total, the city has about 35 contracts for services such as parks maintenance, engineering, code enforcement, building permits, public works and custodial service. Fire and police service has been contracted out to Broward County.

The city has about 285 full-time equivalent employees who are "dedicated staff" provided by contractors. They work in city facilities and are treated like city employees, but on paper, they are actually employees of private companies that get paid by the city.

The result is a situation that many city managers and mayors may envy. City leaders don't have to deal with labor disputes or union negotiations; they aren't struck with ballooning pension obligations; and they aren't dealing with painful and politically unpopular layoffs.

Many of the contracts are for a particular level of service, as opposed to a particular number of employees. When the amount of work facing the building department slowed during the recession, for example, the city didn't have to continue to pay idle workers. "That's the vendor's issue of what he does with the staff," says Daniel Stermer, who served as Weston city commissioner from 2002 to 2010 . "We're not paying for it unless somebody's using it."

Hersh says the structure also gives the city the ability to easily dismiss under-performing employees -- an often laborious process for governments. An investigation last year by the *Sarasota Herald-Tribune,* for example, found thousands of Florida cops who remained on the job despite arrests or evidence of crimes due to a disciplinary system that was largely favorable to officers.

But in Weston, every city contract includes a provision that lets the city manager move contracted employees out of the city. Ultimately, it's the private-sector employer and not the city that decides what the do with the worker. "We don't have to put up with a sub-par person just because you can't get rid of them," Hersh says. "From an efficiency standpoint, that's a huge benefit."

Hersh also believes that Weston's contract employees work harder and are less complacent than some other government workers because they don't have the same type of job security that exists in the public sector.

But the greatest benefit, City Manager John Flint says, is that his time isn't consumed by personnel issues that often befall his colleagues.

"Without having that burden... I can manage the city," Flint says. "I can spend more time with residents. I can spend more time with the city commission and my senior executives crafting the direction of the city and recognizing our rather than having to deal with human resource issues."

Weston isn't the only "contract city" that relies heavily on outsourcing. *Governing* and others have written about Sandy Springs, Ga., which uses a similar model. But Weston's 1996 incorporation pre-dates that of Sandy Springs by almost a decade, and Sandy Springs officials have sought guidance from Weston leaders on their unique structure.

Weston has had relied on contractors since its inception. The development that became Weston dates to the 1970s, and by the 1990s, residents started realizing they were a "donor" community that paid more in taxes to Broward County than they received back through government services.

Advocates started mobilizing a campaign for the community to incorporate in hopes of getting a better return on their tax dollar. Those same advocates believed they could sell voters on the idea of incorporation only if they were able to promise a tax hike wouldn't be necessary. They believed they could achieve that by outsourcing city work.

"We were not looking to create a political dynasty," says Hersh. "We were looking to create an efficient city." The incorporation effort was successful, in large part because of the emphasis on contracting, and voters later codified that preference for in the city's charter. It states that city must use contractors as opposed to city employees to perform traditional government services, unless four out of five councilmembers vote to make an exception.

Still, Weston has had to adapt. In 2007, it increased its number of employees from three to nine when a contractor sought to increase the cost of retaining some personnel in high-ranking roles. Weston officials realized it would be cheaper to bring them in-house, and they also felt it was important for senior management to have a sense of ownership over their positions.

"At the end of the day, your key management and decision makers, you want part of your team," says Stermer. Today, Weston's nine employees include the city manager and two assistants city managers; the directors of parks and recreation, public works and landscaping; the city clerk; the city treasurer; and a communications director.

Jonas Prager, an economic professor at NYU who has studied the city, says Weston is "a curious example, rather than an example that can be easily emulated." It would be politically challenging -- and in some cases legally difficult as well -- for a long-standing city to replace public workers on a large-scale basis with contract employees.

Meanwhile, Weston's preference for contracting is made vastly simpler by the fact the city doesn't oversee schools, and health and social services are provided by the county. Those are some of the most difficult types of contracts for a government to manage, Prager says, and Weston isn't stuck with them.

Meanwhile, Prager says, Weston is so affluent that it hasn't had to seriously consider whether or not it would be less expensive to bring some of its contracted services in house.

Indeed, a piece that Flint and Prager co-wrote in *Public Management* notes that city leaders "cannot know whether Weston's residents might experience lower costs from a municipal fire department or a city sanitary department using municipal workers."

Flint, who is relatively confident that there are savings, attributes that line to Prager. Regardless, taxpayers may not care: the city has the lowest property tax rate in Broward County at $2 for every $1,000 of valuation, Flint says.

"People always ask us if we've compared costs," Flint says. "We've never done it on a universal platform, across the way."

"I'm not managing people," he continues. "I'm actually managing the city. How do you put a price on that?"