



American Society for Public Administration
Series in Public Administration and Public Policy

CHALLENGES IN CITY MANAGEMENT

A Case Study Approach



Becky J. Starnes



CHALLENGES IN CITY MANAGEMENT

A Case Study Approach



American Society for Public Administration Book Series on Public Administration & Public Policy

David H. Rosenbloom, Ph.D.
Editor-in-Chief

Mission: Throughout its history, ASPA has sought to be true to its founding principles of promoting scholarship and professionalism within the public service. The ASPA Book Series on Public Administration and Public Policy publishes books that increase national and international interest for public administration and which discuss practical or cutting edge topics in engaging ways of interest to practitioners, policy makers, and those concerned with bringing scholarship to the practice of public administration.

RECENT PUBLICATIONS

Challenges in City Management: A Case Study Approach

by Becky J. Starnes

Local Economic Development and the Environment: Finding Common Ground

by Susan M. Opp and Jeffery L. Osgood, Jr.

Case Studies in Disaster Response and Emergency Management

by Nicolas A. Valcik and Paul E. Tracy

Debating Public Administration: Management Challenges, Choices, and Opportunities

by Robert F. Durant and Jennifer R.S. Durant

Effective Non-Profit Management: Context, Concepts, and Competencies

by Shamima Ahmed

Environmental Decision-Making in Context: A Toolbox

by Chad J. McGuire

Government Performance and Results: An Evaluation of GPRA's First Decade

by Jerry Ellig, Maurice McTigue, and Henry Wray



*Advancing excellence
in public service . . .*

American Society for Public Administration
Series in Public Administration and Public Policy

CHALLENGES IN CITY MANAGEMENT

A Case Study Approach

Becky J. Starnes



CRC Press

Taylor & Francis Group

Boca Raton London New York

CRC Press is an imprint of the
Taylor & Francis Group, an **informa** business

Cover photos courtesy of Brooke Diggs.

CRC Press
Taylor & Francis Group
6000 Broken Sound Parkway NW, Suite 300
Boca Raton, FL 33487-2742

© 2013 by Taylor & Francis Group, LLC
CRC Press is an imprint of Taylor & Francis Group, an Informa business

No claim to original U.S. Government works
Version Date: 20130429

International Standard Book Number-13: 978-1-4398-8437-9 (eBook - PDF)

This book contains information obtained from authentic and highly regarded sources. Reasonable efforts have been made to publish reliable data and information, but the author and publisher cannot assume responsibility for the validity of all materials or the consequences of their use. The authors and publishers have attempted to trace the copyright holders of all material reproduced in this publication and apologize to copyright holders if permission to publish in this form has not been obtained. If any copyright material has not been acknowledged please write and let us know so we may rectify in any future reprint.

Except as permitted under U.S. Copyright Law, no part of this book may be reprinted, reproduced, transmitted, or utilized in any form by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying, microfilming, and recording, or in any information storage or retrieval system, without written permission from the publishers.

For permission to photocopy or use material electronically from this work, please access www.copyright.com (<http://www.copyright.com/>) or contact the Copyright Clearance Center, Inc. (CCC), 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400. CCC is a not-for-profit organization that provides licenses and registration for a variety of users. For organizations that have been granted a photocopy license by the CCC, a separate system of payment has been arranged.

Trademark Notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

Visit the Taylor & Francis Web site at
<http://www.taylorandfrancis.com>

and the CRC Press Web site at
<http://www.crcpress.com>

This book is dedicated to Frank H. Starnes.

Contents

Preface		xi
Acknowledgments		xiii
About the Author		xv
Epigraph		xvii
Chapter 1	Introduction	1
	Method	1
	Setting	2
	Overview of Chapters	3
	References	5
Chapter 2	City–State Relationships and City Charters	7
	Introduction	7
	Case 2.1 Introduction	9
	Case 2.1: The Clarksville City Charter	10
	Case 2.2 Introduction	14
	Case 2.2: The Quest for Home Rule	15
	Author’s Note	19
	Conclusion	19
	References	20
Chapter 3	Urban Redevelopment	23
	Introduction	23
	Case 3.1 Introduction	24
	Case 3.1: Welcome to Blightville	24

	Author's Note	30
	Conclusion	31
	References	31
	Recommended Readings	32
Chapter 4	Authority and Power	33
	Introduction	33
	Case 4.1 Introduction	36
	Case 4.1: It Is My Property	37
	Conclusion	39
	References	39
	Recommended Readings	40
Chapter 5	Policy Making	41
	Introduction	41
	Case 5.1 Introduction	45
	Case 5.1: Government Bans Synthetic Drugs	45
	Case 5.2 Introduction	48
	Case 5.2: Race Cars, Garbage Trucks, and Rock Crushers	49
	Conclusion	51
	Author's Note	51
	References	52
	Recommended Readings	53
Chapter 6	Personnel Management	55
	Introduction	55
	Cases 6.1 and 6.2 Introduction	57
	Case 6.1: City Employees Underpaid	57
	Case 6.2: Longevity Pay	61
	Conclusion	63
	Author's Note	63
	References	64
	Recommended Readings	65
Chapter 7	Electric Utilities	67
	Introduction	67
	Cases 7.1 and 7.2 Introduction	68
	Case 7.1: Clarksville Department of Electricity	69
	Case 7.2: The Power Board	70
	Conclusion	73
	Author's Note	73

	References	74
	Recommended Readings	75
Chapter 8	Traffic Congestion	77
	Introduction	77
	Case 8.1 Introduction	79
	Case 8.1: We Want This! We Don't Want This!	79
	Case 8.2 Introduction	83
	Case 8.2: Heavy Industrial Expansion at Your Back Door	87
	Conclusion	92
	Author's Note	92
	References	92
	Recommended Readings	95
Chapter 9	Funding for Nonprofit Organizations	97
	Introduction	97
	Case 9.1 Introduction	100
	Case 9.1: A Sore Subject	100
	Author's Note	105
	References	105
	Recommended Readings	106
Chapter 10	Housing and Shelter	107
	Introduction	107
	Case 10.1 Introduction	109
	Case 10.1: Lack of Housing Options	110
	Case 10.2 Introduction	115
	Case 10.2: Providence Pointe	115
	Vision	115
	Reality	116
	Case 10.3 Introduction	117
	Case 10.3: Community Service Providers to End Homelessness	118
	Results	121
	Conclusion	123
	Author's Note	123
	References	123
	Recommended Readings	125
Chapter 11	Finance and Accounting Management	127
	Introduction	127

Case 11.1 Introduction	129
Case 11.1: Outlaws at Outlaw Field	131
Case 11.2 Introduction	137
Case 11.2: Funding Challenges of Shared Governance—Outlaw Field	139
Conclusion	146
References	146
Recommended Readings	148
Chapter 12 Airport Authority	151
Introduction	151
Case 12.1 Introduction	153
Case 12.1: Airport Authority or Slum Lord?	154
References	156
Recommended Readings	157
Chapter 13 Animal Welfare and Control	159
Introduction	159
Case 13.1 Introduction	160
Case 13.1: Oowww-Doggie	160
Author's Note	164
References	165
Recommended Readings	166
Glossary	167

Preface

Whoso desireth to discourse in a proper manner concerning corporated towns and communities must take in a great variety of matters and should be allowed a great deal of time and preparation. ... The subject is extensive and difficult.

—Thomas Madox, **British historian, 1726 (Lang, 1991)**

City management in developing countries is a predominant subject in current public administration literature. Research also indicates college degrees in urban management are offered by several universities located throughout Europe and Southeast Asia. However, little research material can be found regarding the management of cities within the United States. Most U.S. literature discusses urban planning, not urban management. This realization led to the development of this book.

As I undertook this project, I thought if I focused strictly on the topic of city management, as opposed to any combination of city, county, and state government, the job would be easier. As the above quote indicates, I quickly discovered the task would be more complex than initially thought. I quickly found myself researching constitutions, charters, ordinances, resolutions, municipal histories, concepts, theories, administrative strategies, and tools.

I became interested in using case studies when I taught an urban planning class. Nothing brought the dry theories and concepts of urban planning to life more than applying them to real-world incidents occurring in the city where my students lived. Their ability to relate to the “who, what, why, and how” dramatically increased their interest in, and ability to comprehend and apply, the lesson objectives. The case studies I have written for this and other public management courses comprise most of this book. My hope is that city administrators throughout the country will read these cases and apply the learned lessons to improve their own public management and governance skills.

Acknowledgments

I thank Austin Peay State University for providing faculty development leave time to write this book and the tutors at the Austin Peay Writing Center for proofreading the text. I thank the following organizations and individuals who provided information, reviewed the transcript, and provided feedback: Rutgers-Newark School of Public Affairs and Administration; Larry Bray from the University of Tennessee, Knoxville; Clarksville City Council members Bill Summers and Deanna McLaughlin; Clarksville city clerk Sylvia Skinner; Keith Lampkin and Martias Kendrick from the Clarksville Office of Housing and Community Development; Austin Peay professors Carter Smith, Cynthia Marsh, Victoria McCarthy, and Robyn Hulsart; and Clarksville residents Mark Olson, Debbie Denton, Terry McMoore, Rita Arancibia, Robert Schroll, William Scogin, and Elaine Weil. The cover photographs were taken by APSU student Brooke Diggs.

About the Author



Becky J. Starnes has more than 30 years of work experience at the city, state, and federal levels of government. She is currently an associate professor of public management at Austin Peay State University. Prior to this assignment, Dr. Starnes was an assistant professor and chair of professional studies at Austin Peay. She was also a management instructor at Alabama

State University, Auburn University Montgomery, and the U.S. Air Force Air Command and Staff College. Dr. Starnes is a retired military officer, having served in both the U.S. Air Force and the U.S. Marine Corps. Prior to these assignments, Dr. Starnes worked for the U.S. Customs Service, the City of Escondido, and the University of California, San Diego.

Dr. Starnes received a PhD in public administration and public policy from Auburn University/Auburn University Montgomery, a master's of business administration from Gonzaga University, a

bachelor's of business administration from National University, and an associate's of general education from Palomar Junior College.

Her academic honors include induction into the Pi Alpha Alpha Public Affairs and Administration Honor Society, Pi Sigma Alpha Political Science Honor Society, and Alpha Theta Chi Collegiate Honor Society. Her research includes articles published in the *Quality Management Journal*, *Journal of College Teaching and Learning*, *Journal of Nonprofit and Public Sector Marketing*, *Journal of Hospital Marketing*, *International Journal of Volunteer Administration*, and a book review published in *Public Administration Review*.

Democracy begins in our cities.

—Henry Hodges (*City Management: Theory and Practice
of Municipal Administration*, 1939, p. ix)

1

Introduction

Why write a book on the topic of city management and governance? Henry Hodges answers this question best in his book *City Management*. He writes, “Civic leaders need such a working knowledge in order to be equipped toward applying the best tested methods for their communities” (1939, p. xi). The purpose of this book is to help city administrators provide city services more effectively and efficiently while staying within the bounds of democratic values. The book is written using an integrated open- and closed-system frame of reference. In other words, public administrators must work within the bounds of rationality through the application of facts, data, constitutions, charters, codes, and resolutions while also understanding the influences of nonrational factors, such as human behavior, risks, and uncertainties (Denhardt, 2011). This book also applies the basic tenets of new governance theory. This theory posits that management systems used by public administrators must interact with a variety of public, private, and nonprofit sector organizations in order to implement sustainable public policies (Bovaird and Loffler, 2009; Osborne, 2010).

METHOD

This book is written for entry-level city practitioners and undergraduate college students. Each chapter begins with an explanation of an academic theory, concept, historical movement, or administrative

tool the reader can use to link academic principles with practice. Case studies that include learning activities are then incorporated. The case approach allows readers to form their own opinions and decide how they would personally proceed to resolve the presented problems.

The cases consist of true events and the names of individuals were not changed. Most of the people named were sent courtesy copies of the cases for their reviews and comments prior to publication. The case material was retrieved from academic journals and public domain sources, to include federal, state, and local government websites; city press releases; television broadcasts; newspaper articles; minutes from city and state government meetings; and city council member e-mails. The author also applied information obtained through observations of city council, city planning, city charter meetings, town hall sessions, and personal conversations with local citizens. The cases were reviewed by Clarksville City Council members Deanna McLaughlin and Bill Summers to ensure content accuracy. Some of the cases were tested in undergraduate public management courses.

SETTING

The case studies depict true situations city administrators in Clarksville, Tennessee, have managed. Clarksville's population has grown 28.5 percent between the years of 2000 and 2010 to a total of 132,929 citizens. It is the fastest growing city in the state and the ninth fastest growing city in the country. The median age of the city's workers is 31.5 years, and the median household income is \$46,742 (Settle, 2011a; U.S. Census Bureau, 2010). The Clarksville, Montgomery County, Tennessee, Economic Development Council (EDC) writes: Clarksville's "dynamic growth means a strong retail landscape. Rapid growth in population, housing, income, retail and industry make Clarksville one of the Southeast's most sought after mid-sized cities." Figure 1.1 highlights several economic achievements made in Clarksville and Montgomery County since 2008. After a tour of the city, the state's newly elected governor, Bill Haslam, said, "I'm a fan of what you're doing around here ... there

- Record-breaking collection of \$59 million in sales taxes for fiscal year 2011–2012
- Record-breaking \$6.3 million in sales taxes collected in December 2011
- Retail sales growth increased 42 percent between the years of 2000 and 2010
- Fourth alternative energy industry leader in the nation (*Business Facilities Magazine*, 2010)
- Eighth low-cost manufacturing center (*Business Facilities Magazine*, 2010)
- Tenth metro best cost of living cities with populations less than 350,000 (*Business Facilities Magazine*, 2010)
- 2009 *Business Facilities Magazine* Economic Deal of the Year Silver Award
- Fourth best city in America to launch a business (CNNMoney.com, October 2009)
- 2009 Trade and Industry Development Corporate Investment and Community Impact Award
- Best place in Tennessee to raise your kids (*Business Week*, November 2009)
- CoreNet Global’s “Deal of the Year” Award (May 2009)
- Most promising real estate appreciation market in the country (Fiserv, 2008)
- Site selection magazine top deals of 2008
- One of the south’s top 10 edge markets (Southern Business and Development, 2008)
- The per capita income in Montgomery County showed a 62 percent increase in the past decade, surpassing the state of Tennessee as a whole

Figure 1.1 Highlights of Clarksville, Montgomery County, Tennessee. (Data from City of Clarksville, 2012; Clarksville–Montgomery County Economic Development Council, n.d.; Settle, J., 2011, 2012.)

is a vibrancy here that you don’t find everywhere. Great job. Keep it going” (Settle, 2011b, p. A1). However, along with all the positive news come problems with managing rapid growth. The focus of this book is to enhance the readers’ understanding of the complex environment city administrators work within.

OVERVIEW OF CHAPTERS

Each chapter is written to stand on its own so readers can select topics to study in the order that they wish. A description of each chapter is provided below.

Chapter 2 introduces the *theories of decentralized government and administrative decentralization*. Two foundations of municipal law, *Dillon’s Rule* and *home rule*, and their application to city charters, are also explored. The case study presents the difficulties the city

encountered while attempting to receive state legislature approval of a revised charter.

Chapter 3 focuses on *political economic theory* and its application to an urban redevelopment project. The theme of the case study is the complexity of initiating an urban redevelopment project due to the number of interests that became involved and their differing concerns.

Chapter 4 discusses the concept of *legal authority* and the tools of *eminent domain* and *police power*. The terms *authority*, *eminent domain*, and *police power* are defined. The case study presents sections of a city ordinance and demonstrates how city administrators may apply the tools of eminent domain and police power to achieve city goals.

Chapter 5 introduces a city *public policy-making* process and model. Examples of how the Clarksville City Council developed two public ordinances are provided to enhance the reader's understanding of how public policy may be made.

Chapter 6 provides a study of how *expectancy theory*, *equity theory*, and the concept of *prevailing wage* may be applied to public personnel compensation systems. The first case study explores the challenges city officials faced in an attempt to raise city employee pay. The second case study presents a dilemma faced by officials when they realized the city's longevity pay plan was more bountiful than that of comparable municipalities.

Chapter 7 presents problems that occurred when the formal organizational structure between a city board and a city council was not clearly delineated. The *municipal ownership movement* and the *theory of natural monopolies* are discussed. The two case studies present the legal and political conflict that arose between a city board and a city council when the chain of command was not clear.

Chapter 8 explores the concepts of *universalism* and *individualism* and their application to government decision making. The case studies present difficult management and governance decisions city officials had to make about reserving land for the purpose of building a new road.

Chapter 9 defines what a *nonprofit organization* is and asks the question, "Should governments use taxpayer money to fund

nonprofit organizations?” The case explains how a team of city council members developed a process for reviewing requests from nonprofit organizations for city funds.

Chapter 10 studies the government’s role in providing public housing and shelter options for citizens based on *conservative* and *liberal ideologies*. The first case study encourages the reader to apply a *strategic analysis* of the city’s housing and shelter options for low-income citizens. The second case study describes a failed effort to provide a low- to moderate-income-level housing subdivision. The third case explains how a group of interested citizens and city officials used the process of *collaboration* to develop innovative solutions for managing the city’s homeless population.

Chapter 11 focuses on financial and accounting management measures of a local airport authority. The principles of *division of work*, *unity of command*, *Sarbanes–Oxley Act of 2002*, and *generally accepted accounting principles* (GAAP) standards are discussed. The two cases present how the lack of application of good management and accounting standards resulted in financial difficulties for the authority.

Chapter 12 reviews *strategic decision-making* models. The case study presents a difficult strategic decision that members of an airport authority had to make when choosing between providing housing for low-income individuals or advancing the business interests of the authority.

Chapter 13 explains the concept of *externalities*. The case study allows readers to assess the possible occurrences of externalities in three city ordinances that established animal welfare and control requirements.

REFERENCES

- Bovaird, T., and Loffler, E. (Eds.). (2009). *Public management and governance* (2nd ed.). New York: Routledge.
- City of Clarksville. (2012). Doing business in Clarksville. Retrieved from <http://www.cityofclarksville.com/DoingBusinessInClarksville.php>.
- Clarksville–Montgomery County Economic Development Council. (n.d.). Brochure. Clarksville–Montgomery County, Tennessee.

- Denhardt, R. (2011). *Theories of public organizations* (6th ed.). Boston: Wadsworth.
- Hodges, H.G. (1939). *City management: Theory and practice of municipal administration*. New York: F.S. Crofts & Company.
- Osborne, S. (2010). *The new public governance: Emerging perspectives on the theory and practice of public governance*. New York: Routledge.
- Settle, J. (2011a, February 27). Local work force proves attractive to employers: Advice for job hunts, interviews, networking. *Leaf Chronicle*, p. B1.
- Settle, J. (2011b, March 22). Governor Haslam hears of a “resilient” Clarksville. *Leaf Chronicle*, pp. A1, A3.
- Settle, J. (2012, July 29). Fiscal year retailers do well. *Leaf Chronicle*, p. C6.
- U.S. Census Bureau. (2010). State and county quickfacts. Retrieved from <http://quickfacts.census.gov/qfd/states/47/4715160.html>.

2

City–State Relationships and City Charters

In a general way, a city, like a man, can be trusted to do that which is for its own benefit more certainly than any outside instrumentality can be trusted to do good [sic] to it against its will. In the long run we can more safely trust liberty than autocracy.

—William Dudley Foulke, President,
National Municipal League, 1914 (Lang, 1991, p. 5)

INTRODUCTION

The theories of decentralized governance and administrative decentralization can be used as starting points for studying city–state relationships. The theory of decentralized governance explores the concept of transferring authority and responsibility for public functions from central governments to subordinate governments (Bardhan, 2002). The theory of administrative decentralization focuses specifically on transferring the management of public services to local governments (Cornell University, n.d.). The intent behind each theory is the application of the democratic practice of involving local officials and citizens in policy decisions affecting their communities.

The U.S. Constitution makes no references to such devolution of governing powers below the state level. As a result, cities founded after the Revolutionary War have been officially recognized through enactments passed by state legislatures. In a paper published in the

Municipal Reporter, Diane Lang (1991) explains that prior to 1868, little guidance existed delineating the level of control the state could maintain over a city. As a result, political infighting, corruption, fiscal misappropriations, and state-level micromanagement of city affairs often led to nonproductive relationships between the two levels of government. To resolve these problems, two legal theories have become the foundations of municipal law for city–state relations—Dillon’s Rule and home rule.

In 1868, Iowa State Judge John Dillon made two decisions that helped resolve the relationships between states and municipalities. After deciding the case of *Clinton v. Cedar Rapids and the Missouri River Railroad*, he wrote that “municipal corporations owe their origin to, and derive their powers and rights wholly from, the legislature,” and in the case *Merriam v. Moody’s Executor* he clearly delineated the types of powers legislatures may grant (Hemsley, 2008). This decision, known as Dillon’s Rule, was upheld by the U.S. Supreme Court in the cases of *Merrill v. Monticello* in 1891 and *Hunter v. Pittsburg* in 1901. Therefore, Dillon’s Rule puts the management of municipal matters in the hands of state legislators.

However, not everyone agreed that municipalities had no inherent right of self-government. Some citizens believed that too much state control inhibited their abilities to manage their cities as they saw fit, and wanted more options for governing themselves. In 1871, Michigan Supreme Court Judge Thomas M. Cooley supported this view in his opinion of *People v. Hurlbut* when he wrote that local government is a matter of absolute right that the state cannot take away. Cooley’s doctrine of home rule was first enacted in 1875 in Missouri, and several states have similarly amended their constitutions allowing for home rule government structures (Farlex, 2011; Ormsby et al., 2004). Cities established under home rule authority may govern as the citizens choose as long as no state or federal laws are violated.

The tool used to establish a city’s existence, government structure, and powers is referred to as a *city charter* (Municipal Technical Advisory Service (MTAS), 2011). A city charter may take one of many forms. Figure 2.1 lists the types of city charters authorized by the

Type of Charter	Application
Private act Mayor—alderman Mayor—alderman—council	Applies to a single city. Changes must be approved by the state legislature. Amendments to the charter must be approved by a two-thirds vote of the governing body or by the voters in a referendum.
General law Mayor—alderman Uniform city manager—commission Modified city manager—council Metropolitan government Charter Government Unification Act	Cities with a general law government structure have identical charters. A change approved to one city's charter applies to all cities established under general law except for metropolitan and Charter Government Unification Act cities. Changes must be approved by the state legislature. Permits cities and counties to design and amend their own charters for consolidation through local referendums without having to obtain state legislature approval.
Home rule	City government can amend its charter through local referendums without the approval of the state legislature.

Figure 2.1 Types of city charters and their applications. (From Hemsley, S., “Getting to Know and Maybe Love Your Municipal Charter,” 2008, retrieved from the University of Tennessee Municipal Technical Advisory Service website, <http://www.mtas.utk.edu>.)

Tennessee legislature (Hemsley, 2008). Private act and general law act charters need state approval to be amended. Changes to home rule charters may be approved by the voters through referendums.

CASE 2.1 INTRODUCTION

In 1907, Clarksville, Tennessee, was incorporated by the Tennessee state legislature to operate as a private act city with a mayor-alderman structure of government. In 1929, the Tennessee legislature repealed the 1907 act and then reincorporated the city. This action was amended by the legislature in 1957, and it is this act that establishes

the charter the City of Clarksville operates under today. Changes to private act city charters must be passed by the city council by a two-thirds majority vote or by voter referendum and forwarded to the Tennessee General Assembly for enactment. The problem studied in this case is the inability of the Clarksville City Council to obtain state approval for a revised charter. The following questions should be considered when reviewing the case:

1. Does Clarksville operate as a Dillon's rule or home rule city? In your opinion, should the state legislators be concerned about the development of city policies as well as legal issues?
2. Using Dillon's rule and home rule considerations, is Representative Ben West's comparison of the Clarksville charter process with the Nashville metro charter process a sound argument?
3. In your opinion, would participation by the state local legislators on the City Charter Revision Committee be an example of legislators simply "doing their job" or of state micromanagement?

CASE 2.1: THE CLARKSVILLE CITY CHARTER

... regulation and prevention of "the running at large and tying and fastening of cattle, hogs, horses, mules, stock and other animals of all kinds, and stationing, placing or leaving of teams, wagons, or other vehicles on the street. ..."

—Private Act, Chapter 292, Senate Bill 751,
Article 1, Section 5, 26 (1957)

It started as part of a larger vision—a vision to create a more "efficient, open government, and involved citizenry" (Stevens, 2007, p. B2). However, after three years, the elimination of 50 pages, outside legal advice, and approval by two citizen-elected city councils, the revised city charter remains unapproved by the state legislature.

The need for a review and rewrite of the 1957 city charter was an initiative that arose at a city council strategic planning retreat. A

city Charter and Code Revisions Committee was formed soon after. The membership included city councilmen, the city attorney, the city clerk, and members of the community. City department heads and the general citizenry were invited to provide input, and the Tennessee Municipal Technical Advisory Service provided technical guidance (City of Clarksville, 2007a, 2007b, 2007c).

During an 18-month period, the committee reviewed the charter three times and identified suggested revisions. Proposed changes included correcting grammar errors and updating terminology and provisions that conflicted with state law. Twelve months later, the committee presented their proposed changes to the full city council for approval. The council approved the revisions by a two-thirds majority and forwarded the charter to the state legislature for approval.

However, the Montgomery County representatives in the state legislature returned the charter, stating: “There were a few items we were in disagreement with [in] your findings” (Snyder, 2009a, p. A1). The letter was signed by Senator Tim Barnes, Representative Joe Pitts, Representative Curtis Johnson, and Representative Phillip Johnson. The legislators commented that the charter’s use of the phrase “employee at will” and provisions for removing an official from office did not comply with state law. In addition, they:

1. Objected to language requiring a two-thirds vote from the council to override a mayoral veto instead of a simple majority vote, arguing that this change would give too much power to the executive branch.
2. Recommended a detailed list be prepared identifying what types of city actions would be passed by a city ordinance and what types of actions would be allowed through a city resolution.
3. Criticized a change that would give the mayor the power “to abolish, consolidate, or reorganize departments,” stating this action should be accomplished through passage of a city ordinance, not simply an act of the mayor (Snyder, 2009b, p. A1).

The legislators’ return of the proposed charter did not sit well with local officials. Mayor John Piper said, “It appears to me that the letter was moving from the legal aspects as required by state law versus

opinions as to what they would like to see done” (Snyder, 2009a, p. A1). Councilman Wallace Redd, the chairman of the Charter and Codes Revisions Committee, commented, “I respect their opinion, but I respect the opinion of the committee and council that acted on it more. This is the city charter. This is not the General Assembly charter” (p. A1). The city council voted to send the charter back to the legislators without changes, arguing there were no legal reasons to do so (Snyder, 2009a).

At the next Tennessee House Subcommittee on Local Government session, Representative Curtis Johnson again presented the charter for legislature consideration. Representative Johnson remained relatively silent as the subcommittee discussed, and joked, about the merits of the revised charter. At one point, Representative Curry Todd of Collierville, Tennessee, commented: “There is [*sic*] some questionable things that they’ve done in their charter... There’s some serious, serious problems in Clarksville, Tennessee” (Snyder, 2009b, p. A1). It appeared that Representative Todd’s opinion was based on his perception that the charter provided the city mayor too much power. “There may be a violation of the separation of powers doctrine in state law. It’s not right. The citizens are not being represented like they should” (p. A1). There were no Clarksville officials present at this session to speak on behalf of the city, and the subcommittee voted to send the charter back in “hopes that Clarksville city government gets the message,” said Representative Todd (Snyder, 2009b, p. A1).

Clarksville city officials were, once again, upset by the legislative lack of action. Mayor Piper said he no longer wanted Johnson to represent Clarksville in front of the legislature. The city attorney referred to the legislature’s concerns as “hyperbolic” (Snyder, 2009c, p. A2). City Councilwoman Deanna McLaughlin commented that Johnson “did it on purpose. He wanted it to fail” (p. A2). Representative Johnson replied, “I don’t think they gave me much of a chance to say anything. I’m sorry they feel that way” (p. A1). He then asked the state attorney general to review the legality of the provisions in the proposed charter. The state attorney general found the provisions of the city charter to be legal, constitutionally sound, and consistent

with other city charters within the state (Business Clarksville, 2010; Megna, 2009; State of Tennessee, 2009).

To improve communications, three of the four local state legislators met with Clarksville officials to discuss their differences about the proposed changes. At this meeting, Senator Barnes explained the representatives had policy, not legal, concerns about some charter provisions. Representative Johnson suggested that a delegation of city officials should attend the next House Subcommittee on Local Government session to demonstrate a show of support and to answer questions (Eason, 2009). Representative Webb asked the delegation if any nonmanagement city employees or lay members of the public had been involved in the charter revision process. The city representative stated these individuals were involved indirectly through the representation of their citizen-elected city council members. “We’re in a republican form of government,” he said (Eason, 2010a, p. A1). Representative West then provided a comparison of the Clarksville charter process with that of the process used to charter the Nashville metro area. He stated that the affected city and county citizens voted on the metro consolidation using a referendum process, and that the citizens of Clarksville should be given the same type of opportunity. The subcommittee then voted to send the proposed charter back to Clarksville, suggesting it be placed on a city ballot for a citizens’ vote (Clements, 2010).

After receiving legal advice from Attorney Roger Maness, the city council voted to withdraw the revised charter from the state legislature rather than place it on a ballot. Attorney Maness told the council it would be “profoundly unwise” to place the charter on a ballot because there was no possible way the entire document could be published on a ballot (Eason, 2010b, p. A1).

In February 2011, the newly elected city mayor, Kim McMillan, asked the city council to organize a new Charter Revisions Committee consisting of five city councilmen. The mayor and the committee members agreed that all committee actions would be open to the public and that state legislators would be invited to attend these meetings, and all committee recommendations would be placed on the city website. The goals of the new committee

were to remove superfluous detail, focus specifically on the powers of the city, and readdress the concerns of the state legislators. The new committee completed a fourth review of the charter and made new recommendations that would slightly reduce the powers given to the mayor (as requested by the legislators). None of the state legislators accepted the invitations to attend these meetings. Several months later, Mayor McMillian sent an e-mail to the city council stating that after consulting with Senator Tim Barnes, Representative Joe Pitts, and Representative Curtis Johnson, she was suspending the current Charter Revisions Committee until state legislators could be added to the membership. The state legislators declined to participate as committee members because they did not want to develop a perception that they wrote the charter revision. They did emphasize that their previous concerns would have to be addressed before they would send a new document to the General Assembly. As a result, Clarksville continues to use the 1957 charter to govern present-day activities. “The entire process has been such a tragedy,” said City Councilwoman Deanna McLaughlin (D. McLaughlin, personal communication, January 19, 2012).

CASE 2.2 INTRODUCTION

In 1953, the citizens of Tennessee approved an amendment to the state constitution permitting municipalities to establish home rule charters. The placement of this amendment on the ballot was not achieved without controversy. In “An Analysis of the 1953 Tennessee Home Rule Amendments,” Victor Hobday (1976) wrote that during the state constitutional convention Chief Justice Neil of the Tennessee Supreme Court asserted:

I am frank to say that certain changes should be made.... Over the years there has been too much unwise local legislation in which the people affected by it were given little if any voice whatever. Many of these private Acts had no merit other than to serve the basest ends in partisan politics. (p. 1)

Others argued the legal concept of home rule was too new to be fully understood and that more research and debate was required before such a consequential option should be placed on the ballot. One convention representative argued:

I am convinced that there is not a delegate on this floor sufficiently advised of the complex and far-reaching implications of that most uncertain and illusive term “home rule” to draft a broad and comprehensive amendment on the subject ... the uncertain limits and broad implications of which no one has presumed to be able to describe with any degree of certainty. (p. 2)

Hobday explains that the Tennessee Municipal League also had reservations, writing:

City officials should proceed cautiously and only for good cause in considering whether to become a home rule municipality ... but ultimately supported passage of the amendment as a means of enabling those cities that need to do so to escape harassment by hostile political forces in control of local legislative delegations. (p. 2)

CASE 2.2: THE QUEST FOR HOME RULE

Any municipality may by ordinance submit to its qualified voters in a general or special election the question: “Shall this municipality adopt home rule?”

—**Article XI, Section 9, Constitution of the State of Tennessee**

In 2012, a Clarksville city councilman sent the mayor an e-mail suggesting that that the legal option of home rule may be a way to get an updated city charter in place. The councilman’s e-mail is printed below. When reading the case the reader is asked to consider if the City of Clarksville should pursue a home rule charter. Why or why not?

An e-mail message sent to Mayor McMillan (B. Summers, personal communication, January 8, 2012):

Mayor McMillan,
I would like to officially propose a solution to you and the council to resolve three years of great frustration in trying to formulate a

modern city charter for Clarksville. That solution would be the elimination of trying to build another Private Act charter and the formation of a Home Rule charter. I ... present some rationale for going a totally different direction in the city charter effort.

ISSUES

An analysis of the situation identifies the following issues in the city's inability to get a new charter and why Home Rule may be the solution:

1. **State Approval.** Whether it is politics, face-saving or other issues/agendas, the state legislature seems unwilling to approve what the elected governmental representation of Clarksville wants. It is a documented fact that nothing requested in the initial revised charter submission was illegal. It is also a documented fact that other city charters, which had been approved by the state, allow the concepts Clarksville requested in that first submission, but was denied approval. With the most recent effort to revise the charter failing, the council is unable to come to an agreement to get it to the state for consideration again. Thus, we have gone from being stuck in neutral to shifting into reverse on getting a new charter developed and approved. The Constitution of the State of Tennessee provides a solution that would allow Clarksville to remove the state legislature from our charter revision process. The Home Rule concept, as outlined in Article XI, Section 9 of the state constitution, is that solution.
2. **Public Input.** Various and inconsistent messages and feedback have occurred on this factor. Statements presented to the council in the most recent vote referenced the hard work that went on during the initial revision efforts and that it should not be wasted. That hard work included the input of citizens on the revision committee, parts of which the state refused to accept. It had been suggested that public input (perhaps through another revision committee) should include citizens in the reconstituted process. However, if the state ignored the wishes of the previous public input, we are not assured they will accept that of any new public input. In addition, the latest effort to submit a revised charter lacked any public review period for comment at all. So we have seen the full range of potential citizen input and we are still no closer to a revised charter being approved. Although citizens were part of the initial charter committee

membership, there were comments made that political bias was involved in their selection, thus affecting the outcome. It is just as likely that any new committee would face the same allegations. The solutions to (1) removing the appearance of wanting citizen input, and then ignoring it, and (2) eliminating questions of political influence by requiring the direct participation of the citizen through voting. The procedures within the Home Rule concept would allow for it.

3. City Council Input/Bias. Some council representatives will claim their ward residents are heavily in favor of a particular charter change while others say the citizens in their wards are completely against it. Still other councilmen seem to receive little input from citizens, yet citizens state their council members will not answer their calls or e-mails. Also, one mayor may be strongly in favor of changing a power of the office while another mayor will fight to retain it. It could be easy for the elected officials who do not communicate with a large portion of their constituents on a regular basis to let a few select citizens, or their own elected office comforts, bias their charter decisions. The solutions to remove the potential bias and elected comforts and have all citizens provide equal input to the process. This potential bias can be removed by going to Home Rule.

HOME RULE

Tennessee Code Annotated (TCA) Article XI, Section 9 states that a Home Rule charter may be adopted or amended by ordinance passed by the local governing body and then a referendum of the city's voters. In addition, it appears that Amendment 7 helps protect cities that go this route by blocking any private acts that the state may pass as punitive or disruptive against local government.

Advantages:

1. Greater local control.
2. Eliminates the battles for private act approval to change a city charter.
3. Home Rule charters allow much more latitude in making local procedures as long as they meet state law.

Disadvantages:

1. Based on Municipal Technical Advisory Service (MTAS) reviews state law charter amendments can only take place in August or November of even years. This correlates to state election cycles.

2. You will not be able to fix or reverse any unexpected or negative results or reactions for up to two years.
3. There is more work, time, and planning required when making changes due to having the public vote to approve them. The city leadership would have to work, educate, and communicate to ensure the citizens understood the need for any changes.

Many of the disadvantages can be avoided by ensuring the charter is written as a general governing model from which the city would derive its authority to make specific law through ordinances and resolutions.

POTENTIAL ACTIONS

I request your help and approval to more fully explore this option with evening work sessions of the full council and legal advisors. I see only positive results to immediately try this new approach for several reasons:

1. We are in an even year (2012) and two election periods will occur so we can get a new charter on the books this year. Any ballot issues must be presented to the public at least 60 days prior to voting. It appears we have time to review the items the 2011 committee has recommended and to finish some areas the committee has not yet reviewed. The full council would have time to be involved.
2. With two election cycles this year, we may be able to fully ask, and answer, what the public wants. ... I recommend that you and the council (if authorized by the state Home Rule process) put the more controversial issues to a public vote in August and have the results included into a final version of a Home Rule charter for the November election. This would give us several weeks to get the publicly voted changes into a final charter format and meet the 60-day requirement for the election cycle. We may have to include potential controversial changes in a second election period. Issues that I recommend go before the public for an official response are (1) veto power, (2) mayoral voting authority, (3) runoffs, and (4) mayoral authority of organizational and personnel development/actions as examples. Based on recent and past charter review efforts, these items that have bothered citizens and council alike. The public vote will settle the issue.

3. MTAS stated that there are some disadvantages, as there are for each form of government. However, by using the previous efforts to revise the charter, recommendations by the 2011 charter committee, new full council involvement, research by our legal staff, and review of items that MTAS says we should avoid, we can finalize a modern charter that could eliminate or minimize those disadvantages.

As I did in the 2011 charter revision committee, I have expended considerable time and research on this suggested charter approach to resolve our current issues and problems. However, while I have provided some specifics on Home Rule, many more pages would be required for a full report. There are a number of legal questions to ask and in-depth research to perform in order to lay out a plan of action for this year. I offer my assistance in making this plan a workable solution for Clarksville.

I look forward to your review and comments.

Thank you,

Bill Summers, Ward 10

AUTHOR'S NOTE

Additional case information was obtained through the author's personal observations at city council meetings, viewing of state legislature videos, reading of state laws and local ordinances, city council minutes, city committee minutes, and e-mail correspondence with City Councilman Bill Summers.

CONCLUSION

This chapter discusses the theories of decentralized governance and administrative decentralization in conjunction with terms of two foundations of municipal law—Dillon's Rule and home rule. The historical background of each rule was presented and two cases studies were incorporated to enhance the reader's comprehension and application of the two theories and legal applications. Chapter 3 will explore the political and economic complexity involved when attempting to apply urban redevelopment initiatives.

REFERENCES

- Bardhan, P. (2002). Decentralization of governance and development. *Journal of Economic Perspectives*, 16, 185–205.
- Business Clarksville. (2010, February 4). City charter revisions to face referendum. Retrieved from <http://businessclarksville.com>.
- City of Clarksville. (2007a, September 25). Charter and Code Revisions Committee minutes. Retrieved from <http://www.cityofclarksville.com/charter/CharterRevisions.php>.
- City of Clarksville. (2007b, October 23). Charter and Code Revisions Committee minutes. Retrieved from <http://www.cityofclarksville.com/charter/CharterRevisions.php>.
- City of Clarksville. (2007c, February 19). Charter and Code Revisions Committee minutes. Retrieved from <http://www.cityofclarksville.com/charter/CharterRevisions.php>.
- City of Clinton v. Cedar Rapids and the Missouri River Railroad*. (1868). 24 Iowa 455.
- Clements, B. (2010, February 25). City charter to be sent home for referendum. Retrieved from <http://www.clarksvilleonline.com/2010/02/25/city-charter-to-be-sent-home-for-referendum/>.
- Cornell University. (n.d.). Restructuring local government. Retrieved from http://government.cce.cornell.edu/doc/viewpage_r.asp?id=reinventing_government.
- Eason, B. (2009, December 30). Lawmakers stop short of backing charter legislation. *Leaf Chronicle*, p. A6.
- Eason, B. (2010a, February 25). Charter may face delay. *Leaf Chronicle*, p. A1.
- Eason, B. (2010b, March 5). City won't vote on charter. *Leaf Chronicle*, p. A1.
- Farlex. (2011). *The free dictionary*. Retrieved from <http://encyclopedia2.thefreedictionary.com/home+rule%2c+municipal>.
- Hemsley, S. (2008). Getting to know and maybe love your municipal charter. Retrieved from the University of Tennessee Municipal Technical Advisory Service website, <http://www.mtas.utk.edu>.
- Hobday, V.C. (1976). An analysis of the 1953 Tennessee home rule amendments. Retrieved from <http://www.mtas.utk.edu/KnowledgeBase.nsf/0/1B7D0AC63F249DFE852572B20060456C?OpenDocument-13k>.
- Hunter v. Pittsburg*. (1901). Retrieved from <http://supreme.justia.com/us/207/262/case.html>.
- Lang, D. (1991, December). Dillon's rule ... and the birth of home rule. *Municipal Reporter*, pp. 1–5. Retrieved July 18, 2011, from <http://www.nmml.org/files/2008/01/dillon.pdf>.
- Megna, A. (2009, May 28). Charter hurdles cleared. *Leaf Chronicle*, p. B2.
- Merriam v. Moody's Executor*. (1868). 25 Iowa 163,170.

- Merrill v. Monticello*. (1891). Retrieved from <http://supreme.justia.com/us/138/673/case.html>.
- Municipal Technical Advisory Service. (2011). Tennessee city codes and charters. Retrieved from <http://www.mtas.utk.edu>.
- Ormsby, S., Appel, E., Brady, P., Gibber, J., Kieffer, F., Koman, R., Nightlinger, M., Packard, J., and Valder, M. (2004). *Dillon's rule: Good or bad for local governments?* League of Women Voters of the Fairfax Education Fund, Fairfax, Virginia.
- People v. Hurlbut*. (1871). 24 Mich. 44.
- Private Acts of Tennessee, Chapter 601, Senate Bill 381. (1907).
- Private Acts of Tennessee, Chapter 252, House Bill 370. (1929).
- Private Acts of Tennessee, Chapter 292, Senate Bill 751. (1957).
- Snyder, E. (2009a, March 22). City charter sent back. *Leaf Chronicle*, p. A1.
- Snyder, E. (2009b, May 8). Committee freezes plans to amend charter. *Leaf Chronicle*, p. A1.
- Snyder, E. (2009c, May 9). Council's charter rhetoric gets hot. *Leaf Chronicle*.
- State of Tennessee, Office of the Attorney General. (2009, May 21). Opinion 09-94, Charter of the City of Clarksville.
- Stevens, R. (2007, June 13). Retreat wasn't a waste. *Leaf Chronicle*, p. B2.

3

Urban Redevelopment*

Politics and economics ... you can't talk about one without talking about the other.

—David Caploe (2010, p. 3)

INTRODUCTION

In their book *The Political Economy of Public Organizations* (1973), Gary Wamsley and Mayer Zald argue that political and economic factors influence the effective management of public organizations. Political factors include values, governments, political parties, legal systems, interest groups, coalitions, individuals within one's chain of command, powers of city officials and citizens, race relations, property rights, regulations, and class status. Economic factors include profits, costs, revenue streams, property values, workforce opportunities, trade, fiscal policies, and class status.

This chapter applies political economy theory as a means for analyzing how politics and economics may influence city redevelopment efforts. John Macionis and Vincent Parrillo (2010) define political economy theory as “urban life ... understood in terms of the social

* This case is reprinted with the permission of the Rutgers–Newark School of Public Affairs and Administration.

structures and processes of change that benefit some groups at the expense of others” (p. 172). The theoretical principles are

1. Any city exists within the larger political structures of county, state, and nation;
2. Local economies do not operate independently but connect to one another to forge state, national and international economic networks;
3. Political and economic institutions ... shape urban life;
4. Conflicts between labor and management, between racial and ethnic populations, and between social classes have shaped the physical and social character of cities;
5. Urban changes must be understood in the light of historical economic and political forces. (pp. 177–178)*

The question becomes, how can public officials manage intertwined political and economic interests to achieve city goals?

CASE 3.1 INTRODUCTION

This case explores the economic and political implications developed during an attempt to redevelop the downtown area of Clarksville, Tennessee. The problem is the intense conflict that has risen between government officials, interest groups, and citizens who live in an area being considered for redevelopment. The theme of the case is the complexity of initiating an urban redevelopment project due to the number of actors and their differing concerns. To enhance their understanding, the readers may use the case chart (Figure 3.1) as an aid for identifying the people and types of organizations involved and the political and economic concerns of each. The first three lines of the chart are completed as an example.

CASE 3.1: WELCOME TO BLIGHTVILLE

The mayor’s dream was quickly becoming a nightmare. Images of angry faces, protest signs, and lawsuits continuously flashed in front of his eyes. Earlier in the year, the Clarksville City Council voted to approve the Clarksville Center Redevelopment and Urban Renewal Plan (City

* Macionis, John J., and Parrillo, Vincent, N., *Cities and Urban Life*, 5th ed. (Upper Saddle River, NJ: Pearson Education, 2010). © 2010. Reprinted by permission.

Actor	Type of Organization: Public, Private, Nonprofit	Actor’s Political or Economic Concern
City mayor	Public: City government	City beautification, revenue enhancement, possible conflict of interest
Jimmie Garland	Nonprofit: NAACP	Equity
Mark Olson	Private: Attorney	Business profit

Figure 3.1 An application chart for Case 3.1.

Ordinance 73-2005-06). The aim was to improve the long-term economic viability of the city by redeveloping the downtown area.

The proposed area for redevelopment covered 1,097 acres and consisted of 1,800 public housing units, private sector homes, churches, businesses, deserted buildings, and empty lots. The problem was that some owners of these properties objected to the proposed city intervention. Property owners had four primary concerns:

- 1. They were personally offended by the plan’s representation of their neighborhood as *blighted*.

2. They opposed the plan's language allowing the city to condemn and acquire private property using eminent domain procedure.
3. They declared they had not received written notification as required by state law.
4. They objected to the recommendation that a state tax increment financing (TIF) option be used. This option would allow private developers to pay reduced property taxes in exchange for construction of new utilities or other approved amenities.

"It's just an ordinance that gives them a blank check to do anything they want.... My husband and I have spent 25 years of married life together, fixing it up, making it a home and they're not going to take it," said property owner Debbie Hunt. "We don't have any say so in it," said property owner Randy Black (Campbell, 2008, p. 2). City Councilman Marc Harris commented, "The citizens have lost trust in government in how this was done" (Snyder, 2008a, p. H2).

Supporters and opponents of the plan met with the Montgomery County commissioners. At this meeting Frank Lott and Wayne Wilkinson, who helped write the plan, told the commissioners the redevelopment project was needed "to continue the current momentum of development" and "ensure the long-term viability of the city's urban core" (Ludlow, 2007, p. 1). Debbie Denton, a historic homeowner, voiced her fear that the city government would use its power of eminent domain to acquire private property. "They can seize it and sell it to private developers who stand to make a lot of money. That's the true motivation behind all this," she said (Ludlow, 2007, para. 8). Dan Brown, executive director of the Tennessee Preservation Trust, a statewide nonprofit historic preservation and advocacy organization, described the plan as "audacious ... enabling legislation" that would "take away people's property rights," "negatively affect property values," and make Clarksville "one of the most endangered historical property sites in the U.S." (Karlin, 2007, p. A1; Ludlow, 2007, para. 10).

Recognizing the need to develop an even larger support base against implementation, Terry McMoore, director of the Tennessee Urban Resource Center, issued a press release announcing "a public

debate and forum on eminent domain and a community challenge to the city council” (2007). At the forum, John Summers, an attorney from Nashville, Tennessee, informed attendees that the City of Clarksville had the legal power of eminent domain and could allow private developers to develop the land. Jimmie Garland Sr., president of the Clarksville branch of the National Association for the Advancement of Colored People (NAACP), stated the plan could be a civil rights issue and that he would ask the state branch of the NAACP to review its legality. David Shelton, a member of the Clarksville Human Relations Commission, recommended the property owners take their concerns to the Clarksville City Council (Dexter, 2007).

In response to the property owners’ concerns, the Clarksville City Council scheduled a special forum to “tell the rest of the story,” said City Councilman Geno Grubbs (Snyder, 2007, p. A1). However, the mayor later canceled the forum citing public notification time requirements would not be met. Instead, Mayor Piper (2008) sent a letter to the property owners:

The City of Clarksville has **no intentions** of taking your property. The redevelopment plan *ordinance actually makes it harder for any government to exercise eminent domain*. There are many layers of protection for property owners built into the ordinance that are not being revealed to you in these fliers.... The Clarksville Property Rights Coalition (CPRC) has been going door to door telling residents and business owners that the City of Clarksville is going to take your property and you will have 30 days to vacate the property. This scare tactic used by the CPRC is completely **FALSE. This will not happen....** I want you to know that I am ... equally concerned that there were some procedures that were not followed properly in accordance with Tennessee law when developing the plan.... I can assure you that as we move forward with this issue a recommendation that the size of the redevelopment district be reduced.... I will propose to the city council that we establish a whole new ordinance that addresses this issue. I will be seeking your input as we move forward with this initiative and I hope you will participate in the process.

The mayor’s letter failed to satisfy the property owners who had formally organized into the Clarksville Property Rights Coalition



Figure 3.2 “Welcome to Blightville” photograph. (Photo by Greg Williamson, *Leaf Chronicle*, 2011. Reprinted with permission.)

(CPRC). Organizers recruited volunteers, distributed buttons reading “No Blight without a Fight,” sold yard signs reading “Welcome to Blightville,” and began the preparation of a political campaign to elect a new mayor and council members (Figure 3.2).

Not long after the mayor sent his letter, the Clarksville Historical Preservation Committee met. At this meeting, Mayor Piper fired committee member Rebecca McMahan, stating her participation on the historical preservation committee was a conflict of interest with her membership in the CPRC. Also in attendance was Rob Crawford, a certified local government coordinator with the Tennessee Historical Commission. After the meeting, Crawford told a *Leaf Chronicle* reporter that he was in Clarksville to review the city’s membership in the Certified Local Government Program and that he did not want to see Clarksville lose its certification. Mayor Piper told Mr. Crawford that he would report this threat to the commission’s leadership (Snyder, 2008b).

Meanwhile, proponents continued to work to save the plan. They listened to public comments at a city council meeting where supporters held signs asking the public to “give the plan a chance.” The writers of the plan explained the word *blight* was used, not to offend anyone, but to meet a state law that required such wording for the establishment of TIF districts. The proponents arranged for a group

of concerned citizens to visit Knoxville, Tennessee, to speak with members of the Knoxville Community Development Corporation so they could experience firsthand the positive outcomes of a similar redevelopment effort. Mayor Piper offered county commissioners the opportunity to select all the members of the proposed redevelopment plan board, and the city council held a public hearing inviting citizens to state their concerns. City officials used the information and support gained through these initiatives to develop a second urban renewal plan that also received city council approval.

The property owners opposed the second plan as well, with one owner saying the changes did not “really make any difference ... all they did was change the wording around” (Snyder, 2008c, p. 10), and plan opponents once again asked for permission to speak to the Montgomery County commissioners. Urban Resource Center Director Terry McMoore (2008) wrote:

We are very concerned that this plan in its current form does not protect low income homeowners from losing their homes and that it also violates the voting and civic rights of the citizens of Clarksville–Montgomery County’s only Majority Minority voting ward and district. (p. 1)

The county commissioners had not yet voted on whether to partner with the city in the redevelopment project. Their major concern was that the TIF option would result in the county losing more tax revenue than the city. “It’s our duty to protect the revenue sources for the county,” said County Mayor Carolyn Bowers (Snyder, 2008d).

In November 2008, representatives from the U.S. Department of Justice and the U.S. Department of Housing and Urban Development (HUD) held a public forum in Clarksville to discuss issues raised by opponents that the plan had negative race, class, and ageism implications. Christina Walsh, director of activism and coalitions for the Castle Coalition, was also in attendance. William Dirl, the field office director of the Nashville HUD office, stated the plan could not be used as a “tool of racism” (Snyder, 2008e, pp. A1, A2). Mr. Dirl suggested the plan be modified to address housing rehabilitation opportunities

for existing residents and that the proposed redevelopment board should include neighborhood representation.

The CPRC then ran an advertisement in the local newspaper, *The Leaf Chronicle*, urging citizens to encourage their city councilmen and county commissioners to fight for the plan's demise. The advertisement stated, "This redevelopment plan is about private development. Our city government is controlled by developers; Mayor Johnny Piper, Councilman Swift and District Development Partnership member Wayne P. (Wilkinson) are all developers" (Snyder, 2008f, p. A1). Soon after the advertisement ran, Swift and Wilkinson filed a libel lawsuit against the CPRC, claiming the advertisement falsely attacked their good reputations (Snyder, 2008f). Bert Gall, an attorney from the Institute for Justice (a nonprofit, public interest law firm that defends property rights nationwide), offered to defend the CPRC. Gall stated the suit was "extremely frivolous ... and that under the First Amendment, you shouldn't need a lawyer to speak out about politics," (Snyder, 2008f, p. A8). Mark Olson, the private attorney representing Swift and Wilkinson, replied that the advertisement was "intended to imply personal interest in the city resolution for personal gain, which is not true. It is untrue libel of the gentlemen intended with malice" (Snyder, 2008f, p. A8). Circuit Court Sumner County Judge C.L. Rodgers dismissed the case, saying (Sullum, 2009):

Debate on public issues shall be uninhibited [and] wide open and generally [does] include vehement, caustic and unpleasant attacks on the character and bias of government officials.... Accusing a public official or public figure of using their influence to obtain a benefit for others or themselves or favoring their supporters is not defamation. (p. 1)

Since this ruling, all parties recognized the need for a cooling-off period and no further action has been taken toward implementation.

AUTHOR'S NOTE

Additional case information was obtained through the author's personal observations at city council meetings, a conversation with Cynthia

Marsh, and e-mail correspondence with Terry McMoore, Mark Olson, Debbie Denton, and Clarksville City Councilman Bill Summers.

CONCLUSION

This chapter presented the political-economic theory and its application to an urban redevelopment project. Political-economic theory was defined and a case study was incorporated to enhance the reader's comprehension and application of the theory. Chapter 4 explores the practices of eminent domain and police power.

REFERENCES

- Campbell, C. (2008, March 21). Redevelopment plan causes heated debate: Mayor says city has no intention of taking people's homes. Retrieved from <http://com/print/15663374/detail.html>.
- Caploe, D. (2010, March 10). What is political economy???. Retrieved from <http://www.economywatch.com/political-economy/>.
- City of Clarksville, Tennessee. (2007, September). An ordinance approving the Clarksville center redevelopment plan (Ordinance 73-2005-06). Retrieved from [http://www.cityofclarksville.com/pdf/Ordinance%2073-2005-6%202nd%20Reading%20\(3\).pdf](http://www.cityofclarksville.com/pdf/Ordinance%2073-2005-6%202nd%20Reading%20(3).pdf).
- Dexter, J. (2007, December 15). Community steps up to fight blight. *Leaf Chronicle*, p. A3.
- Karlin, N. (2007, November 15). Redevelopment plan blights downtown neighborhoods: Opponents claim ordinance merely "enabling legislation." *Leaf Chronicle*, pp. 1A, 2A.
- Ludlow, T. (2007, November 14). City commissioners hear presentation on redevelopment of downtown Clarksville: Project would encompass areas surrounding Austin Peay State University. *The All State*, para. 8, 10. Retrieved from <http://www.theallstate.com>.
- Macionis, J.J., and Parrillo, V.N. (2010). *Cities and urban life* (5th ed.). Boston: Prentice Hall.
- McMoore, T. (2007, December 5). Clarksville, TN citizens say no to controversial eminent domain plan. Retrieved from <http://www.freepressreleases.co.uk>.
- McMoore, T. (2008, November 19). Institute for justice representative to meet with justice department. Retrieved from <http://www.clarksvilleonline.com/2008/11/19/institute-for-justice-to-send-representative-to-forum-with-department-of-justice/>.

- Piper, J.E. (2008, February 20.) Letter to property owners. Retrieved from <http://www.cityofclarksville.com/pdf/CCRP%20Letter2-final.pdf>.
- Snyder, E. (2007, December 22). Council responds to “blight”: Other cities’ redevelopment plans include same language, provisions. *Leaf Chronicle*, p. A1.
- Snyder, E. (2008a, February 24). Redevelopment plan under review. *Leaf Chronicle*, p. H2.
- Snyder, E. (2008b, February 5). Piper removes opponent from historic committee: Rebecca McMahan also a member of Clarksville Property Rights Coalition. *Leaf Chronicle*, p. A3.
- Snyder, E. (2008c, March 28). Piper presents revisions: Mayor outlines how private property could be acquired. *Leaf Chronicle*, p. A10.
- Snyder, E. (2008d, July 25). County to revisit development plan: City wants county to weigh in before board appointed. *Leaf Chronicle*, pp. A1, A3.
- Snyder, E. (2008e, June 4). HUD asks city to tweak renewal strategy: Agency urges affordable housing plan. *Leaf Chronicle*, pp. A1, A2.
- Snyder, E. (2008f, June 28). Firm to defend coalition accused of libel. *Leaf Chronicle*, pp. A1, A8.
- Sullum, J. (2009, March 30). Criticism of politicians is not defamation, even if you use the D-word. Retrieved from <http://reason.com/blog/2009/03/30/criticism-of-politicians-si-no/print>.
- Wamsley, G.L., and Zald, M.N. (1973). *The political economy of public organizations: A critique and approach to the study of public administration*. Lexington, Maryland: Lexington Books.

RECOMMENDED READINGS

- Birch, E. (Ed.). (2009). *The urban and regional planning reader* (3rd ed.). New York: Routledge.
- Cullingworth, B., and Caves, R. (2009). *Planning in the USA: Policies, issues and processes* (3rd ed.). New York: Routledge.
- Levy, J. (2011). *Contemporary urban planning* (10th ed.). Boston: Pearson.

4

Authority and Power

King Ahab, the Seventh King of Israel, wanted a vineyard that was conveniently located next to his palace. He asked the property owner, Naboth, if he would sell, or exchange, the property for another elsewhere. Naboth replied, “Not on your life! That land has been in my family for generations.” After hearing of Naboth’s refusal, the king’s wife arranged for city officials to apply judicial procedures to make the land available to the king.

—Paraphrased from 1 Kings: 21

INTRODUCTION

As the story above indicates, state and local governments have been applying the tools of eminent domain and police power for centuries. This chapter focuses on how city officials may use this administrative authority. The concepts of authority and power are introduced, and the tools of eminent domain and police power are discussed.

In *Managing the Modern City* (1975), James Banovetz defines authority as the “rightful power to act or command others to act” (p. 122). The German social scientist Max Weber argued that the right to act on behalf of citizens is based on the legal-rational authority invested in them through the legitimacy of their positions (Fry, 1989). This legitimacy is established in state constitutions and statutes, city charters, and codes. Two tools used by city officials to act

on the best interests of the public are eminent domain and police power.

Eminent domain is the legal power city authorities have to take ownership of personal property for the purpose of public improvement. The federal government delegates this authority to states, which may further delegate the authority to local governments. To ensure the owners' constitutional rights of just compensation and due process are not violated, local governments must follow federal and state laws referred to as condemnation proceedings. Aaron Larson (2004) writes that the process of condemnation usually consists of the following steps:

1. The government authorities attempt to negotiate the purchase of the property for fair value.
2. If the owner does not wish to sell, the government then files a court action to exercise eminent domain and publishes notice of the hearing as required by state law.
3. A hearing is scheduled, at which the government must demonstrate that it engaged in good faith negotiations to purchase the property, but that no agreement was reached. The government must also demonstrate that the taking of the property is for a public use, as defined by law. The property owner is given the opportunity to respond to the government's claims.
4. If the government is successful in its petition, proceedings are held to establish the fair market value of the property. Any payment to the owner is first used to satisfy any mortgages, liens, and encumbrances on the property, with any remaining balance paid to the owner. The government obtains title to the property.
5. If the government is not successful, or if the owner is not satisfied with the outcome, either side may appeal. (para. 2)

Government officials may also use the power of eminent domain to acquire public housing property; however, the procedures differ from those required for the seizure of private property. The most important requirement is to get consent from the U.S. Department of Housing and Urban Development (2011). Before giving consent, department officials will consider such factors as what compensation it will receive for the housing units to be taken; whether the housing occupants have been notified as required by federal, state,

and local laws; and evidence that the city will pay for the costs of relocating the residents to comparable housing.

To further understand the practice of eminent domain, the terms *public use*, *just compensation*, and *excessive condemnation* need more explanation. Johnson (1981) writes that the courts tend to define *public use* broadly as “securing a public benefit” (p. 1). Past court cases reflect that a public benefit may be anything that improves the health, safety, morality, convenience, aesthetics, interest, economic vitality, or general welfare of the community at large (Farlex, 2011; Hart, 1927; Hodges, 1939; Larson, 2004; Levy, 2009; U.S. Department of Housing and Urban Development, 2011).

The Fifth Amendment to the Constitution of the United States indicates the owners of property seized through condemnation proceedings must be paid compensation that is fair to the public as well as to the property owner (Farlex, 2004). The courts usually determine *just compensation* to be the appraised market value of the property and any reasonable expenses incurred by the original property owner. Just compensation may include fixtures and the costs incurred by the property owners as a result of the loss or disruption of business, goodwill, lease commitments, and litigation (Larson, 2004).

Excessive condemnation (also called *incidental condemnation*) occurs when the governing authority applies the power of eminent domain to take more land than is necessary to achieve the stated public purpose (Johnson, 1981). City authorities may use the excess property to maintain a border around the property initially seized for the public improvement or resell it as a way to recover expenses incurred during the initial improvement project (Hart, 1927; Johnson, 1981).

Police power provides states and local governments the right to place controls on the use of privately owned land without having to take ownership of the property. Control mechanisms may range from complete demolition of buildings to simple property repairs. Police power resides in the sovereign state and is delegated to local governments through provisions placed in state constitutions or statutes. Regulatory practices may include city ordinances, building and zoning codes, or utility restrictions. When police power is

applied, the city does not have to initiate any judicial process or pay the property owner compensation for any loss in value of the property. The primary differences between eminent domain and police power is in the ownership and public use of the property. Through the application of police power city officials may place restraints on the property owner's use of the land but not take total ownership (Dubber, 2005; Levy, 2009). Police power may be applied for any violation of city code that threatens the general health, safety, or welfare of the community at large. Once a violation is identified, an appropriate city official may issue an order requiring the violation be corrected. If the property owner does not take action to correct the violation, city officials may assume some control over the use of the property and charge the owner the costs incurred to make the needed improvement (Hart, 1927; Levy, 2009).

CASE 4.1 INTRODUCTION

The purpose of this case is to enhance the reader's understanding of the concept of legal (legitimate) authority possessed by city administrators and how they may apply eminent domain and police power to achieve city goals. In the following case, city officials had passed a city ordinance that would allow the redevelopment of the downtown area in order to revitalize the city's aesthetic and economic vitality. The problem is that the urban renewal plan has not been implemented due, in part, to citizens' fears the city will use its authority to apply the tools of eminent domain and police power. The following questions should be considered when reviewing the case:

1. Who are the legal authorities identified in this plan? What authority has been delegated? To whom? By whom?
2. Are the tools of eminent domain and police power authorized in the ordinance?
3. Would you consider the size of the proposed area for redevelopment (1,097 acres) to be excessive condemnation? Why or why not?

4. In your opinion, would the city be financially able to afford the use of eminent domain?
5. In your opinion, would the size of the area proposed for redevelopment lead to the application of police power?

CASE 4.1: IT IS MY PROPERTY

“Now they are going to come and take our stuff. What are they going to do? Push us to the rural areas?” asks Nanette Atkins (News Channel 5, 2008a, p. 1). “I understand that some of these old raggedy houses need to be torn down ... now my house isn’t raggedy,” said 74-year-old Angeleane Parchman (News Channel 5, 2008b, p. 1). Rosella Griffin, 71, who has lived in the Lincoln Homes public housing complex since 1952, said, “I love it here.” Moving “would devastate me” (WKRN, n.d., p. 1).

The residents were voicing their concerns about a new city ordinance passed to improve the aesthetic and economic vitality of the city’s downtown area. At stake was 1,097 acres, consisting of 1,800 public housing units, private sector homes, churches, businesses, deserted buildings, and empty lots. Specifically, they were concerned about the size of the area identified for redevelopment and city intervention over the control or ownership of their properties.

The *introduction* to the ordinance, entitled “The Clarksville Center Redevelopment and Urban Renewal Plan” (Ordinance 96-2007-08; City of Clarksville, 2008), reads:

This Clarksville Center Redevelopment and Urban Renewal Plan (this “Plan”) is being adopted pursuant to the Housing Authorities Law, being Title 13, Chapter 20 of the Tennessee Code Annotated (the “Act”), and other applicable provisions of law. This Plan is to be undertaken by the Clarksville Housing Authority (the “Authority”), in cooperation with other governmental entities, including the City of Clarksville (the “City”) and Montgomery County (the “County”), if this Plan is approved by the County. This Plan shall constitute both a redevelopment plan ... and an urban renewal plan. (p. 1)

The plan then describes the *area for development*:

While many structures within the Redevelopment Area are used productively, Visual inspections by the City and the Authority

demonstrate that there are elements of blight within the Redevelopment Area due to dilapidation, obsolescence and deleterious land use that are detrimental to the safety, health or welfare of the community. This conclusion is supported by the incidence of code violations that occur within the Redevelopment Area and the eligibility of some of the Redevelopment Area for Community Development Block Grant funding. (pp. 2-3)

The general design *regulations and control* for enforcement read:

In order to achieve the objectives of this Plan, design controls and procedural regulations of the Clarksville Zoning Ordinance, the City of Clarksville's 5-year Consolidated Plan for Housing and Community Development, the Clarksville Land Use Master Plan for the Downtown District Partnership ... and the Emerald Hill Historic District Design Guideline, shall apply, as applicable, to land within the Redevelopment Area developed, redeveloped, or improved subsequent to the recording of this Plan in the Register's Office of Montgomery County. The Redevelopment District Board (RDB) may recommend the adoption of additional design regulations and controls to be adopted by the appropriate governmental body. The City Council may adopt additional redevelopment/revitalization plans to control and regulate development within the redevelopment Area. In order to achieve the objectives of this Plan, it may be necessary to acquire properties within the Redevelopment Area.... Upon the recommendation of the RDB and the approval of the Authority, property may be acquired by eminent domain to provide for the redevelopment of vacant and underutilized land; to eliminate structures which, because of poor initial construction, inadequate maintenance, obsolescence or other conditions are not suitable for rehabilitation; to eliminate non-conforming land uses which are detrimental to the redevelopment of the Redevelopment Area; to provide for the replatting of land and the development or adjustment of streets, alleys and pedestrian ways; and to assemble suitable tracts for disposition. (p. 8)

The ordinance remains a live document filed in the city codes but has not been implemented due to citizen opposition.

CONCLUSION

This chapter discusses the concepts of administrative authority and the administrative tools of eminent domain and police power. The terms *authority*, *eminent domain*, and *police power* were defined, and the incorporated case provided the reader with portions of a city ordinance as a reference for determining how a city may use its legitimate authority to achieve city goals. Chapter 5 will introduce readers to a city public policy-making process.

REFERENCES

- Banovetz, J.M. (1975). *Managing the modern city*. Washington, DC: International City Management Association.
- City of Clarksville. (2008, May 8). Ordinance 96-2007-08, an ordinance adopting the Clarksville center redevelopment plan, pp. 1, 2, 3, 8. Retrieved from <http://www.cityofclarksville.com/pdf/Ordinance%2096-2007-08%202nd%20Reading.pdf>.
- Clarksville Center Redevelopment and Urban Renewal Plan. (2008, May 8). Retrieved from <http://www.cityofclarksville.com/pdf/Clarksville%20Center%20Redevelopment%20&%20Urban%20Renewal%20Plan%205-8-08.pdf>.
- Dubber, M.K. (2005). *The police power: Patriarchy and the foundations of American government*. New York: Columbia University Press.
- Farlex. (2011). *The free dictionary*. Retrieved from <http://legal-dictionary.thefreedictionary.com/p/eminent%20doamin>.
- Fry, B.R. (1989). *Mastering public administration: From Max Weber to Dwight Waldo*. Chatham, UK: Chatham House Publishers.
- Hart, F. (1927). Excess condemnation a solution of some problems of urban life. *Marquette Law Review*, 222–233. Retrieved from publications.marquette.edu/cgi/viewcontent.cgi?article=4417&context=
- Hodges, H.G. (1939). *City management: Theory and practice of municipal administration*. New York: F.S. Crofts & Co.
- Johnson, G.P. (1981, Winter). Comment: The effect of the public use requirement on excess condemnation. *Tennessee Law Review*. Retrieved from the <https://litigation-essentials.lexisnexis.com>.
- Larson, A. (2004, July). Eminent domain, para. 2. Retrieved from http://www.expertlaw.com/library/real_estate/eminent_domain.htm.
- Levy, J.M. (2009). *Contemporary urban planning* (8th ed.). Englewood Cliffs, NJ: Pearson, Prentice Hall.

- News Channel 5. (2008a). Mayor: Clarksville neighborhood isn't blighted. Retrieved from <http://www.newschannel5.com/global/story.asp?s = 8049726&ClientType = Printable>.
- News Channel 5. (2008b). NAACP wants Clarksville redevelopment plan investigated. Retrieved from <http://www.newschannel5.com/story/8287123/naacp-wants-clarksville-redevelopment-plan->.
- U.S. Department of Housing and Urban Development. (2011). Eminent domain. Retrieved from http://portal.hud.gov/hudportal/HUD?src = /program_offices/public_indian_housing/centers/sac/eminent/.
- WKRN. (n.d.). Clarksville residents fear redevelopment plan. Retrieved July 20, 2008, from <http://www.wkrn.com/global/story.asp?s = 8292342&ClientType = Printable>.

RECOMMENDED READINGS

- American Planning Association. (1995). *Policy guide on takings*. Retrieved from <http://www.planning.org/policy/guides/adopted/takings.htm>.
- American Planning Association. (2004). *Policy guide on public redevelopment*. Retrieved from <http://www.planning.org/policy/guides/adopted/redevelopment.htm>.
- Lehavi, A., and Licht, A. (2007). Eminent domain, Inc. *Columbia Law Review*, 107, 1704–1748.
- Merrill, T. (n.d.). *How to reform eminent domain*. American Planning Association. Retrieved from <http://www.planning.org/media/viewpoints/reformeminentdomain.htm>.
- Reynolds, G., and Kopel, D. (2000). The evolving police power: Some observations for a new century. *Hastings Constitutional Law Quarterly*. Retrieved from <http://www.davekopel.com/CJ/LawRev/EvolvingPolicePower.htm>.
- University of Pennsylvania Law Review. (1856). The right of eminent domain. *American Law Register*, 4, 641–661.
- Tomlins, C. (2008). Necessities of state: Police, sovereignty, and the constitution. *Journal of Policy History*, 20, 1528–4190.

5

Policy Making

Successful political systems allocate values for a society, and they must manage to induce most members to accept these allocations as binding.

—David Easton (1992, p. 194)

INTRODUCTION

It is the responsibility of governments to “resolve conflicting claims for scarce resources, coordinate collective action, and regulate behavior collectively determined to be immoral” (Theodoulou and Cahn, 1995, p. 2). Governments achieve this responsibility through some type of legislative or executive regulation (Grafton and Permaloff, 2005a). City governments create, implement, and enforce regulatory public policy through the use of ordinances and resolutions. *Ordinances* are city laws that establish long-term rules of conduct that may be enforced by police forces and the courts (League, 2012). *Resolutions* are written statements documenting government opinions or acts of public recognition regarding simple or short-term matters of interest. They usually do not contain compliance requirements.

Arguably, the most commonly used methodology for understanding how public policy is made is David Easton’s political systems model. Applying Ludwig von Bertalanffy’s general system theory, Easton (1957) identified several stages in the policy-making process,

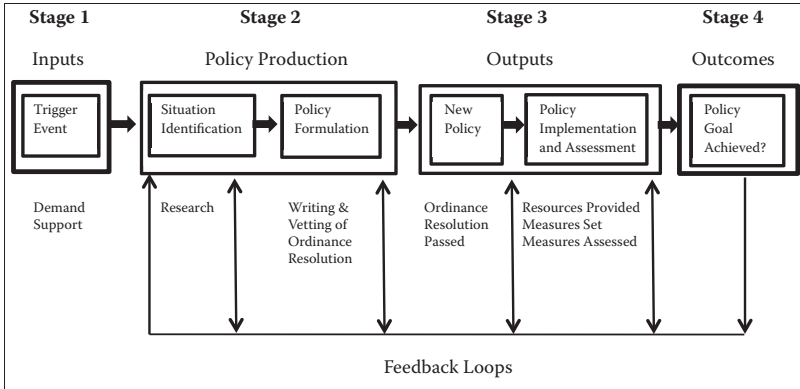


Figure 5.1 A city public policy-making process.

including: (1) inputs that lead to (2) decisions resulting in a (3) policy that is (4) implemented within a political environment. The author of this book applied von Bertalanffy's and Easton's work to create another model, shown in Figure 5.1, for studying the policy-making process of city governments. An explanation of each stage is provided below.

- Stage 1: Inputs. During the input stage an event happens that captures the attention of the citizenry, who then request that their city government implement some type of authoritative policy. Grafton and Permaloff (2005b) identify this type of situation as a *trigger event*. Easton identified the actors in this stage as individuals making *demands*, and those who come forth in *support* of the demand. Clarksville City Councilman Bill Summers (personal communication, February 12, 2012) provides an example:

It was kids running out into the street from behind a line of garbage cans that [had not been] returned to their proper storage location that was the trigger event that caused me to look back at previous [garbage can] complaints that I had received and to track new complaints.

In this example, the *demanders* would be the concerned citizens. The *supporter* would be the city councilman. The actions taken by the citizens and their councilman would lead to the situation definition phase of stage 2.

- Stage 2: Policy production. *Situation identification* is the research phase of the policy development process. Before a new policy can be written, the demanders and supporters must work together to analyze the situation. Some questions that may need to be answered are
 1. What is the situation? Is it a problem or an opportunity? Why has the demand been made? Who is affected? (Denton, 1995)
 2. Is the problem large enough to require government intervention? What is the level of public concern? Are more supporters needed? Does the situation require a statement of government opinion, an act of public recognition, or resolve a health, safety, or welfare issue?
 3. Is there a city ordinance or resolution already in place that addresses the situation? If so, is the existing ordinance being adequately applied or enforced?
 4. What are some potential solutions to the situation? What are the costs and benefits of proposed solutions? What is the ultimate goal to be achieved?

Using the garbage can example, Councilman Bill Summers found that other council members had received similar complaints from citizens in their wards. Residents who left their garbage cans in the streets or on the sidewalks were creating public safety issues for drivers, pedestrians, and children playing in the area. The accumulation of rotting garbage and pools of standing rainwater attracted bugs, rodents, and other animals, creating public health issues. Rotting garbage dragged out onto the streets and into neighbors' yards created property blight.

Policy formulation is the writing of the proposed ordinance or resolution. The sponsor may include the involvement of other council members, the city attorney, city committees, and department heads. Clarksville City Councilman Deanna McLaughlin (personal communication, February 12, 2012) explains that while this step is not required, it is

valuable because the feedback received allows the sponsor to make policy adjustments prior to presenting the resolution or ordinance to the full council for a vote.

During his research regarding the garbage problem, Councilman Summers found there was an existing city code addressing the removal of garbage cans, but that it needed enhancing. He then drafted a proposed enhancement and sent it to the city attorney, the Building and Codes Committee, the Public Safety and Finance Committee, and affected department heads for vetting. Once the proposed change to the existing ordinance was approved by these reviewers, Councilman Summers presented the revised ordinance to the full city council for its vote on whether to approve or disapprove the proposed ordinance adjustments.

- Stage 3: Outputs. The outputs are the passing of a new ordinance or resolution, the implementation, and follow-up analysis of the policy's effectiveness. An example of an output would be a city ordinance requiring all residential garbage cans be removed from city streets and sidewalks within 24 hours of garbage pickup. The ordinance would be enforced by the city code's enforcement officers.
- Stage 4: Outcome. The outcome is the environmental result of the implementation and enforcement of the new ordinance or resolution. Was the goal of the ordinance or resolution achieved? An outcome for the garbage can example would be citizens complying with the new ordinance, therefore eliminating property blight and potential health and safety hazards.

Throughout this entire process, feedback is sent back to stage 1. This feedback is used to assess and improve the effectiveness of the policy-making process.

CASE 5.1 INTRODUCTION

The purpose of this case is to enhance the reader's understanding of how the public policy-making process works. The problem is the sale of synthetic drugs in local retail stores. The city government's solution was to pass an ordinance banning the sale of the drugs within the city limits. To enhance their understanding of the policy-making process, it is recommended that the readers use Figures 5.1 and 5.2 to identify examples of each stage of the policy-making process in action.

CASE 5.1: GOVERNMENT BANS SYNTHETIC DRUGS

The boy's mother choked up as she recalled seeing her son repeat sentences and talk nonstop for two-and-a-half hours. His heart was beating at an alarming 185 beats per minutes, and doctors had to pump liquid potassium through his veins to prevent his muscles—including his heart—from locking up. (Green, 2011a, p. A1)

<p>Stage 1: Inputs</p> <ul style="list-style-type: none"> What was the trigger event? Who were the demanders and supporters? <p>Stage 2: Policy production</p> <ul style="list-style-type: none"> What research was done? How was the situation defined? What policy formulation steps were taken? By whom? Was any feedback applied to the previous step? <p>Stage 3: Outputs</p> <ul style="list-style-type: none"> How was the new policy implemented? How was the new policy enforced? How was the effectiveness of the new policy assessed? Was any feedback applied to the previous step? <p>Stage 4: Outcome</p> <ul style="list-style-type: none"> Was the policy outcome achieved? If not, why not? According to the feedback loop, what additional actions (if any) may have to be taken?

Figure 5.2 A worksheet for Case 5.1.

The boy’s mother and father soon discovered their son had consumed a synthetic drug purchased at a local convenience store. The parents contacted Clarksville police officer Linda Caver for information regarding the legality of the sale of synthetic drugs. Agent Caver then contacted Clarksville City Councilman Deanna McLaughlin for help in having the city council pass an ordinance banning the sale and possession of synthetic drugs within city limits. Councilman McLaughlin agreed and said she would sponsor a city ordinance to ban the sale of these substances within the City of Clarksville.

McLaughlin and Caver researched the topic of synthetic drugs. They discovered that the use of these drugs is growing rapidly within the United States, and that the American Association of Poison Control Centers reported receiving 6,138 inquiries regarding the use of synthetic drugs in the year 2011, which was up from 304 inquiries in 2010 (10 News, 2012; Leinwand Leger, 2012). They learned that the drugs are legal to sell, inexpensive, and often marketed to teenagers. The drugs are often sold at convenience stores, gas stations, tobacco shops, head shops, and adult entertainment stores under a variety of brand names. (Figure 5.3 presents a list of brand names of

Synthetic Cocaine Sold as bath salts or plant food	Synthetic Marijuana Sold as potpourri, herbal incense, or brownies	Synthetic MDMA (Ecstasy) Sold as bath salts or tablets
Ivory Wave, Purple Wave, Vanilla Wave, Cloud 9, Ocean, White Lightning, Hurricane Charlie, Scarface, Red Dove, White Dove, Molly’s Plant Food, PMS, White Mamba, Bliss, 2C-E, Blueberry Spice	Dank, Rasta Spice, One Love, Fusion, K2, Spice, JH/Kush (Hog Leg), Vampire Blood, Lazy Cakes, Simmer and Unwind, 7H	E-phoria

Figure 5.3 Some brand names of synthetic drugs. (Data from Addictionsearch.com, n.d.; Benton, B., 2011; Franklin County, n.d.; Green, T.D., 2011b; Leinwand Leger, D., 2012; Syracuse University Health Services, 2011.)

some synthetic drugs.) Enforcing bans against the sale of synthetic drugs is difficult because manufacturers are (1) hard to identify, (2) change brand names often, and (3) simply alter the chemical compounds of a product once a particular chemical becomes illegal to sell (Interpol, 2013).

Individuals who smoke, swallow, snort, or inject the drugs may experience severe side effects, such as drastic weight loss, insomnia, hallucinations, delusions, paranoia, rapid heartbeat, anxiety, suicidal thoughts, reduced blood pressure, shaking, vomiting, seizures, temporary paralysis, agitation, chest pain, panic attacks, depression, memory loss, and dehydration (Addiction, n.d.; Benton, 2011; Franklin, n.d.; Green, 2011a,b; KCCI, 2012). Long-term use may result in cardiovascular disease, stroke, psychosis, kidney failure, bleeding in the brain, and nervous system breakdown (Addiction, n.d.; Coughlin, 2012). Individuals using the drugs have died from medical side effects, committed suicide, performed violent acts resulting in death or injury to others, been in automobile accidents, and committed to psychiatric wards.

Councilman McLaughlin, Agent Caver, and Lieutenant Phil Ashby drafted an ordinance that they sent to the city attorney and the city Public Safety and Finance Committee for review and feedback. Once this vetting process was accomplished, McLaughlin had the ordinance placed on the city council agenda for discussion and a vote. At the council meeting, Clarksville police officers Linda Caver and Phil Ashby told the members that they had seen an increase in the sale, use, and possession of the drugs within the city. Caver and Ashby explained that using the drugs is like playing “Russian roulette with a pill” because there is no quality control behind the manufacturing of the drugs (Green, 2011a, p. A1). Councilman McLaughlin then showed the council members a packet of synthetic drugs and said, “On my way here, I stopped at a store and bought this across from a neighborhood with children in it for \$10.... I was in and out in two minutes” (Eason, 2011, p. A1). She then proposed that individuals possessing synthetic drugs and business owners and store clerks selling the drugs be fined \$50 per pack, required to pay court costs, and to reimburse the city for the costs incurred.

Councilman Bill Summers suggested the council consider revoking business licenses if the fines were not enough of a deterrent (Eason, 2011). The city council unanimously voted to pass the ordinance, which would make it illegal to sell, possess, deliver, or transfer 12 specific synthetic drug chemicals within city limits. Since a city ordinance must be passed by the council after two readings, the second reading was scheduled for four days later. The second reading passed by unanimous vote as well, and Ordinance 90-2010-11, “An Ordinance Amending the Official Code of City of Clarksville ... Pertaining to the Prohibition of the Possession, Sale, Delivery, Transfer, or Attempt to Possess, Sale, Deliver, or Transfer Synthetic Drugs,” took effect four days later. An editorial (2011, p. A5) published in the *Leaf Chronicle* stated the city council’s action was appropriate, writing, “it is the responsibility of citizens and lawmakers to protect the health, welfare, and public safety of the city’s youth.”

One week after the new law took effect, Clarksville Police Department drug agents, accompanied by Councilman Deanna McLaughlin, presented 87 store owners a copy of Ordinance 90-2010-11 and confiscated thousands of packages of synthetic drugs (D. McLaughlin, personal communication, February 12, 2012; Green, 2011b). However, synthetic drugs may still be legally sold and bought within bordering states and on the Internet. City officials hope that Clarksville’s ordinance will set an example for other local governments to follow.

CASE 5.2 INTRODUCTION

Case 5.1 led the reader through a completed policy-making process. This case focuses on policy as it is being made. Thus, it does not lead the readers through the final stages of outputs and outcomes. The problem being studied is the adequacy of the city’s antinoise ordinance. Readers are encouraged to refer to Figure 5.1 to consider the following questions as they read through the case:

1. Referring to stage 1 of the model, what were the trigger events in this case?
2. Who were the demanders and supporters?
3. Referring to stage 2 of the model, is the problem large enough to require government intervention?
4. In your opinion, is the issue being discussed a matter of citizen health, safety, and welfare?
5. In your opinion, does the existing city antinoise ordinance need amending? Why or why not?
6. What research are city officials using to study this potential problem?
7. In your opinion, does the city policy-making process depicted in Figure 5.1 help the reader to understand the policy-making process in this case? If needed, what changes would you make to improve the model?

CASE 5.2: RACE CARS, GARBAGE TRUCKS, AND ROCK CRUSHERS

The best description I can give you is it's like a cargo load of combat boots, filled with concrete, clunking around in a clothes dryer all night long.

—Romona Reese (Smith, 2012a, p. A4)

It was the sounds of race cars, garbage trucks picking up trash, and the operation of rock crushers into the late night and early morning hours that triggered citizen complaints. Councilman David Allen said that residents living near the city speedway complained that drag races running as late as 3 a.m. were keeping them awake at night. He proposed that the city limit the speedway's hours of operations to three days a week and that all racing be stopped by 1 a.m. Councilman Grubbs reported he had received complaints from constituents about their sleep being disturbed by garbage trucks picking up trash as early as 4 a.m. He proposed the city restrict trash pickup in residential areas between the hours of 6 p.m. and 6 a.m. Clarksville resident Romona Reese told council members that she

and her neighbors were experiencing similar problems because of the night operation of a rock crusher at a nearby quarry. She asked the city council to restrict the quarry's nighttime operating hours. Several city council members objected to these restrictions, arguing that individuals who bought homes near a racetrack had to expect noise issues, that certain businesses were unfairly being singled out, and that the city should not interfere in the ability of local businesses to operate.

The owners of the Clarksville Speedway argued their business operations should not be restricted because they were providing a legal service that enhanced safety by keeping drag racers off of city streets. They said that Councilman Allen's proposed hours for operation would hinder their ability to compete with other speedways. Mr. Scogin also wanted to know why Councilman Allen did not speak to him about this issue before taking it to the council. Finally, the owners said the city should appreciate the tax revenue received from the \$100 million the track has earned during the 45 years it has been in business (Lowary, 2009). Councilman Allen stated he didn't want to hurt the Speedway's business potential, but simply wanted enough time to allow citizens to have a peaceful night's sleep. Council Member Deanna McLaughlin voted against the proposed amendment, commenting, "I disagreed with regulating the hours of the racetrack due to the fact that the racetrack was at its current location for decades before many of the homes that surround it were built" (D. McLaughlin, personal communication, April 24, 2012). Several other council members voted not to approve the amendment as well.

Representatives from the garbage companies explained early morning pickups were necessary in order to keep their trucks off of city streets during rush hours, to get their workers off the streets early during periods of intense heat, and to make deliveries to the local landfill prior to its 4 p.m. closing. Councilmen Grubbs and Bill Summers suggested the ordinance could be modified to allow for early garbage pickups during periods of inclement weather and would only apply to residential areas of the city. Councilman Summers said that the director of the local landfill indicated he

could set more flexible operating hours (B. Summers, personal communication, March 28, 2011). The city council voted against restricting garbage pickup times as well.

Romona Reese told the council that the Clarksville Police Department had cited the local quarry with a noise violation, but that the charge had been dismissed by the city court. The quarry manager said he would support an antinoise ordinance if it was fairly applied to all types of business within the city. “You have to treat everybody the same,” he said (Smith, 2012a, p. A4).

When the city council was asked to approve a zoning change to allow for the building of an additional subdivision near the Clarksville Speedway, the council decided it was time to act. The council asked the Public Safety Committee to research the feasibility of writing a new city antinoise ordinance. The committee first studied noise ordinances used in Memphis, Knoxville, and Nashville. Then the city attorney provided the committee with three recommended options: (1) a decibel ordinance, (2) a reasonable standard ordinance, or (3) an ordinance that combined the previous two options (Smith, 2012b). He stated that a decibel ordinance would be the most easily enforceable option because noise level standards could be set and measured. The committee members agreed to research these options and discuss them at their next meeting.

Note: At the time this case study was written the committee was continuing its work to develop a new antinoise ordinance.

CONCLUSION

This chapter introduced the reader to a public policy-making process. A model was provided, and two examples of a city developing a public ordinance were provided. Chapter 6 will discuss challenges city officials face when managing public personnel compensation issues.

AUTHOR'S NOTE

Additional information for these cases was obtained from the reading of Clarksville City Ordinance 45-2011-2012, “An Ordinance

... Relative to Location of Garbage Containers”; city council minutes; e-mail communications from city council members Deanna McLaughlin and Bill Summers; and a telephone conversation with Mr. William Scogin, an owner of the Clarksville Speedway.

REFERENCES

- Addiction search. (n.d.). Ecstasy addiction, abuse, and treatment. Retrieved from <http://www.addictionsearch.com>.
- Benton, B. (2011, November 12). Laws cracking down on synthetic drugs legally sold in stores. Retrieved from <http://timesfreepress.com/news/2011/nov/12/laws-cracking-down-synthetic-drugs-legally-sold/>.
- Coughlin, M. (2012, February 3). Synthetic drug use hard to track. Retrieved from <http://www.phillyburbs.com>.
- Denton, R.B. (1995). *Public administration: An action orientation* (2nd ed.). Belmont, CA: Wadsworth Publishing Company.
- Eason, B. (2011, April 29). Council moves to prohibit synthetic drugs. *Leaf Chronicle*, p. A1.
- Easton, D. (1957, April). An approach to the analysis of political systems. *Word Politics*, 9, 383–400. Retrieved from <http://links.jstor.org>.
- Easton, D. (1992). Categories for the systems analysis of politics. In B. Susser, *Approaches to the study of politics* (p. 194). Retrieved from <http://www2.stetson.edu/>.
- Editorial. (2011, May 11). Synthetic drug ban right move. *Leaf Chronicle*, p. A5.
- Franklin County Prevention Coalition, U.S. Centers for Disease Control and Prevention. (n.d.). Retrieved from <http://timesfreepress.com/news/2011/nov/12/laws-cracking-down-synthetic-drugs-legally-sold/>.
- Grafton, C., and Permaloff, A. (Eds.). (2005a). *The behavioral study of political ideology and public policy formulation*. Lanham, MD: University Press of America.
- Grafton, C., and Permaloff, A. (2005b). The behavioral study of political ideology and public policy formulation. *Political Science and Public Administration*, 42, 201–203.
- Green, T.D. (2011a, April 23). Synthetic drugs almost killed my son, mom says. *The Leaf Chronicle*, p. A1.
- Green, T.D. (2011b, May 19). Sweep rounds up synthetic drugs. *The Leaf Chronicle*, p. A1.

- Interpol. (2013). Synthetic drugs and precursor chemicals. Retrieved from <http://www.interpol.int/layout/set/print/Crime-areas/Drugs/Snythetic-drugs-and-precursor>.
- KCCI. (2012, February 2). Special report: Synthetic drug use spreading fast. Retrieved from <http://www.kcci.com/print/30362723/detail.html>.
- League of Wisconsin Municipalities. (2012). Ordinances and resolutions FAQ 3. Retrieved from http://www.lwm-info.org/index.asp?Type=B_BASIC&SEC={A399AE04-90B2-4F2B-9BB3-9F7D214E7954}&DE={8E1FEA86-519E-4BD7-87A9-465F6F681350}.
- Leinwand Leger, D. (2012). “Bath salt” poisonings increase: Chemical powders have risky high. *USA Today*, p. A2.
- Lowary, J. (2009, October 2). Speedway holds onto right to late finish. *Leaf Chronicle*, p. A1.
- Smith, A. (2012a, February 4). Council focuses on charter, garbage cans, airport and other noise. *Leaf Chronicle*, p. A4.
- Smith, A. (2012b, March 23). Public Safety Committee sounds off on noisy issue. *Leaf Chronicle*, n.p.
- Syracuse University Health Services. (2011). Synthetic drugs post great risk to college students. Retrieved from <http://health.syr.edu/education/synthetic-drugs.html>.
- Theodoulou, S.Z., and Cahn, M.A. (1995). *Public policy: The essential readings*. Englewood Cliffs, NJ: Prentice Hall.
- 10 News. (2012, January 31). County authorities say businesses face penalties if they don't comply with state law. Retrieved from <http://www.10news.com/print/30344908/detail.html>.

RECOMMENDED READINGS

- Easton, D. (1969). The new revolution in political science. *American Political Science Review*, LXIII, 1050–1051.
- Grafton, C., and Permaloff, A. (2005). Liberal and conservative dissensus in areas of domestic public policy other than business and economics. *Policy Sciences*, 38, 45–67.
- Krumholz, N. (2001). Planners and politicians: A commentary based on experience from the United States. *Planning Theory and Practice*, 2, 96.
- Sorzano, J. (1975). David Easton and the invisible hand. *American Political Science Review*, 69, 90–91.

6

Personnel Management

Excellence in local government cannot be attained without competent and dedicated administrative staff.

—Gregory Streib and David Pitts (2007, p. 124)

INTRODUCTION

Total compensation is defined as the salary and benefit packages city governments provide their employees. Salaries may be defined as “fixed periodic payments paid to a person for accomplishing assigned work” (Kamboj, 2011, n.p.). Bonuses are financial or nonfinancial programs that provide workers some additional type of reward or assistance. Examples of benefit programs are health insurance, sick leave, vacation days, and longevity pay. “In 2006 state and local governments spent approximately 60.7 billion dollars for total payroll costs” (Klinger et al., 2010, p. 128), with approximately 30 percent of that covering the cost of benefit programs. City governments use tax revenues to pay the costs of recruiting, developing, and maintaining employees, and during times of austere funding, cities often have difficulty funding compensation programs.

Two common foundations for the development of compensation plans are (1) Victor Vroom’s expectancy theory, from which Lyman Porter and Edward Lawer III developed the popular pay-for-performance plans, and (2) the concept of prevailing wage, which helped shape John Stacey Adam’s equity theory (Kearney and

Morgan, 1990; Nigro et al., 2007; U.S. Merit, 2006). An employer who bases a compensation plan on Vroom's expectancy theory would design a pay system that focused on making the employer's wanted work results desirable to the employee. To design this type of pay system, the employer would need to have a thorough understanding of what employees would consider desirable and then convince them the expected outcomes were achievable and worth their efforts. In other words, employees will perform as desired if they perceive their level of pay adequately compensates them for the level of effort they would have to apply.

A city manager who develops a compensation plan based on equity theory would focus on establishing a salary and benefit package that paid all employees (with the same level of qualifications) equally. The practice of paying a prevailing wage comes from the Davis-Bacon Act of 1931, which required employers receiving federal contracts to pay workers the same salaries and benefits as those being paid in similar federally funded construction projects (GPO, 2012; Nigro et al., 2007). In modern times, prevailing wage can be applied to the practice of paying city government employers the salary market rates of their peers in comparable cities (Nigro et al., 2007).

Nigro et al. (2007) write that when city officials have difficulty paying comparable salaries, they often develop a variety of pay systems for differing occupational or skill levels. The authors argue that such practices to correct poor pay harm traditional civil service system values and lead to the creation of internal inequity, bias, and management inefficiencies.

Richard Kearney and Kathy Morgan (1990) write that longevity pay is often used by cities to provide employee raises. Longevity pay is an incentive pay used to encourage employees to remain with the employer and is usually based on the payment of a flat rate per year, a percentage of an employee's base pay, or a special step increase (Kearney and Morgan, 1990). Kearney and Morgan describe two disadvantages of longevity pay plans: all employees are rewarded regardless of how well they perform and they are expensive to fund. However, it costs city governments less to fund longevity pay plans than it does to recruit and train new employees. An additional

advantage of longevity pay plans is that they can be based on objective versus subjective data, reducing the introduction of bias or discrimination into the amounts paid.

CASES 6.1 AND 6.2 INTRODUCTION

After deciding not to use a study of salary structures, city officials decided to have a comprehensive compensation study done that would include data regarding the city's current position classification, salary, and benefit structures. The goal was to ensure Clarksville's employees were earning the same pay and benefits as their peers in comparable cities. The results from the comprehensive study indicated that while most of the city's workers were underpaid, the city was paying 13 to 17 percent more into benefits than comparable cities (B. Summers, personal communication, December 21, 2010). The cases present challenges the Clarksville City Council faced trying to equalize salary and longevity pay structures. Readers are encouraged to use the force field diagram in Figure 6.1 to analyze the advantages and disadvantages of each of the pay options presented. The reader may use this analysis to decide how he or she would overcome the compensation problems.

CASE 6.1: CITY EMPLOYEES UNDERPAID

Clarksville Police Department employees were found to be underpaid by 11 percent.... Councilwoman Kaye Jones told the council that the police department in Nashville planned to hire 200 new officers and would look to Clarksville for new recruits. "We cannot afford to let our officers leave at the volume that they will," Jones said. "We need to make sure that they want to stay and live and work here in Clarksville."

—**Brian Eason (2011a, pp. A1, A2)**

Something had to be done. Only 91 of the city's 969 employees were being paid at or above the market rate, and the city would have to have \$1,887,568 to do so. "It became pretty obvious we weren't going to be able to fund what the pay study recommended," said Chief of

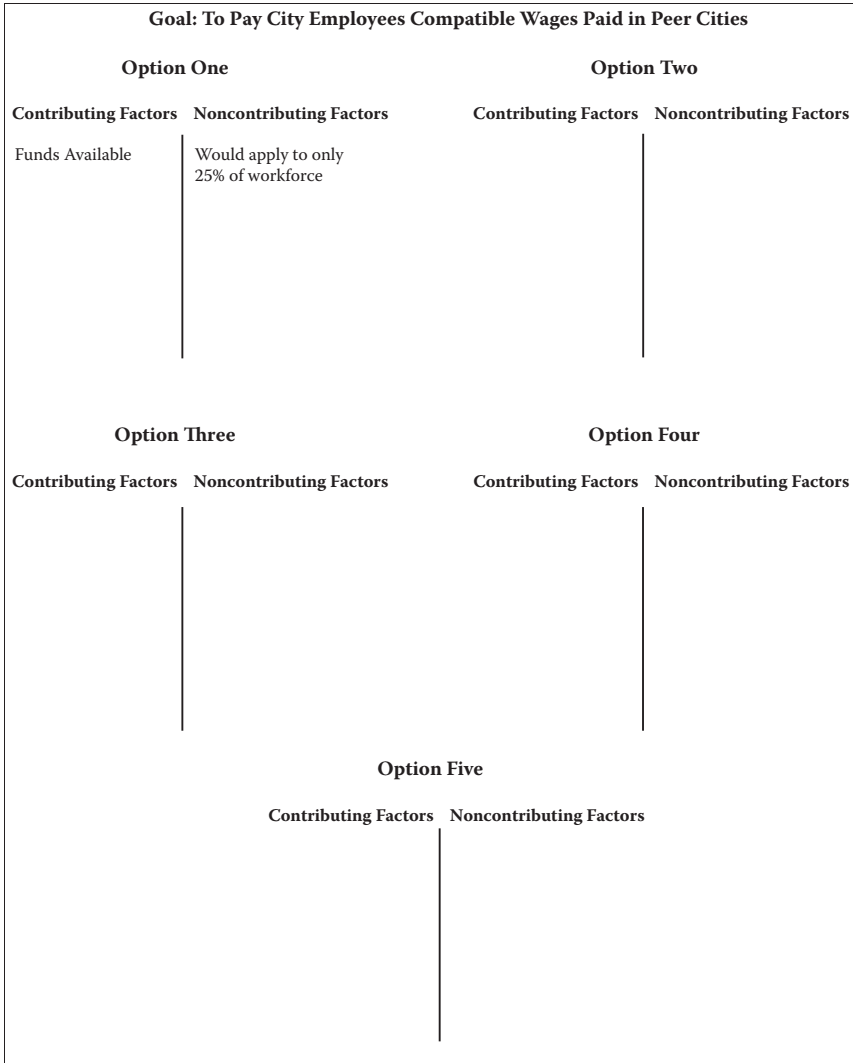


Figure 6.1 A force field analysis of pay plan options for Case 6.1.

Staff Jim Durrett (Snyder, 2008, p. A1). As a result, the Clarksville City Council decided not to implement the salary plan as presented but to contract for a second, more thorough study to be done. The purpose of the new study was to address the city’s extensive job classification system, compare city pay and benefits to comparable cities, and make compensation recommendations to the city council.

The goal would be to pay city employees the same salaries received by their peers in comparable cities. The firm receiving this contract would coordinate with a city compensation committee comprised of three city councilmen appointed by the mayor.

Two and a half years after the first pay study, Beth Ostrem, from the Fox, Lawson & Associates consulting firm, presented city leaders a briefing regarding the results of the second study. She told council members the study data indicated the following points:

1. The city reduced its number of position descriptions from 330 to 160.
2. The average pay of nonemergency workers was 4 percent below the market median.
3. The average pay of city firefighters was 4 to 5 percent above the market median.
4. The average pay of city police officers was 11 percent below the market median.
5. Approximately 25 percent of city workers were not earning the study's established minimum rate (B. Summers, personal communication, December 21, 2010; Eason, 2010a).

Ms. Ostrem then provided the city council with three pay plan options. Option 1 recommended increasing the salaries of underpaid city employees to the average minimum salaries of their peers in comparable cities. This option would cost the city approximately \$926,000 to \$928,000 annually and affect about 255 employees. Any employee already making the minimum would not receive a salary increase. Councilman Summers noted that this plan could be immediately implemented using the \$1.34 million the city council had set aside for pending pay raises (B. Summers, personal communications, December 21, 2010, and January 7, 2011; Green, 2010).

Option 2 was to raise underpaid employees' minimum salary range to the average midpoint and base it on time spent in the position. This midpoint would become the pay cap. The option would cost about \$2,260,000 annually and be implemented over a period of years. Option 2 would apply to about 40 percent of the city employees whose salaries would be moved to a midpoint range of their comparable peer

groups. Mayor John E. Piper recommended the city council consider this option even though the city would have to fund an additional \$1.3 million. Councilman Summers expressed his concern that establishing a pay cap would result in the city underpaying employees with seniority and hinder the city's ability to recruit candidates for positions requiring specialized education or job skills (B. Summers, personal communications, December 21, 2010, and January 7, 2011; Green, 2010).

Option 3 would establish a salary scale that applied a minimum, a midrange, and a maximum range for underpaid employees. This option would cost the city \$2,720,000 annually and be implemented over a period of several years (B. Summers, personal communication, January 7, 2011). Implementing Option 3 would result in about 63 percent of the city's workforce receiving a raise. The remaining 37 percent would not receive a raise because they would already be within the appropriate salary ranges. Option 3 would eventually bring the salary for all city employees to their market position values. Due to an unexpected increase in sales tax revenue and a decrease in insurance rates, the city had available revenue to fund this option as well (B. Summers, personal communications, December 21, 2010, and January 7, 2011; Green, 2010). Human Resources Director Will Wyatt recommended the city council choose Option 3, saying, "I think that's the most appropriate.... That's your target. It places employees where we think that they should be" (Eason, 2011b, p. A1). The newly elected mayor, Kim McMillan, expressed her concern that Option 3 would not provide all city workers a salary increase (Eason, 2011c).

Mayor McMillan then presented a fourth option that was to provide a 2 percent across-the-board raise to all city employees in 2011 and apply the monies left over to start the implementation of Option 3. The 2 percent raise would cost \$315,000 to \$330,000, and the funding would come from money acquired from vacant positions, reduced insurance premiums, and collected city property taxes (Eason, 2011c). Councilman Nick Steward commented that the amount of money needed to implement McMillan's plan would be larger than stated because employees who were already being paid at or above market value would also receive raises. Councilman Jeff

Burkhart did not recommend approval of Option 4, commenting that the city would not have enough money in its reserve fund to pay for Option 4 in the coming year. Councilmen Bill Summers and David Allen did not recommend using funds obtained from vacant positions because doing so would be using one-time money to fund a recurring expense once the positions were filled. Councilman Summers expressed additional concerns about approving Option 4, stating the pay study did not recommend an across-the-board raise, and that using city property taxes to pay raises would not be fair to the taxpayers.

Councilwoman Candy Johnson suggested the option be approved because the city often spent more than \$330,000 on big-ticket projects and could spend as much to provide city employees a raise (B. Summers, personal communication, January 7, 2011; Eason, 2011d).

Mayor McMillan then proposed a fifth option that would provide employees receiving less than a 2 percent raise a one-time stipend worth up to 2 percent of their salaries. A stipend would not be a recurring expense (Eason, 2011e). The second part of this option would be to implement Option 3.

Ultimately, the council voted to implement Option 3.

CASE 6.2: LONGEVITY PAY

An employee making \$90,000 with six years of service is provided \$3,000 in longevity pay, while the market average is \$265.

—**Brian Eason (2010b, p. A1)**

Data from a comprehensive compensation study indicated the City of Clarksville's longevity pay plan was bountiful: paying two to five times more than the market average of comparable cities. The city's longevity plan paid employees a 4 percent bonus after six years of service and an additional 0.22 percent each year thereafter, until a cap of \$3,000 was reached. The compensation study noted comparable cities were paying an annual flat rate of \$50 per year.

After reviewing the study results, the Clarksville City Council debated what, if any, changes should be made to the current longevity

pay plan. Some council members wanted to keep the current plan in place, arguing (1) the plan fairly supplemented the salaries of underpaid employees; (2) it was a contract between the city and its employees because it was written into the city code; and (3) any changes resulting in lower bonuses would upset employees (B. Summers, personal communication, January 8, 2011).

Council members in favor of developing a new pay plan argued it was not right that taxpayers were funding a plan that paid more than the market average, and the current plan did not pay all employees equally. Councilman Bill Summers told council members the current pay plan was regressive because it paid employees less the longer they worked for the city. He explained:

A \$30,000 employee makes \$1,200 longevity at six years of service. That equates to \$200 per each year of service. At 10 years, the employee would make \$1,332 or \$133 per each year of service. At 15 years, the employee would make \$1,497 or \$100 per year of service ... at 20 years, \$1662 or \$83 per year of service ... and at 30 years the bonus would be \$1,992 or \$66 per year served. (B. Summers, personal communication, January 8, 2011)

Councilman Summers also claimed the existing plan was rewarding employees for their monetary value to the city and not for their loyalty. He provided the following example:

An employee making \$60,000 would receive a longevity payment of \$2,400 after serving the city six years. That equates to \$2,400 per year of service and is \$200 more per year than the \$30,000 employee. At 10 years, the amount is \$2,664 or \$266 per year of service and is \$133 more than the \$30,000 employee. At 15 years, the amount is \$2,994 or about \$200 per year of service.... At 20 years the amount is \$3,324 but is capped at \$3,000 which equates to \$150 per year of service. At 30 years, which is still capped at \$3,000 the year rate is \$100. This employee topped out for longevity at the 17-year point. (B. Summers, personal communication, January 8, 2011)

Mayor Kim McMillan suggested the council adopt the \$50 flat rate pay model used by comparable cities for new employees and grandfathered current employees under the old system. Several city department heads asked that this plan not be adopted because it would result in a pay cut for some employees. Councilman Summers

also objected, stating this action would result in the city having to manage two unequal longevity pay programs. He commented, “If I’m hired on December 30 and you are hired in January 5 we are separated by one week, but come year five, I get \$250 and you get \$50” (Eason, 2010c, p. A3).

Mayor McMillan then suggested a longevity pay plan to place all employees on a \$50 per-year flat-rate system and roll longevity pay for existing employees into their base salaries (Eason, 2011a). As a result, no employees would lose any money. For example, “An employee earning \$3,000 in longevity under the old system and \$1,000 under the new system would have \$2,000 rolled into their base pay. It would be likely that the employee would not receive any salary raises for a couple of years because the base pay had been raised. However, in the long run, the pay scale would catch up to what the employee was making and any approved pay raise would follow” (B. Summers, personal communication, February 4, 2011). Having discussed all their options, the council voted to change the city’s existing longevity pay plan to \$50 per year for each year of service.

CONCLUSION

This chapter focused on the application of expectancy theory and the concept of prevailing wage to public personnel compensation systems. The historical background of the theories and concept were explained. Two case studies were incorporated to enhance the reader’s comprehension and application of the theories and concept. Chapter 7 will explore the challenges city officials face when the formal organizational structure between a city board and a city council is not clear.

AUTHOR’S NOTE

Additional case information came from the author’s observations at city council meetings; the reading of city council minutes; Clarksville City Council Ordinance 65-2010-2011, “An Ordinance Pertaining to

Implementation of the Fox, Lawson & Associates Classification and Pay Plan for the Current Fiscal Year”; and e-mail correspondence from City Councilman Bill Summers.

REFERENCES

- Eason, B. (2010a, October 21). Pay study expected in November. *Leaf Chronicle*, p. A1.
- Eason, B. (2010b, November 9). Study: Benefits above par. *Leaf Chronicle*, p. A1.
- Eason, B. (2010c, December 28). City pay debate will spill to 2011: Raises could cost \$900K to \$2.7M annually. *Leaf Chronicle*, p. A3.
- Eason, B. (2011a, February 4). Council adopts pay plan. *Leaf Chronicle*, pp. A1, A2.
- Eason, B. (2011b, January 5). McMillan proposes blanket raises for city workers. *Leaf Chronicle*, p. A1.
- Eason, B. (2011c, January 6). Council adopts pay plan; across-the-board raises nixed. *Leaf Chronicle*, n.p.
- Eason, B. (2011d, January 7). Council adopts pay study: Most expensive option ok'd, across-the-board raises nixed. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2011e, January 28). Mayor floats new pay plan. *Leaf Chronicle*, p. A1.
- Green, T. (2010, December 22). City council delays voting on pay study. *Leaf Chronicle*, p. A1.
- GPO Access. (2012). Davis-Bacon. Retrieved from <http://www.gpo.gov/davisbacon/>.
- Kamboj, A.J. (2011). Economic and behavioural theories of wages. Retrieved from <http://www.slideshare.net/AnshuKamboj/wage-theories-9553427>.
- Kearney, R.C., and Morgan, K.S. (1990). Longevity pay in the states: Echo from the past or sound of the future. *Public Personnel Management*, 10, 191–200.
- Klinger, D.E., Nalbandian, J., and Llorens, J. (2010). *Public personnel management: Contexts and strategies* (6th ed.). New York: Longman.
- Nigro, L., Nigro, F., and Kellough, J.E. (2007). *The new public personnel administration* (6th ed.). Boston: Wadsworth.
- Snyder, E. (2008, June 20). Study says city's workers underpaid. *Leaf Chronicle*, p. A1.
- Streib, G., and Pitts, D. (2007). Human resource management. In C.W. Steberg and S.L. Austin (Eds.), *Managing local government services* (pp. 95–128). Washington, DC: ICMA Press.

RECOMMENDED READINGS

International City and County Management Association. (2012). Ethics matter! Getting compensation right. *PM Magazine*, 94. Retrieved from <http://webapps.icma.org/>.

Liccione, W. (2007). A framework for compensation plans with incentive value. *Performance Improvement*, 46, 16–21.

U.S. Merit Systems Protection Board. (2006, January). *Designing an effective pay for performance compensation system: A report to the president and the Congress of the United States*. Located at <http://www.mspb.gov/netsearch/viewdocs.aspx?docnumber=224104&version=224323&application=ACROBAT>.

7

Electric Utilities

In the legislation creating the Tennessee Valley Authority, Congress stipulated that preference be given to states, counties, municipalities, and cooperative organizations of citizens or farmers ... for the purpose of supplying electricity to its own citizens or members.

—David Schap (1986, p. 83)

INTRODUCTION

Publicly owned electrical utilities first appeared at the local levels of government during the years 1881 and 1882 as part of the municipal ownership movement. The movement was a popular cause of social reformers who believed government organizations could provide urban services more effectively than privately owned companies. This belief was an application of the theory of natural monopolies, which is “an industry where the fixed costs of capital goods is so high that it is not profitable for a second firm to enter and compete” (Foldvary, n.d., para. 5).

Municipal electric utilities may be defined as “those public power providers that are owned and operated by cities, towns, and counties” (Johnson, 2006, para. 3). The number of municipally owned electrical systems in the United States has risen and fallen over the years due to economic conditions, political issues, and advances in technology. Municipally owned electrical utilities must conform to federal, state, and local laws.

In Tennessee, the Municipal Electric Plant Law of 1935 provides the authority to “set up, operate, issue bonds” for electric plants (Pullen, 1992, para. 1). The law states that an electric plant may be managed by the city’s governing body or by a board. If a board is established, the mayor may appoint individuals to serve on the board with the approval of the city’s governing body. If a city establishes a board through the passage of a resolution or an ordinance, the city governing body retains the power to dissolve the power board (Pullen, 1992; Tennessee, 1935). However, a board cannot be dissolved until all the bonds (issued by that board membership) are retired (Pullen, 1992). The law also indicates that members of a board can be dismissed for malfeasance after formal charges are filed and approved by the governing body (Pullen, 1992). The law is silent regarding the matter of board hiring restrictions.

CASES 7.1 AND 7.2 INTRODUCTION

The Clarksville Department of Electricity (CDE) was established in 1938 when the city purchased the distribution facility from the Kentucky-Tennessee Light and Power Company (CDE, 2012). The first power board was created in 1939 through the passage of a city ordinance. CDE has approximately 140 employees and provides electricity, cable, Internet, and telephone services (CDE, 2012).

The following two cases present the conflicts that arose between CDE and the Clarksville City Council regarding who had governing authority. The power board argued it was not required to comply with city ordinances because it was established by state law. Readers are encouraged to consider the following questions while reading the case:

1. In your opinion, was CDE governed by state law or city law? Why?
2. Was the CDE Power Board legally composed? Did the board have the legal authority to hire an elected official who appointed them?
3. In your opinion, was the board’s hiring action ethically correct? Why or why not?

CASE 7.1: CLARKSVILLE DEPARTMENT OF ELECTRICITY

The lightning bolt that blew out the transformer struck when the Clarksville Department of Electricity (CDE) Power Board hired Mayor Johnny Piper as the superintendent. The city council claimed the appointment violated a city code that restricted elected officials from working as city department heads for 12 months after leaving office. The CDE attorney stated that city code did not apply because CDE was governed by state law, which superseded city law (Eason, 2010). While some citizens agreed with the CDE attorney's opinion, others felt that hiring the former mayor directly out of office was unethical and violated the "spirit of the city ordinance and good government principles" (Editorial, 2010, p.5). The newly elected mayor, Kim McMillan, sent a letter to the Montgomery County Legislative Delegation requesting a state attorney general opinion regarding Piper's hiring. She wrote:

Clarksville currently has a city ordinance pertaining to the hiring of former elected officials. The ordinance states that former elected officials cannot be hired to a city job for three months from the end of their elected term nor can they be hired to a position as a department head for one year. I would like to know if CDE violated this ordinance when the Power Board hired Mr. Piper upon his leaving the mayor's office without waiting the applicable time period. (K. McMillan, personal communication, January 3, 2011)

Senator Tim Barnes and Representatives Joseph Pitts, Curtis Johnson, and Phillip Johnson concurred with the request and sent a letter to the state attorney general asking if the Municipal Electric Plant Law of 1935:

1. Provided the exclusive criteria for the qualifications of the superintendent, or if any city governing body imposed other criteria through the city charter.
2. Exclusively governed the relationship of the board's powers, duties, and limitations to the exercise of its powers.

3. If there was any prohibition restricting a city governing body from adopting an ethics policy regarding the hiring of the superintendent (Opinion, 2011a).

The attorney general's opinion was that the 1935 law did not authorize a city's governing body to impose other criteria for hiring a superintendent, that the board was not subject to the authority of the city governing body, and that the city governing body was not authorized to adopt an ethics policy regarding the hiring of a superintendent of the board (Opinion, 2011a). The attorney general also wrote that a city charter clause would not override the 1935 law but that a private act might.

At its next meeting the city council voted to pass a resolution denouncing Piper's hiring. It also passed a second resolution asking the power board members to resign because their action had "violated the spirit of the city code" (Eason, 2011d, p. A4). The mayor then asked the council to consider requesting an amendment to the city's private act charter to restrict the hiring of former elected officials to a city position for a specific period of time. "We must hold our elected officials, both present and former, to the highest ethical standards," she said (Business, 2011a, para. 5). The local delegation concurred with this assessment. "We want to ensure that our towns, cities, and counties are able to hold all their departments to a high standard," said Representative Pitts (Business, 2011b, para. 6).

Piper resigned from the position after the district attorney filed a *quo warranto* action challenging Piper's right to hold office. "This litigation was driven by a desire to embarrass me and members of the Power Board who saw fit to hire me as superintendent," said Piper (Eason, 2011e, p. A1). Piper then filed a countercomplaint that was dismissed by a circuit court judge.

CASE 7.2: THE POWER BOARD

The Clarksville Department of Electricity Power Board, all of whom were appointed by Mayor Johnny Piper, voted to appoint Mr. Piper

as the next plant superintendent. The problem was the hiring violated a city ordinance restricting elected officials from holding a city department head position for at least one year after leaving office. The CDE's attorney argued the hiring was legal because the board was governed by state Municipal Electric Plant Law of 1935 and not by the city ordinance.

While researching the legal relationship, city officials discovered the city code establishing the power board conflicted with the 1935 law. The city code stated the "the board shall be composed of seven members ... who will serve a term of three years" (City, 1939). The 1935 law stated that a power board should consist of three to five members, of which one is a councilman, who serve four-year terms (Tennessee, 1935). The current CDE Power Board consisted of seven members, none of which was a city council representative, who were serving three-year terms. The confusion regarding the makeup of the board led the Montgomery County Legislative Delegation to request an opinion from the state attorney general. In their letter, the local delegation asked if the current power board membership was legally composed and if not, what specific procedures would bring the board into compliance with Tennessee law (T. Barnes, C. Johnson, P. Johnson, and J. Pitts, personal communication, February 24, 2011).

The attorney general stated he did not have all the information he needed to make a specific opinion. He wrote that if the CDE issued bonds under the 1935 law, it would have to compose a power board as stipulated by the law. However, he noted that the Clarksville City Charter also authorized the city council to create a power board. As a result, a power board may be composed as stated in the provisions of the charter *if* the city did not issue any bonds. The opinion also stated that board members appointed under a city ordinance served as *de facto* officers and could be removed from office by a court through a *quo warranto* proceeding (Opinion, 2011b).

After receiving the attorney general's opinion, Mayor Kim McMillan called for a special session of the Clarksville City Council to address the problems concerning CDE. (Figure 7.1 contains her address to the council.) The city council voted to take

I have called this Special Session of the Clarksville City Council to address what I believe is a very important and time-sensitive issue that has been brewing for some time now—and that is the relationship between the City of Clarksville and its Department of Electricity.

Let us all remember that we were elected by the citizens of Clarksville to do the people's business and not to allow personal feelings or personality conflicts to interfere in our quest to provide the best representation possible. However, I believe the time has come to take action that involves the judicial system.

As all of you know, I have tried to approach this situation in a calm and deliberate manner. I have not acted rashly or without legal authority in an effort to avoid subjecting the City to unnecessary litigation. I have indicated my displeasure in the action of the Power Board in hiring a former elected official as Superintendent of the Department of Electricity without waiting the required time period from the end of his term in office. I have asked the Council to request a Charter amendment from the State Legislature so no future Mayor or Council Member can be hired as the head of that Department until one year has passed from the time that person leaves office. I have requested two (2) Attorney General's Opinions to try and find answers to our current dilemma.

Unfortunately, we are left with more questions than answers. The Opinions of the Attorney General and the opinion of the lawyers for the Power Board are confusing and contradictory. But—one thing is certain. A court action seeking to remove the remaining members of the Power Board because the Board was not formed consistent with the requirements of the Municipal Electric Plant Law of 1935 (the MEPL) is one sure way to begin the process of removing the current Power Board members and the Superintendent—the law is clear—the Mayor or the City Council does not have such authority. To attempt to do so would be irresponsible and illegal.

However, there are several alternatives. First, the Council can remove the Power Board members for cause under a complicated procedure that requires resolutions, trials, and allegations of specific wrongdoing. But this option does not focus on the fact that the Board was not properly formed under the MEPL. Second, the current Board Members' terms can simply be allowed to expire over the next several years and then be replaced. But this option does not allow a member of the governing body to serve on the Board. Or, third and most appropriately, ask the District Attorney to file an action for Quo Warranto to request a court of law to remove the Board members, who are holding their positions contrary to law, prior to the end of their terms while defining the relationship between the City and CDE.

As your Mayor, I ask you to seek the best resolution of this situation that is legal and proper under the law. Authorize the filing of court action and also pass an ordinance that will require compliance with the MEPL. The state law, through the MEPL, allows the City to have a member of the governing body sit on the Power Board which will provide the appropriate oversight that this important City Department deserves and the public expects. The majority of the current make-up of the Board has refused to comply with our request to fund a previously agreed upon internal auditor, refused to participate in our open budget hearings, and has indicated that they do not believe they are part of City government.

The time to act is now. Thank you for your attention.

Figure 7.1 Mayor Kim McMillan's comments during a special session of the Clarksville City Council. (From Clarksville Online, "Mayor Kim McMillan's Comments During the Special Session of the City Council," March 30, 2011, retrieved from <http://www.clarksvilleonline.com/2011/03/30/mayor-kim-mcmillans-comments-during-the-special-session-of-the-city-council>. Reprinted with permission.)

CDE to court to determine if the board was properly composed (Eason, 2011a). To head off litigation, the attorney representing the power board sent a letter to Mayor McMillan stating the board members would not resign but would concede that it was not created by state law and accept the city as its governing authority (Eason, 2011b). In order to obtain a legal interpretation of the city's authority over CDE, the city went ahead and filed the lawsuit (Eason, 2011a). The attorney representing the city wrote that CDE "has refused to participate in budget procedures requested by the city of Clarksville ... refused to allow a financial audit to be performed by accountants hired by the city ... and refused to abide by the city code regarding conflicts of interest" (Eason, 2011c, p. A1). Additional negotiations between the power board and the city council resulted in Circuit Judge Ross Hicks issuing an agreed order of dismissal, stating that the court "finds that CDE operates under the City's Charter and Ordinances and that the City has broad authority over CDE and the Power Board" (Circuit, 2011). New board members were placed on the board and the district attorney dropped the *quo warranto* action against the previous board members.

CONCLUSION

This chapter introduced the municipal ownership movement and the theory of natural monopolies. Two case studies were incorporated to enhance the reader's comprehension and application of each. Chapter 8 will explore the theories of universalism and individualism and their application to government decision making.

AUTHOR'S NOTE

Additional information for this chapter was obtained by reading the history of the electrical industry, the Clarksville City Charter, and e-mail correspondence from City Councilman Bill Summers.

REFERENCES

- Business and Heritage Clarksville. (2011a, February 11). Mayor McMillan to seek city charter change. Retrieved from <http://businessclarksville.com/2011/02/11/mayor-mcmillan-to-seek-city-charter-change-22610>.
- Business and Heritage Clarksville. (2011b, February 9). Tennessee attorney general issues opinion on Piper CDE hiring. Retrieved from <http://businessclarksville.com/2011/02/09/tennessee-attorney-general-issues-opinion>.
- CDE Lightband. (2012). About us. Retrieved from <http://www.clarksvilledc.com/pages/index.asp?Page = about us>.
- Circuit Court for the 19th Judicial District, Montgomery County Tennessee. (2011, July 7). No. MC11-1125, agreed order of dismissal.
- City of Clarksville, Tennessee Ordinance. (1939). Supervisory board.
- Clarksville Online. (2011, March 30). Mayor Kim McMillan's comments during the special session of the city council. Retrieved from <http://www.clarksvilleonline.com/2011/03/30/mayor-kim-mcmillans-comments-during-the-special-session-of-the-city-council>.
- Eason, B. (2010). Piper seeking CDE job: Sources say mayor has discussed desire to lead city's electric utility. *Leaf Chronicle*, pp. A1, A4.
- Eason, B. (2011a, May 11). DA plans to file suit against power board. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2011b, May 21). Board attempts to avoid lawsuit: Court date appears likely despite offer. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2011c, May 27). City files lawsuit against board. Local ratepayers, taxpayers will foot bill for legal battle. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2011d, June 22). Council asks board to resign: McMillan breaks tie votes for resolution. *Leaf Chronicle*, pp. A1, A4.
- Eason, B. (2011e, June 22). Piper resigns 10 days early. *Leaf Chronicle*, pp. A1, A4.
- Editorial. (2010, November 21). Piper bad fit for job: Hire someone else as head of CDE. *Leaf Chronicle*, p. A5.
- Foldvary, F.E. (n.d.). Natural monopolies (Editorial). *The Progress Report*. Retrieved from <http://www.progress.org/fold74.htm>.
- Johnson, R. (2006). Municipal electric utilities—Analysis and case studies. Paper presented to Ken Regelson, Boulder Renewable Energy and Energy Efficiency Working Group (BREEE). Retrieved from http://fivestarconsultants.com/Grad_Projects_files/Municipal%20Electric%20Utilities.pdf.
- Opinion. (2011a, February 8). Opinion no. 11-14: Hiring superintendent under Tenn. Code annotated 7-52-11-114(b). State of Tennessee, Office of the Attorney General.

- Opinion. (2011b, March 25). Opinion no. 11-29: Organization of the Clarksville Electric Power Board. State of Tennessee, Office of the Attorney General.
- Pullen, M. (1992, February 25). Structure and powers of the city's utility board. Legal opinion. University of Tennessee Municipal Technical Advisory Service. Retrieved from <http://www.mtas.tennessee.edu/Knowledgebase.nsf/0/C9893819D62214B085256C55004C84AC>.
- Schap, D. (1986). *Municipal ownership in the electric utility industry: A centennial view*. New York: Praeger Special Studies.
- Tennessee Municipal Electric Plan Law of 1935. Municipal electric plants.

RECOMMENDED READINGS

- Delmas, M., and Tokat, Y. (2005). Deregulation, governance structures, and efficiency: The U.S. electric utility sector. *Strategic Management Journal*, 26, 441–460.
- Glaeser, E. (2001). *Public ownership in the American city*. Harvard Institute of Economic Research. Retrieved from <http://www.post.economics.harvard.edu/hier/2001papers/2001list.html>.
- Hausman, W., and Neufeld, J. (2002). The market for capital and the origins of state regulation of electric utilities in the United States. *Journal of Economic History*, 62, 1050–1073.
- Raver, P. (1930). Municipal ownership and the changing technology of the electric industry. *Journal of Land and Public Utility Economics*, 6, 241–257.

8

Traffic Congestion

Cities and traffic have developed hand-in-hand since the earliest large human settlements. The same forces that draw inhabitants to congregate in large urban areas also lead to sometimes intolerable levels of traffic congestion on urban streets and thoroughfares. Effective urban governance is a careful balancing between the benefits of agglomeration and the dis-benefits of excessive congestion.

—**Joint Transport Research Centre (2007, p. 5)**

INTRODUCTION

The Joint Transport Research Centre defines traffic congestion as “a situation in which demand for road space exceeds the supply” (Joint, 2007, p. 10). The U.S. Federal Highway Administration (FHWA) reported that there were approximately 240 million automobiles, buses, and trucks on U.S. highways in 2012 (Federal, 2012). The FHWA identifies seven major causes of traffic congestion: bottlenecks due to a lack of capacity, fluctuations in day-to-day time demands, traffic accidents, road construction, poor weather conditions, traffic control devices, and vicinity special events (Federal, 2005). This chapter will focus on the first two causes of traffic congestion: capacity and demand. A lack of capacity during times of high demand may lead to bumper-to-bumper traffic, additional traffic on side roads, and increasing wear and tear on the nation’s roads.

The Federal-Aid Highway Act of 1962 and the Intermodal Surface Transportation Efficiency Act of 1991 mandated transportation for areas with populations of 50,000 or more be planned in cooperation by state and local governments (American Planning Association, 2010). This mandate resulted in the development of metropolitan planning organizations (MPOs) across the United States. MPOs are responsible for identifying transportation improvement projects for the regions they represent (American, 2010). They work in coordination with state, city, and county planning departments, commissions, and committees. These groups of citizens and governmental officials must often make difficult decisions regarding the management of traffic congestion. Their decisions often result in deciding whether the appropriate actions are ones that address the concerns of the majority of the citizens (utilitarianism) or of the invested individuals (individualism).

The English theologian Joseph Priestley initiated the decision-making concept of universalism in his *Essay on the First Principles of Government; and on the Nature of Political, Civil and Religious Liberty*. He wrote, “It must necessarily be understood, therefore, that all people live in society for their mutual advantage; so that the good and happiness of the members, that is the majority of the members of any state, is the great standard by which everything relating to that state must finally be determined” (Priestley, 1768, p. 17). The British philosopher Jeremy Bentham built on Priestley’s perspective and made it his life’s work to ensure legal and political decisions “produced the greatest happiness for the greatest number of people” (Bram, 1997a, p. 438). He recognized that achieving these greater goods meant smaller interests would have to be sacrificed in order to make everyone as equal as possible. Opponents of Bentham’s perspectives argue that universalism overlooked respect for persons and provided the counterconcept of individualism.

Two of the earliest advocates of the concept of individualism were the English philosopher Thomas Hobbes and the British economist Adam Smith. They believed that society’s interests were best met when individuals were allowed to pursue their own self-interests, free from government interference (*American Heritage*, 2005; Bram,

1997b). They argued that results achieved by successful individuals would ultimately contribute to the needs of society at large.

CASE 8.1 INTRODUCTION

The following case study presents the challenges urban planners and city managers encountered when they proposed a development moratorium be placed on land designated for a new road. The problem is whether the Clarksville City Council should preserve land for a new road that would cut through historical farmlands and other privately owned properties. The reader is encouraged to identify examples of individualism and universalism and to decide which concept is the best decision for approval of the new road.

CASE 8.1: WE WANT THIS! WE DON'T WANT THIS!

Interstate 24 exits in that area start hitting service level F in 25 years or so.... I know from my own experience that exits back up to the interstate. In the near future, they'll be backing up onto ... and down the interstate if nothing is done.

—**Jack Frazier, Clarksville City Transportation Engineer**
(Eason, 2010a)

The need to build a new road that would run from the east to the west side of the city was cited in the Clarksville Area 2035 Metropolitan Transportation Plan and the 2011 Jack Miller Thoroughfare Needs Assessment. The Clarksville Area Metropolitan Planning Organization (MPO) told city managers that “the Area would likely experience a 69 percent increase in population, a 69 percent increase in total households, and a 115 percent increase in total jobs by the year 2035” (Clarksville Area, 2010a, p. 2). Thus, the members of the MPO concluded:

With the expected increases in population and employment in the region over the next 25 years, travel conditions ... within the region are forecasted to worsen significantly if the region does nothing beyond those transportation improvements that have already been committed. (Clarksville Area, 2010b, p. 2)

Gresham, Smith and Partners, a private traffic study consulting firm, wrote in the Jack Miller Thoroughfare Needs Assessment that an east–west corridor across town was needed for the following reason:

The demand for new housing was strong, traffic volumes were still growing, widening existing roadways would add (only) marginal levels of new capacity, widening the existing east–west corridors could not be done in isolation, and that the spacing of existing principal arterials was inadequate. (Gresham, 2011, p. ES-1)

While the urban transportation planners recognized an urgent need to build a new road, others did not. Property owners told city managers that a proposed site for a new road would reduce their property values. Councilman Marc Harris agreed and stated he believed a higher priority should be placed on building new roads in other areas of the city. Property owner Betty Hadley Barnett said the route for the proposed road would split her family farm in half, and Amelia Hartz told the council that construction of a nearby road would cause structural damage to her family farm. Peggy Huddleston explained the family farm was her livelihood, and the proposed path for the road would cut through her property, separating cattle pastures from a nearby water source (Eason, 2010b, 2010c).

Montgomery County Historian Eleanor Williams (2010) wrote a letter to the editor of the local newspaper in opposition of the new road because it would disturb several historical properties. Figure 8.1 contains Ms. Williams’s letter to the editor in its entirety. In another letter to the editor, William Allen II also encouraged city officials not to approve the proposed site for the new road. He wrote that his family farm was “under contract with the USDA Grassland Reserve Program until 2019 and that any land use changes would require the return of federal funds, along with interest and penalty” (Allen, 2010, n.p.).

Planning officials supporting the reservation of land for an east–west corridor included Mike Flatt, a traffic engineer with Gresham, Smith and Partners, and City Planning Director David Riggins. Flatt told the city council that the “need for the corridor by 2030 was indisputable” (Eason, 2010d, p. A1) and that city streets would operate at

Reference the proposed east–west corridor to connect Wilma Rudolph Boulevard and Jack Miller Boulevard. I believe an alternate route for the corridor could be and should be found. If this proposed corridor goes forward as now planned it will have an adverse effect upon many properties, but especially upon three historical and productive properties: the W. B. Allen farm, one of the oldest century farms in the state, the Japhet Nussbaumer farm, and the William Hadley Jr. farm.

Briefly, the Allen farm was established in the late 1700s when Abraham Allen purchased the land and constructed a log house on the property. Later, a brick residence was built in the 1850s and both residences remain today. The family continues to operate the farm. This property is on the National Register of Historic Places.

The Nussbaumer farm, comprising over 300 acres, began as the Joseph Fautleroy farm in the early 1800s, with the residence being built in the 1800s. It became the Nussbaumer farm in the 1940s and remains in the family today. It too is important for its cattle operation as well as its production of hay and alfalfa.

The Hadley farm, again equally important, and comprising 300 acres, began in the 1800s, as the Merriwether property, with the present house being constructed in the late 1800s. It became the Dabney farm in the late 1800s and continues to be farmed today.

As planned, the corridor would divide these farms and eliminate an important productive agricultural asset to the community and to the state as well as eliminate a significant part of our heritage and our history for later generations. Progress is necessary but let's temper that with respect for our heritage and history. Let's find a solution, work together, and relocate this route.

Eleanor S. Williams, Montgomery County Historian

Figure 8.1 Letter to the editor: “Better East–West Route Is Needed for New Corridor.” (From Williams, E., “Better East–West Route Is Needed for New Corridor” [Letter to the editor], *Leaf Chronicle*, June 3, 2010. Reprinted with permission.)

E and F service levels on all the major thoroughfares by 2035 without it (Eason, 2010c). (Figure 8.2 describes traffic service levels ratings.) Riggins informed the city council that reserving a land route for an east–west corridor needed to be done soon because the land was quickly being developed (Eason, 2010c). City Councilman Geno Grubbs supported reserving the land along the selected route, saying, “If you don’t get the land somewhat secure, you’re not going to have any land left” (Eason, 2010b, p. A3). Councilman Wallace Redd commented, “I can see why we have traffic problems . . . no one wants to take on an issue like this. It’s not easy to do, but it’s our job to build roads” (Eason, 2010d, p. A1). Councilman Bill Summers commented that the property owners’ needs had to be balanced against

- A** Represents free flow. Individual users are virtually unaffected by the presence of others in the traffic stream. Freedom to select desired speeds and to maneuver within the traffic stream is extremely high.
- B** Within the range of stable flow, but the presence of others in the traffic stream begins to be noticeable. Freedom to select desired speeds is relatively unaffected, but there is a slight decline in the freedom to maneuver within the traffic stream from LOS A.
- C** Within the range of stable flow, but LOS C marks the beginning of the range of flow in which the operation of individual users becomes significantly affected by interactions with others in the traffic stream.
- D** LOS D represents high-density but stable flow. Speed and freedom to maneuver are severely restricted, and the driver experiences a generally poor level of comfort and convenience.
- E** LOS E represents operating conditions at or near capacity levels. Freedom to maneuver within the traffic stream is extremely difficult. Comfort and convenience levels are extremely poor and driver frustration is generally high.
- F** LOS F is used to define forced or breakdown flow. This condition exists when the amount of traffic approaching a point exceeds the amount that can traverse the point.

Figure 8.2 General descriptions of levels of service (LOS) on city streets. (From Clarksville Area 2035 Metropolitan Transportation Organization, 2035 Metropolitan Transportation Plan—Final, March 10, 2010, pp. 4–7, retrieved from <http://www.cuampo.com/files/Clarksville%20MPO%202035%20MTP%20Final%20031010.pdf>.)

those of the city at large, noting that traffic congestion was the most common complaint he received from his constituents (Eason, 2010d, p. A1). In an e-mail he wrote:

There are those that state the road is not needed at all. To support such a statement is to ignore the study of traffic engineers, city planners, and the expertise of consultants who have each studied residential and commercial growth patterns, traffic movement, population increases and industrial development. Based on these factors past, present, and future, a high degree of certainty has been established that this road will be needed.

There are those that say we can expand other roads and not require the need of this new corridor road. The other alternatives have been explored and found to have issues that can cause their own problem while not addressing the ones being resolved by the new corridor. Many citizens forget that most of the major roads in Clarksville are NOT under the control and authority of the city to alter, expand or maintain. That in itself is always a major problem with traffic in

Clarksville. Some citizens ... argue that building the corridor will cause more development and they do not want that. Thus, to defeat it, will stop growth and development in their minds.... The farms and other property around the proposed corridor are being sold and developed at an unbelievable rate. The lack of a new road will NOT stop that development. However, the lack of a new road will bring traffic to a grinding halt on all the other surrounding routes within 20 years.... The city can allow farmers the continued use of the land until it is needed. For farms that are divided, underpasses could be built to allow the movement of farm equipment and animals among fields. There is some leeway to lay out the road a hundred feet in either direction. This could lessen the impact of the road upon farming or housing considerations. (Bill Summer, personal communication, June 14, 2010)

One neighborhood resident, Tom RittersPacher, wrote a letter to the editor of the local newspaper in support of the new road. He wrote: officials must “exercise their responsibility to be conscientious in their planning for future growth” (RittersPacher, 2010, p. 7). Mr. RittersPacher’s letter is presented in its entirety in Figure 8.3.

After much discussion and further study, the city council voted not to build the east–west corridor, and the moratorium delaying development along the proposed route expired.

CASE 8.2 INTRODUCTION

The greater use of America’s Marine Highways is one answer to congestion on our highways and railways. The use of vessels could reduce major bottlenecks, such as bridges and tunnels, as well as congested interstates.

—U.S. Department of Transportation (2007, p. 19)

The U.S. freight transportation system, the largest in the world, currently serves 300 million people and 7.5 million organizations (National, 2011). Yet, the U.S. Chamber of Commerce warns system demand will double within the next 25 years (Southern, 2008). The primary modes for moving freight are tractor-trailers, rail cars, marine vessels, air carriers, and pipelines. The number of domestic carriers and miles each mode serves and their interconnectivity

I immigrated to Clarksville from the Pacific Northwest in 1980 and have lived here ever since. During this time there are many lessons I have learned, one of which was that there are a number of farms in Montgomery and surrounding counties that have been in the same family since before the Civil War. That's longer than the states of Washington and Oregon have even existed! It is no wonder there are some in Clarksville who are concerned about a proposed highway that could bisect their land.

While our government needs to recognize this special relationship between citizens and their land, they must also exercise their responsibility to be conscientious in their planning for our future growth. This is the prime reason that the Transportation Committee of the City's Strategic Master Plan effort strongly recommended that land be identified for an east-west corridor connecting Northeast with Northwest Clarksville. Now is the time for planning to take place, before development makes such a route price prohibitive.

The recent action by the City Council to provide a forum to discuss the actual route of such a corridor was responsible and could result in the adjustment of the highway location, but let us not ignore the future necessities of our community. The need for good planning has been referenced several times on this opinion page. Let us not let this opportunity to exercise good planning pass, by identifying and restricting development of land to be set aside for an east-west corridor for Clarksville.

—Tom RittersPacher, Clarksville 37040

Figure 8.3 Letter to the editor: "Clarksville Needs East-West Corridor." (From RittersPacher, T., "Clarksville Needs East-West Corridor" [Letter to the editor], *Leaf Chronicle*, June 10, 2010, p. A7. Reprinted with permission.)

are shown in Figures 8.4 and 8.5. Statistics from the Department of Transportation indicate that the use of truck and rail modes of transportation have continued to grow. This increasing congestion on the nation's roads and railroad tracks costs American consumers approximately \$200 billion a year in lost revenue, wasted time, and fuel (Maritime, 2007). At the same time, the use of pipelines and marine vessels has declined (Dennis, 2007; National, 2011).

In a report to Congress, the U.S. Maritime Administration recommended that an increase in the use of the nation's 24,000 miles of inland waterways would help alleviate land congestion (U.S. Department of Transportation, 2005). The report stated the benefits of shipping freight by barge would include lower shipping costs, reduced air pollution levels, fewer truck and train accidents, less fuel consumption, decreased exhaust emissions, and fewer cargo spills (Maritime, 1994; U.S. Transportation, 2005).

Mode	Number of Carriers	Statute Mileage
Tractor-trailer trucks	739,421	4,050,717
Rail cars	565	125,760
Marine vessels	603	25,320
Air carriers	77	Not available
Pipelines	2,219	1,711,959

Figure 8.4 Number and mileage of carriers in the U.S. freight transportation system. (From Research and Innovative Technology Administration, Bureau of Transportation Statistics, 2010, retrieved from http://www.bts.gov/publications/national_transportation_statistics.)

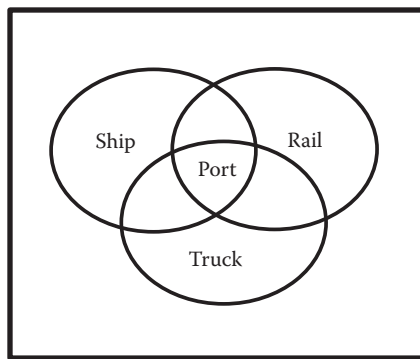


Figure 8.5 The interconnectivity of transportation with barge ports. (From Report to Congress, 2011, p. 3.)

For example, the Pittsburgh Port Commission writes that one “15-barge tow can move as much bulk freight as 870 trucks” (Southern, 2008, p. 6). The industry acknowledges there are disadvantages as well, such as availability of adequate port infrastructure, land accessibility to ports, increased dredging of channels, intermodal connectivity difficulty, better communication and coordination between ports, increased transit time, and obtaining enough users to obtain economic feasibility (Maritime, 1994; U.S. Department of Transportation, 2005).

This information led the U.S. Army Corps of Engineers and the Tennessee Department of Transportation to commission the Center for Transportation Research (CTR) in order to study the feasibility of increasing the use of barge tows on the Cumberland

Modal Shift	Commodity
Truck to open barge or container on barge	Metallic ores Portland cement Miscellaneous field crops Iron or steel products Broken stone or riprap Gravel or sand Miscellaneous field crops Primary iron or steel products Motor vehicle parts or accessories Asphalt coatings or felt Concrete products Mineral wool Miscellaneous plastics Processed nonmetal minerals Primary forest materials
Rail to open barge or container on barge	Coal Farm products Chemicals and allied products Food and kindred products Hazardous materials Pulp, paper, and allied products Freight of all kinds (FAK)

Figure 8.6 Commodities that may be moved from truck and rail shipment to barges. (From the Center of Transportation Research, “An Evaluation of the Potential for Commercial Navigation to Additionally Contribute to Freight Transportation in the Tennessee River Basin,” University of Tennessee, Knoxville, 2011, retrieved from <http://www.tdot.state.tn.us/publictrans/docs/BargeDiversionReportFinal2010.PDF>.)

and Tennessee Rivers (Center, 2011). The CTR report indicated that, barring unforeseen circumstances, the commodities listed in Figure 8.6 could possibly be moved from land to barge services. The report also recommended the City of Clarksville as a good site for a general commodities barge (Center, 2011). The researchers wrote:

CTR finds a ... potential to lessen truck traffic between Nashville and Clarksville [may be to have] one or more general commodities terminals to be constructed in the Clarksville area. Presently, there are significant quantities of commodities being barged to terminals in Nashville and then trucked back to Clarksville. Construction of these terminals would reduce this truck traffic and lessen congestion

on I-24. Interviews with shippers in the area suggest that the potential traffic affected by the presence of a terminal or terminals in the area could be about 1.6 million tons. (Center, 2011, p. 10)

The following case study presents the challenges city officials encountered when a private sector business requested a zoning change to enlarge its barge port operating capacity. The problem studied was citizen and council member opposition to increasing industrial encroachment into a residential neighborhood. The reader is encouraged to assume the role of a city council member and apply the concepts of individualism or universalism to decide how he or she would vote to approve the rezoning request. The reader may also apply the political-economic theory discussed in Chapter 3 to evaluate this case.

CASE 8.2: HEAVY INDUSTRIAL EXPANSION AT YOUR BACK DOOR

Often times, a barge will come down the Cumberland River, pass through Clarksville on its way to Nashville, and unload cargo that is then trucked back to Clarksville.

—Terry Quillen (Smith, 2011, p. 1)

Winn Marine is a full-service barge facility located on the Cumberland River in Clarksville, Tennessee. The port ships approximately 380,000 tons of limestone, cement, sand, and liquid products to Arkansas, Louisiana, Alabama, Mississippi, Tennessee, and Kentucky (News, 2011). In 2011, the company informed city officials that it had an expansion plan that would “position Montgomery County as the largest commercial water port on the Cumberland River” (Settle, 2011a). The company said it would privately finance the \$500 to \$100 million project that would ultimately create 4,100 jobs, produce \$126 million in income, generate \$11.5 million in taxes, and provide less expensive shipping costs for local businesses (Settle, 2011a; Swallows, 2011). All that was needed to accomplish this vision was city and county permission to rezone 210 acres from residential to industrial use.

“Winn Marine is proud to invest in Clarksville and Montgomery County and participate in what will be a major economic development for the entire region.... We believe there is a strong demand for a major, general-purpose port to handle the shipping and warehousing needs of local businesses, including the area’s major employers,” said Vice President and General Manager Chad Swallows (Settle, 2011b, p. A1).

After completing a yearlong study, the company believed it could develop a critical mass of customers needing to ship the types of cargo depicted in Figure 8.6 (see page 86).

The Montgomery County Economic Development Board, the Clarksville Chamber of Commerce, and the City Planning Commission supported the rezoning initiative, recognizing the port would be an opportunity to improve the local economy without having to invest any public funds. In an opinion column, local news reporter Jimmy Settle encouraged public officials to approve the rezoning request: “Real leadership involves seeing the big picture, weighing all of the information, and then having the courage to make a call that’s in everyone’s best interests” (Settle, 2011c, p. B1).

The obstacle to achieving the vision was the opposition of residents living near the port, as shown in Figure 8.7. They feared the expansion would decrease their property values due to potential increases



Figure 8.7 Residents present their opinions. (From ClarksvilleNow.com, 2007. Reprinted with permission.)

in truck traffic, noise, industrial lighting levels, and river pollution. Residents living within the area organized into a group called the Friends of Dover Road. The group obtained 1,200 signatures that were used to petition the Clarksville City Council to disapprove the rezoning request. Resident Romona Reece told council members she believed the economic benefits provided by Winn Marine were misleading. “Whatever few jobs it would actually create would be split at least between three counties.... I think it’s very misleading to think that all of the revenues would stay in Clarksville–Montgomery County,” she said. Reece also stated her belief that the predicted number of new jobs would simply be shifted from truck driving positions to barge operations. “Essentially, you’re taking jobs away from one group of people to give to another group of people,” she said (Eason, 2011a, p. A1). Neighbor Don Simpson also recommended the zoning not be approved, telling the council, “You already have an environmental nightmare down there ... and they are getting ready to ... expand it” (Eason, 2011a, p. A1). However, Chad Swallows encouraged the council to approve the rezoning request, saying, “My understanding is that two out of five businesses looking at Clarksville ask about a river terminal. We have nothing to offer them ... it is just a missed opportunity for Clarksville–Montgomery County” (Eason, 2011b). After hearing the arguments for and against the expansion, the council voted to delay acting on the rezoning request in order to hold public meetings and learn more about the implications and repercussions of the expansion. “I think the city council had a lot of questions and concerns frankly with putting in a heavy industrial zoning so close to a neighborhood,” said Councilman Wallace Redd (News, 2011, para. 9).

Figure 8.8 presents an opinion column, written by Chad Swallows, explaining the port is currently located within an industrial district that contains several industries located closer to the neighborhood than the port. He stated that residents have not complained about the current truck traffic, and they would not likely be disturbed by the projected one percent increase in truck traffic that could result from the expansion. Continuing his effort to build public support for the project, Swallows told a local television news reporter:

Clarksville is on the move and showing momentum during one of the most challenging economic times in American history. Now we have the chance to take the next major step in our efforts to compete in today's global economy.

Winn Marine wants to expand its existing water port on the Cumberland River to meet a growing demand for more cost-effective shipping of raw materials and finished products. Fort Campbell could use a port. Hemlock could use a port. The Tennessee Department of Transportation recommends a port to take more trucks off our roads. The Montgomery County Industrial Development Board could use a port to recruit new businesses to our area.

While communities are scrambling to offer tax breaks, incentives, and grants to keep and recruit jobs, Winn is not asking the taxpayers for a single cent. No tax breaks. No incentives. No subsidies. Winn will finance this expansion with \$40 million of our own money. All we need is a small zoning change to our property.

Construction of the expansion will immediately create 371 new jobs. We all know how much we need jobs these days. In addition, the construction will generate \$21 million of economic impact. That translates into \$1 million in new taxes.

In the long term, the expanded water port will impact over 4,100 jobs and produce \$126 million in labor income and \$11.5 million in indirect business taxes each year. That's over \$11 million for schools, for roads, public safety, or for any of the other vital needs that our local government funds.

Of course, some people naturally wonder about the possible downside to this project. Will neighbors be negatively impacted by trucks, noise, or too much lighting? Absolutely not. Expanding the port operation that Winn already operates on this site will have no negative impact on neighbors. Let's remember that this is in an industrial area. The current port and Winn Materials sit on a 576-acre footprint. We are surrounded by commercial and industrial users, including a lumber company, two trucking companies, a ready-mix concrete plant, a zinc plant, a waste operations plant, and two grain terminals. It should be noted that the closest industrial sites are three times closer to neighborhoods than Winn.

Winn has a long history of being a good corporate neighbor. On this site, we currently operate a marine terminal that receives and ships over 375,000 tons of natural resources every year. We have not had a single complaint about the port from neighbors since we began operating the terminal. Even with this expansion, we will continue to maintain a 250-acre, heavily forested buffer between us and our nearest neighborhoods. The port sits at the farthest point away from anyone on our property—meaning the nearest neighbor is over a quarter of a mile away.

Finally, our neighbors will not be impacted by increased truck traffic. A recent traffic study shows that the expanded port will only increase traffic by one percent. All trucks will use Barge Point Road. None will access neighborhoods. Naturally, we all turn a skeptical eye toward deals that sound too good to be true, but what Winn proposes is, in fact, true: we want to spend our own money to help create jobs and add to the economic engine of Clarksville and the region. Expanding the port is good for Clarksville and I hope you will join me in supporting this important project that will keep our local economy moving forward.

Figure 8.8 Opinion column: "Port Wouldn't Negatively Affect Neighborhood." (Swallows, C., "Port Wouldn't Negatively Affect Neighborhood" [Letter to the editor], *Leaf Chronicle*, August 14, 2011, p. A9. Reprinted with permission.)

Residents would not see a change in their quality of life due to the expansion. Right now, we are already operating around the clock. We offer liquid nitrogen for 46 hours straight, and nobody's ever heard it or complained about it and the new terminal won't be any different. For every barge it takes 70 trucks to haul the same material. That's 70 more trucks travelling Clarksville's roads with every boat docked which brings traffic and infrastructure concerns. (News, 2011, para. 10–14)

At the next city council meeting, the rezoning request was placed back on the docket. Chad Swallows again asked the council to approve the request noting the Montgomery County Commission, City Planning Commission, Montgomery County Economic Industrial Development Board, Clarksville Planning Commission, Chamber of Commerce, and *Leaf Chronicle* Editorial Board had all supported the port expansion initiative.

Councilman Redd agreed and asked the council to vote no because the change in zoning would allow the manufacturing, storage, and shipping of hazardous materials in the area. He stated, it would be “incompatible, inappropriate and immoral to pass this zoning change ... with a residential neighborhood 1,000 feet away (Smith, 2011, p. A1). Residents told the council that “industrial recruitment shouldn't come at the detriment of the citizens” (Eason, 2011c, p. A1). Councilman Nick Steward stated that while he understood the resident's objections, it was also important to consider the impact of bringing new jobs into the area. Councilman Burkhart told the council that his neighborhood had been negatively impacted by the building of a new hospital, but he knew that was the consequence that had to be paid to improve medical care. “We all, as a community, have to pitch in when it comes to infrastructure,” he said (Eason, 2011c, p. A1). Tim Chandler, a resident of the affected neighborhood, supported the rezoning request, saying, “We're supposed to worry about how we're going to conserve fuel ... this is a prime example of a good way to do it” (Smith, 2011, p. A1). At the end of the discussion period, the city council voted 9-3 to approve the rezoning request. The Montgomery County Commission

subsequently approved the rezoning request, and work on the port expansion began (Clarksville Now, 2011).

CONCLUSION

This chapter focused on the difficult decisions city officials must make regarding transportation congestion issues. The historical background of the concepts of universalism and individualism were presented, and two case studies were incorporated to encourage the reader to apply the concepts. Chapter 8 will discuss the challenge of whether city funds should be given to non-profit organizations.

AUTHOR'S NOTE

Additional case information was obtained through personal communications with Clarksville Councilman Bill Summers and Larry Bray from the University of Tennessee, Knoxville, and reading of the Clarksville City Council minutes.

REFERENCES

- Allen, W. (2010, November 17). Property owners oppose scenic route to mall (Letter to the editor). *Leaf Chronicle*, n.p.
- American Heritage New Dictionary of Cultural Literacy* (3rd ed.). (2005). Indianapolis, IN: Houghton Mifflin Company.
- American Planning Association. (2010). State of transportation planning 2010. Retrieved from http://www.apa-tpd.org/TPDAnnualReport_files/.
- Bram, L.L., Phillips, R.S., and Dickey, N.H. (1997a). *Funk & Wagnalls new encyclopedia* (Vol. 3). Funk & Wagnalls.
- Bram, L.L., Phillips, R.S., and Dickey, N.H. (1997b). *Funk & Wagnalls new encyclopedia* (Vol. 14). Funk & Wagnalls.
- Center of Transportation Research. (2011). An evaluation of the potential for commercial navigation to additionally contribute to freight transportation in the Tennessee River Basin. University of Tennessee Knoxville. Retrieved from <http://www.tdot.state.tn.us/publictrans/docs/BargeDiversionReportFinal2010.PDF>.

- Clarksville Area 2035 Metropolitan Transportation Organization. (2010a, March 10). 2035 metropolitan transportation plan—Final. Retrieved from <http://www.cuampo.com/files/Clarksville%20MPO%202035%20MTP%20Final%20031010.pdf>.
- Clarksville Area 2035 Metropolitan Transportation Organization. (2010b, March 10). Clarksville area 2035 metropolitan transportation plan executive summary. Retrieved from <http://www.cuampo.com/files/2035%20MTP%20Exec%20Summary%20English%20Final%20031010.pdf>.
- Clarksville Now. (2011, September 2). Council says yes to barge port expansion. Retrieved from <http://www.clarksvillenow.com/pages/100803375.php>.
- Dennis, S. (2007). *A decade of growth in domestic freight rail and truck ton-miles continue to rise*. Special Report for the Bureau of Transportation Statistics. Retrieved from http://www.bts.gov/publications/special_reports_and_issue_briefs/special_report/2007_07_27/html/entire.html.
- Eason, B. (2010a, April 8). Clarksville street committee to recommend east–west corridor study. *Leaf Chronicle*, n.p.
- Eason, B. (2010b, April 30). Corridor project to be up for vote: Proposal does not include funding for road. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2010c, June 3). East–west corridor project threatens family farmland: City trying to secure land for needed road. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2010d, June 10). Study: East–west corridor one of many traffic needs study. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2011a, September 1). Residents don't buy barge port projections. *Leaf Chronicle*, p. A1.
- Eason, B. (2011b, August 5). City council approves redistributing proposal. *Leaf Chronicle*, p. A1.
- Eason, B. (2011c, September 2). Council backs barge port expansion. *Leaf Chronicle*, p. A1.
- Federal Highway Administration. (2005, November 10). *Traffic congestion and reliability: Trends and advanced strategies for congestion mitigation*. Retrieved from http://www.ops.fhwa.dot.gov/congestion_report/executive_summary.htm#overview
- Federal Highway Administration. (2012). Highway statistics series. Retrieved from <http://www.google.com/publicdata>.
- Gresham, Smith and Partners. (2011, April 5). 2011 update: Jack Miller thoroughfare needs assessment. Retrieved from <http://www.cityofclarksville.com/pdf/East%20West%20Corridor%20study.pdf>.

- Joint Transport Research Centre. (2007). Managing urban traffic congestion. Retrieved from <http://www.internationaltransportforum.org/jtrc/CongestionSummary.pdf>.
- Maritime Administration, U.S. Department of Transportation. (1994, August). Environmental advantages of inland barge transportation. Retrieved from <http://www.port.pittsburgh.pa.us/docs/eaibt.pdf>.
- Maritime Administration, U.S. Department of Transportation. (2007, November). A vision for the 21st century. Retrieved from http://www.marad.dot.gov/documents/Vision_of_the_21st_Century_10-29.pdf.
- News Channel 5. (2011, August 8). Barge port vote delayed again after resident complaints. Retrieved from <http://www.newschannel5.com/story/15231716>.
- Priestley, J. (1768). *An essay on the first principles of government; and on the nature of political, civil and religious liberty*. London: printed for J. Dodsley, T. Cadell (successor to Mr. Millar), and J. Johnson. Location: Princeton University Library, Department of Rare Books and Special Collections, Lapidus 2.23.
- Research and Innovative Technology Administration, Bureau of Transportation Statistics. (2010). Retrieved from http://www.bts.gov/publications/national_transportation_statistics/.
- RittersPacher, T. (2010, June 10). Clarksville needs east-west corridor [Letter to the editor]. *Leaf Chronicle*, p. A7.
- Settle, J. (2011a, April 26). Winn Marine announces major barge port expansion plans off Dover Road. *Leaf Chronicle*, p. A1.
- Settle, J. (2011b, April 27). Another barge port plan—privately funded—surfaces. *Leaf Chronicle*, p. A1.
- Settle, J. (2011c, May, 8). Barge port proposal has a twist. *Leaf Chronicle*, p. B1.
- Smith, A. (2011, October, 8). Winn Marine: Port won't hurt neighbors. *Leaf Chronicle*, p. A1.
- Southern Ohio Port Authority. (2008, June). *Container-on-barge port concept paper*. Retrieved from http://www.pioneerspirit.us/pub/Container_on_Barge_Concept_Paper2.pdf.
- Swallows, C. (2011, August 14). Port wouldn't negatively affect neighborhood [Letter to the editor]. *Leaf Chronicle*, p. A9.
- U.S. Department of Transportation Maritime Administration. (2005, June). *Report to Congress on the performance of ports and the intermodal system*. Retrieved from http://www.marad.dot.gov/documents/Rpt_to_Congress-Perf_Ports_Intermodal_Sys-June2005.pdf.
- U.S. Department of Transportation, Maritime Administration. (2007, November). *A vision for the 21st century: The maritime administration and the U.S. Marine Transportation System*. Retrieved from http://www.marad.dot.gov/documents/Vision_of_the_21st_Century_10-29.pdf.

Williams, E. (2010, June 3). Better east–west route is needed for new corridor [Letter to the editor]. *Leaf Chronicle*, n.p.

RECOMMENDED READINGS

- American Planning Association. (2010). *State of transportation planning 2010*. Retrieved from [http://www.apa-tpd.org/TPDAnnualReport_files/TPD_State_of_Transportation_\(2010\).pdf](http://www.apa-tpd.org/TPDAnnualReport_files/TPD_State_of_Transportation_(2010).pdf).
- Rodrigue, J. (1998–2012). *The geography of transport systems*. Retrieved from <http://people.hofstra.edu/geotrans/>.
- U.S. Department of Transportation, Federal Highway Administration. (2005, November 10). *Traffic congestion and reliability: Trends and advanced strategies for congestion mitigation*. Retrieved from <http://www.ops.fhwa.dot/gov/congestion-report/>.
- U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation Statistics. (2011). National transportation statistics. Retrieved from http://www.bts.gov/publications/national_transportation_statistics/pdf/entire.pdf.

9

Funding for Nonprofit Organizations

Disrupting the existing system (of government funding) entails tradeoffs that, while justified in terms of the underlying evidence about what works, nonetheless pull at the heartstrings of the public. It is difficult to take away contracts or grants from well-meaning nonprofits delivering what seem to be well-intended programs.

—Daniel Stid (2012, para. 11)

INTRODUCTION

A nonprofit organization is a “corporation or an association that conducts business for the benefit of the general public without shareholders and without a profit motive” (Farlex, n.d., para. 1). Revenues collected by nonprofit organizations must be reinvested in the organization and used to pay expenses for equipment, facilities, utilities, salaries, and other needs. Nonprofit organizations exist to provide goods and services not met by the government or private sectors.

The Independent Sector reports there are approximately 1.4 million nonprofit organizations in the United States, consisting of “charities, foundations, social welfare or advocacy groups, religious organizations, and professional or trade associations” (Blackwood et al., 2008; Luckert, n.d.; Worth, 2012). Nonprofit organizations generated \$1.6 trillion in revenue and \$3.4 trillion in assets in 2005, equating to approximately 5.5 percent of the nation’s gross domestic product

(Blackwood et al., 2008; *Nonprofit Almanac*, 2007). The Bureau of Labor Statistics reports the nonprofit sector employed 1.9 million people who earned an average annual salary of \$43,830 in 2006 (Stid, 2012). Sources of revenue for nonprofits include membership dues, fees for services, sale of goods, private donations, investment income, and government funds. The Independent Sector states, “Almost one third of the revenue of charitable nonprofits (29.4 percent) comes from government” (Worth, 2012).^{*} The majority of nonprofit funding is provided by state and local governments (Stid, 2012).

This chapter focuses on governmental contributions to nonprofit organizations and asks the question: “Should taxpayer dollars be used to fund nonprofit organizations?” This question is explored using the resource dependency theory developed by Jeffrey Pfeffer and Gerald Salanick (2003). The theory posits: “The environment is assumed to contain scarce and valued resources essential to organizational survival” (Appalachian State, 2005, para. 7) and “organizational dependence on other organizations rises as dependent organizations grow in size and visibility, as the needed resources became more critical, as the range of alternate suppliers declines, and as the providers’ discretion over the resource mounts” (Peters and Pierre, 2008, p. 152). Resource dependency theory is also used to study the influence donating organizations may have on the management practices, values, and beliefs of the receiving organization.[†]

Proponents argue government funding of nonprofit organizations supports the management of social services at a lesser cost than if nonprofits did not exist. Presidents Ronald Reagan, George Bush, and Barack Obama have asked nonprofit organizations to take a “leading role in addressing America’s social problems” (Lipsky and Smith, 1989, p. 625; Stid, 2012; Worth, 2012). Supporters state government contributions to nonprofit organizations create jobs, add

^{*} Statistics indicating the percentage of government funding of nonprofit organizations have ranged from 50 percent in 1989 (Lipsky and Smith, 1989) to 29.4 percent in 2012 (Worth, 2012) and 9 percent in 2007 (*Nonprofit Almanac*, 2007). These variations indicate a need for more research regarding the amount of government funding to nonprofit organizations.

[†] Critics of resource dependency theory claim that external environments are too complex to be confined to the boundaries of resource dependency theory (Peters and Pierre, 2008).

Research Study	Government Funding	Increased Private Giving	Decreased Private Giving
Brooks (2000)	\$1.00 federal funding had no impact	0	0
Brooks (2000)	\$1.00 state funding		2 cents
Schif (1985)	\$1.00 state funding	34 cents	
Schif (1985)	\$1.00 local funding		66 cents
Lindsey and Steinberg (1990)	\$1.00 of federal funding		6 cents
Abrams and Schiff (1978)	A 10% increase in state and local funds		1.8%
Abrams and Schiff (1978)	A 10% increase in federal funds		2.7%

Figure 9.1 The impact of U.S. government funding on private giving to nonprofit organizations. (Compiled using data from Brooks, A., *Public Administration Review*, 60, 2000, 211–218.)

community assets, and encourage private giving. For example, the National Endowment for the Arts (NEA) states that “each NEA dollar is ... a funding catalyst attracting many more dollars from local and state agencies, corporations, foundations, and individuals” (Brooks, 2000, p. 211). However, using the data shown in Figure 9.1, Arthur Brooks (2000, pp. 211–213) concluded government funding *does* result in small reductions of private giving.

Opponents say that government funding turns nonprofit organizations into quasi-government organizations unable to practice their values and beliefs as they prefer. They argue government intervention may lead to the adoption of bureaucratic and democratic procedures not originally intended by the organization’s founders. For example, the acceptance of government funding requires nonprofits to practice the principles of equity—providing equal access to all groups. Many nonprofits are founded on serving the needs of specific groups of people. For example, Catholic and Jewish charities were originally founded to meet the needs of these specific groups (Lipsky and Smith, 1989). If such organizations accept government funds, they may have to serve people of all religious faiths, thus compromising their missions. Government intervention may also lead to higher administrative operating costs through the introduction of

mandated bookkeeping, performance measures, and quality standards. Another organizational factor affected by government funding is board leadership. Chao Guo (2007, p. 467) writes: Nonprofit organizations accepting government funds tend to change the membership composition of boards from “agents of the community” to “agents of government.” As a result, board membership may change from individuals representing community interests to individuals representing government interests. This change in representation may threaten the original intended purpose of the nonprofit and put more power into the hands of politicians. A final argument is government funding may put the organization in a precarious position of expecting to receive funding every year. Daniel Stid (2012, para. 6) writes, “The dirty little secret of the social sector is that once government money starts flowing, the nonprofits that have advocated for it and/or who are benefitting from it have a vested interest in keeping it going.” As a result, nonprofits may lose their individual altruistic identities and autonomy.

CASE 9.1 INTRODUCTION

The following case presents the difficulties city officials in Clarksville, Tennessee, faced when deciding to fund nonprofit organizations. The reader is encouraged to apply the assumptions of resource dependency to analyze this case and develop a personal opinion about whether governments should fund nonprofit organizations.

CASE 9.1: A SORE SUBJECT

Funding for nonprofits has been a sore subject during the council’s budget hearings each of the last two years. Council members ... were left wondering aloud why they were being asked to fund some nonprofits and not others. Council members also questioned whether the money was actually going toward worthy causes.

—Brian Eason (2011a, p. A5)

Historically, the process the City of Clarksville used to provide funds for nonprofit organizations was a closed one. Councilman Bill Summers explained in an e-mail to his constituents:

The same groups kept receiving the funding or another group would be added without any set guidelines.... A number of ward residents have asked me why do we fund nonprofits at all and shouldn't we end the process of using taxpayer money to support something not associated with the city.... It must also be understood that the Council, as a whole, has not historically supported ending financial support to nonprofits. (B. Summers, personal communication, June 25, 2011)

As a result of these concerns, the city mayor established a Nonprofit Agency Committee, composed of four city council members, to establish a city policy for reviewing funding requests made by nonprofit organizations. The committee, chaired by City Councilman David Allen, developed a process that would open the application process to all nonprofit organizations, establish selection guidelines, formulate measures, and develop funding recommendations for the entire city council (B. Summers, personal communication, June 25, 2011). The new process involved the following steps (B. Summers, personal communication, April 6, 2011; Eason, 2011b, 2011c; McCullough, 2012):

1. The city finance department would establish, and advertise, an open period for accepting written applications from nonprofit organizations interested in seeking city funding. This step would allow any interested nonprofit organization to apply for funding rather than a select few. Finance department personnel would ensure applications were properly completed and then forward them to the Nonprofit Agency Committee for review. The application process would include an application form, a letter from the Internal Revenue Service recognizing the organization as holding tax-exempt status, and a copy of the organization's most recent financial audit or a profit-and-loss statement for the past business year.
2. Representatives from the nonprofits organization would then make an in-person presentation before the committee,

justifying their requests for funds and answering any questions the committee members may have. Any applying organization not making a personal presentation would be eliminated from further consideration.

3. The criteria for scoring applications would include the following: (a) program description, (b) uniqueness of service, (c) contributions to citizens, (d) the number of participants to be served, and (e) the results of past financial performance.
4. The committee would score each request based on the quality of the written application and the oral presentation. Organizations receiving a score of less than 50 out of 100 points would be eliminated from funding consideration. Organizations receiving a score of 50 or more would receive a recommendation for a certain amount of funding. A specific amount of money would be allocated for each point scored in the composite average. The average scores of each committee member would be totaled and averaged to determine how much money they would recommend the city council allocate.
5. No more than 0.02 percent of the city's total budget projection would be used to fund nonprofit organizations. The committee established this limit based on a three-year average of city funding in the past. The committee agreed the available funds would be split into two categories, with 25 percent going to arts and cultural organizations and 75 percent to public services that provide food and shelter.
6. Three nonprofit organizations with ties to the city would be exempt from the Committee review process—the Customs House Museum, Ajax Senior Center, and Arts and Heritage Commission. This decision was based on the rationale these organizations provided city services or existed on or in city-owned property. Funding requests for these organizations would go directly to the full city council for review.
7. The committee's recommendations would be presented to the full city council for approval or disapproval.

Name of Nonprofit Organization	Amount Requested	Committee Rating	Committee Recommendation
All Support Inc.	\$25,000	<50	\$0
American Red Cross	\$15,000	88	\$10,000
Clarksville Area Ministries Network	\$10,000	65	\$5,959
Civil War 150 Committee	\$10,000	<50	\$0
Habitat for Humanity	\$5,000	72	\$5,000
Hispanic Organization for Progress	\$5,000	67	\$5,000
Humane Society	\$20,000	<50	\$0
Imagination Library	\$15,000	52	\$500
Manna Care Ministries	\$10,000	92	\$10,000
Mt. Olive Cemetery Historical Society	\$500	76	\$500
People Helping People	\$6,000	65	\$5,959
Roxy Regional Theatre	\$30,000	88	\$27,064
Mission Clarksville	\$14,000	N/A ^a	\$0
Salvation Army	\$20,000	N/A ^a	\$0
Emmanuel Family Life Center	\$15,000	77	\$9,066
Old Firehouse Day Shelter	\$38,000	83	\$10,000
United Methodist Urban Ministries	\$25,000	77	\$9,066
United Way	\$29,615	67	\$6,142
Mid-Cumberland Human Resource Agency	\$6,000	73	\$6,000
^a Organization did not make presentation to the Nonprofit Agency Committee.			

Figure 9.2 Depiction of the City of Clarksville's funding for nonprofit organizations for fiscal year 2012. (From Eason, B., "Nonprofit Agencies Receiving Taxpayers' Money in Proposed Budget," *Leaf Chronicle*, June 5, 2011, p. A4. With permission.)

This process was used during the city's fiscal year 2012 budgeting session. Using the 0.02 percent allocation rule, the Nonprofit Agency Committee recommended a total of \$110,000 be divided among 14 organizations. The committee's suggestions, shown in Figure 9.2, would fund several organizations for the first time and eliminate three that had been funded in the past: the Clarksville–Montgomery County Humane Society, the Salvation Army, and the Civil War Sesquicentennial Committee (Eason, 2011c, 2011d). The Salvation Army was not funded because it failed to present an oral proposal before the committee, and the Civil War Sesquicentennial Committee was eliminated from consideration because it had

previously told the city council it would ask for assistance only once (which was the previous year).

The debate came when the recommendations were made to the full city council for a vote. The largest outcry came from supporters of the Humane Society:

When I review the criteria that were published and supposedly followed by the committee members as to the rating of the organizations, I am at a loss as to how the Humane Society could have scored lower than 50, the organization's president Stacey Hopwood wrote in an e-mail to council members.... Councilman Summers explained the low score was in large part due to the fact that the group reported a \$20,000 surplus last year, and projected \$40,000 next year. He and Councilwoman Jones also said they preferred to fund groups that provided "food, clothing or shelter" for people over ones that focused on providing for animals. (Eason, 2011d, p. A1)

Councilman Harris expressed his concern that organizations relying on funding in the past could go out of business if cuts were applied. He said, "I'm afraid we're about to open Pandora's Box if we eliminate programs that have been funded before.... The organizations that are coming to the city for support—that's their livelihood" (Eason, 2011b, p. A1). Harris also argued the city would have to assume responsibility for offering the services that eliminated organizations would have provided. He made a motion to restore \$15,000 to the Humane Society that was approved by the city council.

Other council members expressed beliefs that nonprofit organizations are not entitled to taxpayer money (B. Summers, personal communication, June 27, 2011). They argued tax revenue should be used to fund city services. For example, Councilwoman Deanna McLaughlin suggested the \$110,000 be used to pave city roads instead. She made a motion to transfer the funds to the street department. Her motion failed: a 5-yes and 8-no vote of the full council (B. Summers, personal communication, June 25, 2011).

With the exception of adding funds for the Humane Society, the process established by the Nonprofit Agency Committee appeared to work well and was used by the city council the following fiscal year.

AUTHOR'S NOTE

Additional information for this case study was obtained from the author's observations at Clarksville City Council meetings.

REFERENCES

- Abrams, B., Schiff, J., and Schmitz, M. (1978). The "crowding-out" effect of governmental transfers on private charitable contributions: Cross section evidence. *National Tax Journal*, 37, 563–568.
- Appalachian State University. (2005). Theories used in IS research: Resource dependency theory. Retrieved from <http://www.istheory.yorku.ca/resourcedependencytheory.htm>.
- Blackwood, A., Wing, K., and Pollak, T. (2008). The nonprofit sector in brief. Facts and figures from the *Nonprofit Almanac 2008: Public charities, giving, and volunteering*. Retrieved from http://www.urban.org/UploadedPDF/411664_facts_and_figures.pdf.
- Brooks, A. (2000). Is there a dark side to government support for nonprofits? *Public Administration Review*, 60, 211–218.
- Eason, B. (2011a, March 31). City's nonprofit funding under microscope. *Leaf Chronicle*, p. A5.
- Eason, B. (2011b, April 7). City OKs nonprofit funding policy. *Leaf Chronicle*, p. A1.
- Eason, B. (2011c, May 17). Committee approves nonprofit budget. *Leaf Chronicle*. Retrieved from <http://search.proquest.com,ezproxy.lib.apsu.edu/leafchronicle/docview/867330759/137866>.
- Eason, B. (2011d, June 5). Nonprofit agencies receiving taxpayers' money in proposed budget. *Leaf Chronicle*, p. A4.
- Farlex. (n.d.) *The free legal dictionary*. Retrieved from <http://legal-dictionary.thefreedictionary.com/Non-profit+organization>.
- Guo, C. (2007, May/June). When government becomes the principal philanthropist: The effects of public funding on patterns of nonprofit governance. *Public Administration Review*, 458–473.
- Lindsey, L., and Steinberg, R. (1990). Joining crowdout: An empirical study of the impact of federal grants on state government expenditures and charitable donations. National Bureau of Economic Research, working paper no. 3226. *Economic Journal*, 10, 45–52.
- Lipsky, M., and Smith, S. (1989). Nonprofit organizations, government, and the welfare state. *Political Science Quarterly*, 4, 625–648.
- Luckert, K. (n.d.). Nonprofit organizations (definition and examples). Retrieved from <http://learningtogive.org/papers/paper41.html>.

- McCullough, T. (2012, April 4). Nonprofit applications for city funding due April 6. *Business and Heritage Clarksville*. Retrieved from <http://businessclarksville.com/2012/04/04/nonprofit-applications-for-city-funding-due-april-6-41650/>.
- Nonprofit Almanac*. (2007). The nonprofit sector in brief: Facts and figures from the *Nonprofit Almanac 2007*. Retrieved from http://www.urban.org/uploadedpdf/311373_nonprofit_sector.pdf.
- Peters, B., and Pierre, J. (2008). *The SAGE handbook of public administration*. Los Angeles: SAGE Publications.
- Pfeffer, J., and Salanick, G. (2003). *The external control of organizations: A resource dependence perspective*. Stanford, CA: Stanford University Press.
- Stid, D. (2012, April 25). The social services industrial complex. Retrieved from http://www.washingtonpost.com/dismantling-the-social-services-industrial-complex/2012/04/25/gIQAuTcMhT_story.html.
- Worth, M. (2012). *Nonprofit management: Principles and practice* (2nd ed.). Thousand Oaks, CA: Sage Publications.

RECOMMENDED READINGS

- DiMaggio, P., and Anheier, H. (1990). The sociology of nonprofit organizations and sectors. *Annual Review of Sociology*, 16, 137–159.
- Hammack, D. (2010, November 29). Nonprofit organizations in American history. *American Behavioral Scientist*, 45, 1638–1674.
- O'Regan, K., and Oster, S. (2002). Does government funding alter nonprofit governance? Evidence from New York City nonprofit contractors. *Journal of Policy Analysis and Management*, 21, 359–379.
- Schiff, J. (1985). Does government spending crowd out charitable contributions? *National Tax Journal*, 38, 535–546.

10

Housing and Shelter

44.2 million Americans spend 50 percent or more of their income on housing and one out of every six Americans is in need of a decent, affordable place to live.

—**Habitat for Humanity (2012)**

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

—**Preamble to the U.S. Constitution**

INTRODUCTION

The U.S. Constitution makes no specific mention of a government responsibility to provide adequate housing and shelter for its citizens; however, the preamble of the Constitution states the federal government has the responsibility to “promote the general Welfare” of Americans. The previous two statements invite the question: What is government’s role, if any, to ensure U.S. citizens have adequate housing and shelter? One’s answer to this question would probably be based on his or her political ideology of liberalism or conservatism. (Figure 10.1 provides the beliefs of each ideology.)

Liberalism	Conservatism
<ul style="list-style-type: none"> • Lax interpretation of the U.S. Constitution • Belief in large government • The primary role of government is to help citizens meet their basic needs and resolve social problems • Extreme caution should be exercised in the use of armed forces • Promote collective responsibility • Markets should be regulated by governments • Have open definitions of family and marriage 	<ul style="list-style-type: none"> • Strict interpretation of the U.S. Constitution • Belief in small government • The primary role of government is to provide for the national defense and protect individual liberty • It is the role of charity to help citizens meet their basic needs • Promote personal freedom and responsibility • Markets should operate in free environments • Maintain traditional definitions of family and marriage

Figure 10.1 Liberal and conservative political ideologies.

Individuals advocating a new liberalism ideology embrace the theory of social justice, which postulates that “no social group should advance at the cost of another” (Halsall, 1998, p. 1). The liberal ideology tends to favor federal intervention in the provision of public housing programs. Federal programs include the subsidization of public or private housing projects, the provision of housing certificates, Section 8 vouchers, and government-sponsored mortgage programs (McAloon, 2009). In a commentary published in the *American Journal of Public Health*, Lance Freeman (2002) argued that the U.S. government has a social obligation to develop a housing entitlement program. Liberals also argue that Congress set the precedent for federal involvement when it passed the U.S. Housing Acts of 1937 and 1949. The 1937 Act authorized the federal government to provide local housing authorities funds to build public housing units. The Housing Act of 1949 “pledged a decent home for every American family” (Marinez, 2000, p. 467) through the authorization of federally backed mortgage insurance programs.

The conservative intellectual movement arose, in part, to counter the liberal policies advocating federal intervention in the nation’s

housing and shelter issues. John Pickerill (2011) explained the conservative point of view in a commentary published in *The Patriot Post*:

I believe liberals are on the right track when they focus on moral obligation to our fellow citizens' time of need. However, I disagree that we need the federal government as a tool to carry out that moral obligation. (para. 6)

Conservatives believe the housing and shelter needs of citizens should be met by the nonprofit sector, the private sector, community groups, and state and local governments.

This chapter contains three cases depicting how city officials in Clarksville, Tennessee, managed housing and shelter issues. The first case presents the public housing situation in Clarksville. The second case provides an overview of an unsuccessful city-private partnership to sell homes in a subdivision built specifically for individuals with low to moderate incomes. The third case depicts how community collaboration successfully resulted in providing shelter programs for a homeless population.

CASE 10.1 INTRODUCTION

“Over the past 25 years, Clarksville has consistently ranked as one of the fastest growing cities in the southeastern United States ... [its] population is projected to reach 225,000–250,000 by 2030” (SmartGrowth, 2012, para. 1.00). The case problem is the city’s difficulty in meeting the housing needs for low- to moderate-income, elderly, disabled, and homeless citizens. The reader is encouraged to complete Figure 10.2 to perform a strategic analysis of Clarksville’s low- to moderate-income housing capacity. Some entries have been made in the chart to help get the reader started. The reader is also encouraged to identify the political ideology (liberalism or conservatism) he or she supports regarding public housing issues.

Directions: While reading Case 10.1, identify the strengths, weaknesses, opportunities, and threats regarding Clarksville's low to moderate housing capacity.

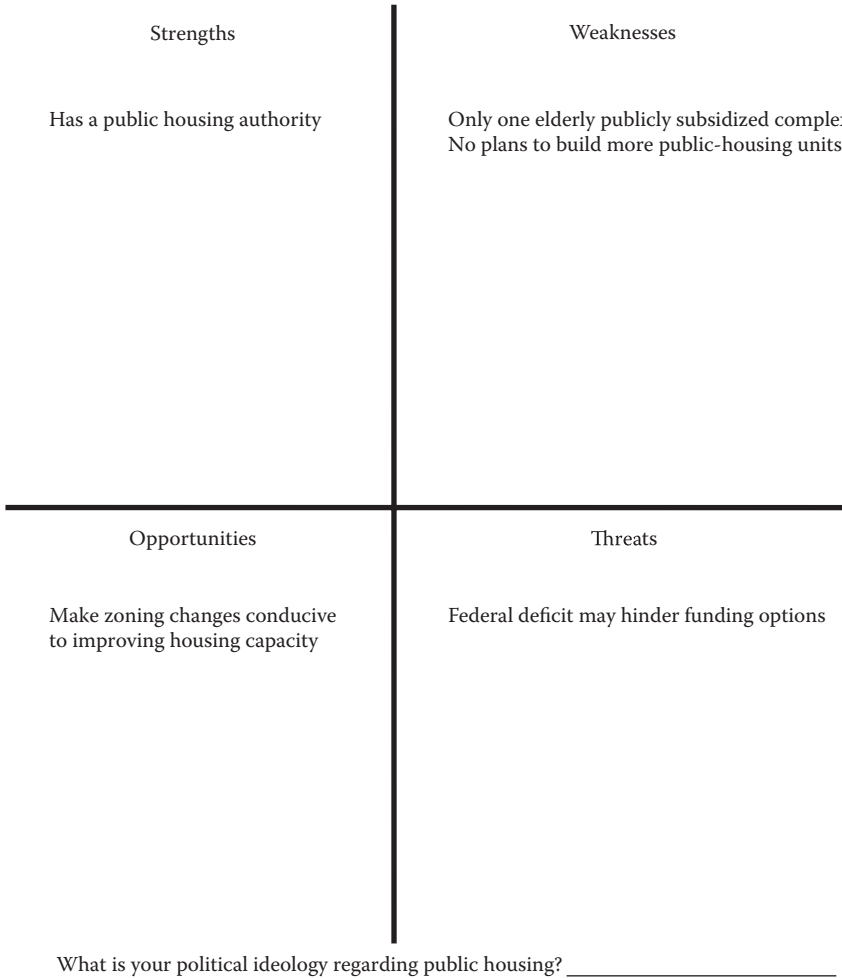


Figure 10.2 A strategic analysis of Clarksville's low to moderate income housing capacity.

CASE 10.1: LACK OF HOUSING OPTIONS

As of the year 2010, Clarksville, Tennessee's, population was 132,929 people living in 49,439 housing units.* The median household income was \$46,742, and 12 percent of the city's population earned income below the U.S. Census Bureau's poverty threshold levels

* These numbers do not include Clarksville's homeless population.

(U.S. Census, 2010). Of the total 49,439 occupied housing units, all met the U.S. Department of Housing and Urban Development (HUD) standards for adequate plumbing facilities. However, 110 did not meet HUD's standards for required kitchen facilities, and 1,452 housing units were classified by HUD as overcrowded. *Overcrowding* means more than one resident (2.6) resided per room in a housing unit (City of Clarksville, n.d.; Clarksville, 2006; U.S. Census, 2010).

Approximately 27,732 residents own their homes (U.S. Census, 2010). In 2012, the median price of a house in Clarksville was \$142,000, an increase from \$88,000 in the year 2000 (Real Estate abc, 2012; Trulia, 2012). Approximately 38.9 percent of these homeowners were applying 30 to 50 percent of their household income to a mortgage, thus experiencing a housing *cost burden* according to HUD standards.

Approximately 54,241 residents of Clarksville live in 21,707 rental units. In 2012, the city's median rental cost was \$730 per month. This cost indicates approximately 41 percent of Clarksville's citizens were applying 30 to 50 percent of their household incomes to pay rent (City of Clarksville, 2012; Clarksville, 2006; U.S. Census, 2012; U.S. Department of Housing, 2012a). These statistics indicate Clarksville's renters pay more than what HUD considers fair market rental rates.

While specific numbers are not available, Clarksville has a homeless population as well. The Salvation Army reports it gets approximately 15 calls a day requesting night shelter. Officials at the Old Firehouse Day Shelter report a fivefold increase in population since the shelter opened in 2004 (Meadow, 2011). The Clarksville community also has a Room in the Inn program where churches offer evening shelter during the winter months, and Buffalo Valley, Inc. provides a transitional home for homeless veterans. City officials see a need for more collaboration with community alliances, non-profit, and private sector organizations to develop a full continuum of homeless services. Such programs include "more emergency shelters; more transitional housing; case management services; treatment for mental illness, alcohol and substance abuse; job training and permanent and affordable subsidized housing" (Clarksville, 2005, p. 60). Another option, proposed by City Councilwoman Kaye Jones,

was for the city to establish a campground as a way to attain easy access to the city's homeless population. While understanding the altruistic intent behind the suggestion, other council members were concerned about liability, sanitation, safety, and negative public perception about such a camp. Councilman Jones replied, "You can't help people you can't see.... I'm just asking, would you keep an open mind?" (Eason, 2011c, p. A3).

An especially vulnerable population is the city's elderly citizens. There is only one nonprofit organization that provides housing specifically for this population. Many older homeowners find it difficult to maintain their homes due to rising property taxes and home insurance costs. The city also has numerous nonprofit and private sector retirement communities, independent living facilities, and nursing homes. However, these options are often too expensive for older citizens living on fixed incomes.

Brian Eason, a *Leaf Chronicle* news reporter, expertly presented the facts regarding the Clarksville City Housing Authority's ability to meet demands for federally funded public housing programs. Eason (2011b) wrote:

Even as annexations and population growth have vaulted Clarksville into the ranks of Tennessee's five largest cities, the local Housing Authority still offers residents the same supply of low-income housing it has for the last 40 years. That, coupled with a lack of participation in a key federal voucher program, has left Clarksville's Housing Authority serving fewer people than many of its peers statewide, according to a *Leaf-Chronicle* analysis of U.S. Department of Housing and Urban Development data.

The Housing Authority—which essentially serves as the landlord for public housing projects Lincoln Homes and Summit Heights—maintains 508 units and hasn't added any new ones since around 1970, according to agency officials. But, in the last 40 years, Clarksville has more than quadrupled in size, going from 31,719 residents to 132,929, according to U.S. Census counts.

The demand for more isn't subject to debate. The Housing Authority's waiting list in 2010 was 221 families, almost half of the city's public housing inventory. Even more would qualify for housing through the federal Section 8 program, which gives out vouchers to help subsidize rent. But the waiting list for that program is even

longer. More than 1,060 Montgomery County families were wait-listed in 2010, though there are only 619 vouchers in use.

The local Section 8 program is managed by the Tennessee Housing Development Agency (THDA) office in Erin,⁷ making Clarksville's Housing Authority the only one of Tennessee's eight largest cities not to manage its own voucher program. Section 8 brought \$5.8 million in federal grant money to Montgomery County in 2010 alone, according to the THDA. The Housing Authority brought in \$3.8 million that year, according to its annual audit.

Although the Clarksville Housing Authority lags in its scope of services, what it does do—manage its existing properties—it does well. The U.S. Department of Housing and Urban Development, or HUD, has given the agency good marks in recent years on annual assessments, which in the last two years have earned it the “high performer” designation. (pp. A1, A6)

In a strategic assessment, city officials identified CHA's strengths as “having a high occupancy rate and a nationally recognized resident council” (SmartGrowth, 2012, para. 2.06.2). The assessment also mentioned that CHA needed to overcome negative public perception as areas with high levels of crime.

Another provider of federally subsidized housing is the Clarksville Office of Housing and Community Development (OHCD). The OHCD's mission is

To bring needs and resources together in a coordinated housing and community development strategy to create, maintain and expand decent housing, suitable living environment and economic opportunities for low and moderate income persons in the City. (City, 2012)

The OHCD uses federally provided Community Development Block Grants (CDBGs) and HOME Investment Partnerships Program funds to accomplish its mission. In its 2009 end-of-year review, the U.S. Department of Housing and Urban Development (2010) complimented city officials for making noteworthy progress toward resolving city housing issues. The report highlighted the OHCD's use of federal funds to renovate four homes, make emergency repairs on 53 homes, and provide first-time home buyers monetary assistance for down payments and closing costs. These federal

⁷ Erin, Tennessee, is located approximately 30 miles away from Clarksville.

funds were also used to help local nonprofit organizations provide transitional housing, financial aid, emergency shelters, rental assistance, legal representation, and counseling for citizens in need (U.S. Department, 2010).

The OHCD's 2005–2010 Consolidated Plan (pp. 57–58) listed barriers to preventing citizens from suitable housing within the city included “citizen resistance to placing affordable housing units in their neighborhoods, poor individual credit ratings, land speculation, high rental market rates, discriminatory financing in home ownership, predatory lending, and an inadequate supply of affordable housing units for the lowest income levels.” Another barrier to OHCD operations is a possible 7.5 percent budget reduction in Community Development Block Grant funding (Eason, 2011a).

To ensure fair housing practices were being provided to citizens, city officials had a fair housing analysis done. The Analysis of Impediments to Fair Housing Choice (Clarksville, 2006, pp. 3–5) indicated that the city did not have a local fair housing agency, local contact person, or investigative agency for potential victims of unfair housing practices to oversee enforcement of the city's Fair Housing and Equal Opportunity Ordinance. The analysis also indicates the city's building codes did not violate fair housing requirements, but that some zoning restrictions could. The report recommended city officials consider adopting zoning codes allowing smaller lot sizes and the construction of group homes, townhouses, condominiums, row houses, and planned unit developments.

This case provides an overview of the demand and capacity issues for low- to moderate-income housing in Clarksville, Tennessee. The perspective of city officials is stated concisely in the 2005–2010 Consolidated Plan: “The city of Clarksville is committed to affordable housing investing in both housing development and rehabilitation and services to create and maintain affordable housing” (Clarksville, 2005, p. 18).

CASE 10.2 INTRODUCTION

The vision was to create a housing subdivision providing individuals with low to moderate incomes the opportunity to buy their own homes. The community project, named Providence Pointe, was to consist of 22 public-subsidized homes. The problem is that only five model homes were built and none of the homes have sold. The reader is encouraged to develop personal opinions as to why the subdivision project was unsuccessful.

CASE 10.2: PROVIDENCE POINTE

Vision

In 2006, the Clarksville Office of Housing and Community Development (OHCD) devised a plan to use the Community Development Block Grant (CDBG) and home funds to create a low- to moderate-income subdivision. The program was to demonstrate how the government and private sectors could work together to improve community housing. The OHCD was to manage the project. Clark Associates Architects, a private sector organization, would provide civil engineering assistance and partner with the city to sponsor a design contest. The contest would provide students, enrolled at the University of Tennessee College of Architecture and Design School, an opportunity to develop experience designing a real-world, government-subsidized subdivision.

The specifications required the homes be 1,100 to 1,400 square feet and include three bedrooms, two bathrooms, kitchen appliances, and the latest energy-efficient technology. A homeowner's association would be formed to maintain the green space and the neighborhood lighting. The homes were to be priced between \$115,000 and \$128,000. Figure 10.3 depicts one of the selected designs. Individuals purchasing a home would have to be first-time buyers meeting the income levels shown in Figure 10.4. Using the First Time Homebuyer Payment Assistance Program, the OHCD would provide buyers down payment assistance up to \$24,000, 5 percent of the purchase price for closing costs, and as much as 1.5 percent of the purchase



Figure 10.3 A housing design for Providence Pointe. (From the Clarksville Office of Housing and Community Development. Used with permission.)

price for prepaid expenses (City of Clarksville, n.d.). The down payment (in the form of a zero-interest loan) would not have to be repaid if the home was held for at least 121 months (R. Arancibia, personal communication, May 31, 2012). Qualified applications would have to receive a 30-year fixed-rate mortgage from a private sector lender and attend homeownership counseling. If a mortgage lender should eventually place a foreclosure on the property, the property would be returned to the OHCD (Eason, 2011a). A private sector builder would build the first five model homes and a local real estate company would market and sell the housing units.

Reality

The Clarksville Regional Planning Commission and City Council approved the needed zoning changes. The OHCD used \$539,000 of federal grant funds to purchase four acres of land and to install underground utilities, roads, and streetlights. Officials from OHCD, the Clarksville Police Department, the Clarksville Department of Electricity, and Clark and Associates Architects met with the University of Tennessee students to provide guidance for designing the houses. The design contest was held and Clark and Associates Architects selected five winning designs. The City of Clarksville and Clark and Associates later received a Best in Innovation Award from the Tennessee Housing Development Agency for their participation in the project.

A private sector company built five model houses and a local real estate agency marketed them. The houses were priced between \$109,000 and \$120,000. Three years later, the five model homes have not sold, and no additional houses have been built on the remaining 17 sites. The problem is that potential buyers meeting the HUD-established guidelines cannot qualify for mortgage loans in the price range of the homes. To develop some momentum in sales, city officials asked the developer and the real estate agency to lower the prices of the homes. Prices were lowered to \$99,950 to \$106,500. While buyer interest has picked up, the subdivision remains vacant (RealTracs, 2011).

CASE 10.3 INTRODUCTION

Collaborations are shared thinking, shared planning, and shared creation.

—Patricia Montiel-Overall (2005, para. 1)

Collaborations are a form of interorganizational decision making used to identify innovative solutions for complex problems. Barbara Gray and Donna Wood (1991) write that successful collaborations consist of preconditions, processes, and outcomes. Another important factor to add to this list is outputs.

Preconditions are the factors that motivate people to participate in a collaboration. The first precondition is the occurrence of an event that captures the interest of an individual who recognizes an interorganizational solution is needed to resolve a complex problem. This individual is referred to in the research literature as the convener. The convener recruits the people and organizations that join the collaboration (Huxham, 1991). The membership of a collaborative group should include subject matter experts, interested citizens, and people from organizations associated with the problem. People are usually motivated to participate because they have an interest in resolving the complex problem presented or see an opportunity to increase their organization's efficiency through the group interaction. Members should be volunteers who have good interpersonal

skills and the abilities to respect and trust others. Additional personal attributes needed for successful collaborations are listed in Figure 10.5.

Processes are the activities the collaborators apply to develop the solutions needed to resolve the problem. At the first meeting, the members develop an understanding of the group's purpose (the shared vision) and agree to a set of group operating norms. The operating norms allow for the assignment of roles and responsibilities while allowing individuals and organizations to maintain their autonomy. The next step is to choose a problem-solving model as a guide for developing solutions. Outputs are the activities and events that come into fruition during the problem-solving process and contribute to accomplishing the shared vision, otherwise referred to as the outcome. Collaborators may also develop an assessment process to measure the success of the outputs and the sustainability of the outcome.

Barriers to effective collaborations include participants who have hidden agendas or who are pressured by superiors to be at work and not at collaborative meetings (Huxham, 1991). Additional barriers faced by participants include availability of time to participate and implement solutions, and an inability to obtain resources needed to achieve the shared vision/outcome (Montiel-Overall, 2005).

The following case study provides an example of a successful community collaboration. The reader is encouraged to identify the collaboration's preconditions, processes, outputs, and outcomes.

CASE 10.3: COMMUNITY SERVICE PROVIDERS TO END HOMELESSNESS*

Community Service Providers to End Homelessness was a multi-agency community-based partnership addressing homelessness in Clarksville–Montgomery County, Tennessee. The group was formed when more than 35 local nonprofit, faith-based, government agencies and local businesses attended an initial meeting in mid-2003

* This case was written by Rita Arancibia, former director of the City of Clarksville Office of Housing and Community Development.

Montgomery County, Tennessee										
FY 2012 Income Limit Area	Median Income	FY 2012 Income Limit Category	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Montgomery County	\$54,200	Very low (50%) income limits	\$19,000	\$21,700	\$24,400	\$27,100	\$29,300	\$31,450	\$33,650	\$35,800
			\$11,400	\$13,000	\$14,650	\$16,250	\$17,550	\$18,850	\$20,150	\$21,450
			\$30,350	\$34,700	\$39,050	\$43,350	\$46,850	\$50,300	\$53,800	\$57,250

Figure 10.4 Depiction of the Department of Housing and Urban Development Fiscal Year 2012 Income Limits Summary for Montgomery County, Tennessee. (From U.S. Department of Housing and Urban Development, *FY 2012 Income Limits Documentation System, 2012*, retrieved from <http://www.huduser.org/portal/datasets/i/1/2012/2012summary.odn>.)

Flexible	Sharing
Ability to cope with and manage conflict	Committed
Subject matter experts	Friendly
Good communication skills	Motivated
Cooperative	Supportive
Honest	Team oriented

Figure 10.5 Personal attributes needed by individuals serving as collaboration members. (Information from Gray, B., and Wood, D., 1991; Huxham, C., 1991; Montiel-Overall, P., 2005.)

and formally established themselves as the Community Service Providers to End Homelessness (CSPEH). The group used a problem-solving approach to engage and communicate the needs and gaps in services available to homeless individuals and their families. Their goal was to improve the integration and coordination of community-based programs addressing homelessness.

Homelessness had been a hidden problem for many years, but in 2003, as the problem worsened, the community began to recognize that existing programs were not effectively meeting the needs of homeless and at-risk individuals and families. There was an increase in the number of homeless individuals loitering at the public library and local churches, using public restrooms for bathing, and building homeless camp areas in secluded areas around the city. Concerned about the ability of homeless people to access assistance, the city's director of Housing and Community Development convened a group of local service providers to discuss the state of the homeless in the city. Quickly, their attention turned to developing a better citywide coordinated system to deliver homeless services and programs in the community.

Initially CSPEH members met monthly. The group's focus was to identify key barriers to service access, including the needs and gaps in community-based programs and services. A study committee was formed and volunteers from CSPEH conducted interviews and gathered data from homeless people, service providers, housing providers, and other local and national organizations. The information gathered helped identify a range of barriers and challenges affecting

homeless people's access to community-based programs. The information gathering experience also provided the coalition with an important opportunity to come together around a common mission. They came to understand that getting the best possible results depended on their willingness to work together shoulder to shoulder, across missions and boundaries. The group agreed that innovative solutions would only be found through collaborative efforts, partnerships, expanded opportunities for inclusiveness, shared decision making, and creative funding.

After identifying the range of barriers faced by homeless households, agencies, and other service providers, a list of priorities was developed along with a shared set of recommendations to increase the alignment among service providers. Priorities included community education and awareness about homelessness, improving access to transitional and permanent affordable housing, transportation, medical care and jobs, day shelter services, emergency winter shelter, and the provision of opportunities and resources to promote integrated approaches for the delivery of services. From the initial list, the group decided on three top priorities, which included establishing a day shelter and resource center, expanding the winter shelter, and creating a Mayor's Affordable Housing Task Force. Other priorities included the creation of a housing fund to encourage affordable housing development and participation in the national Project Homeless Connect initiative. Project Homeless Connect brings agencies together to provide a one-stop shop of comprehensive support services for people experiencing homelessness. Working committees were formed to develop strategies to tackle the agreed upon priorities.

Results

Since the creation of the CSPEH in 2003 (renamed the Clarksville Housing and Homeless Coalition (CHHC) in 2004), the coalition successfully established a day shelter and resource center. In 2004, the City of Clarksville partnered with Centerstone, Middle Tennessee's leading provider of behavioral health services, and the city was awarded a Shelter Plus Care Grant by the U.S. Department of Housing and Urban Development (HUD) to provide housing

for homeless individuals. Building upon long-standing efforts of the Homeless Coalition, Centerstone also offered on-site intensive, community-based mental health and substance abuse treatment services, serving the homeless at the Old Firehouse Day Shelter. A Mayor's Affordable Housing Task Force was established, and in 2005 and 2006, Affordable Housing Summits were held with more than 300 people attending. In 2005, a winter shelter program, Room in the Inn, was started at five area churches, and currently more than 20 churches participate in the program. Congregations provide shelter and food for homeless individuals from November through March every year. In December 2005, the community was recognized by the U.S. Interagency Council on Homelessness and the Nashville, Tennessee, HUD Field Office for their proactive approach to unify service providers when they held their first Project Homeless Connect event. During that year, Clarksville was one of only 20 cities across the country to participate in Project Homeless Connect. In 2006, the Office of Housing and Community Development partnered with the Housing Fund, Inc., a Nashville-based community development financial institution (CDFI), to establish the Housing Fund of Clarksville to support the creation and preservation of affordable housing in the community. Within 18 months, the fund was capitalized with more than \$1.2 million supported by eight local financial institutions.

The Housing and Homeless Coalition's long-standing efforts changed the way organizations and the community viewed the state of homelessness. The CHHC's efforts allowed organizations, agencies, and citizens to take the critical steps needed to approach problem solving as collaborators, sharing resources and working on a common ground across missions. The coalition provided a space where trust and inclusiveness could grow and where collaborative learning and community organizing were valued. The coalition helped change the housing and homelessness landscape by helping change the community mindset about homelessness. The community learned how to work together, leverage and share resources, and use the collaborative process to create new ideas to solve community challenges.

Over the course of six years, CHHC was successful in helping reduce the fragmentation of services and the homelessness mentality, while increasing knowledge and alignment among service providers, including faith-based and government agencies. Additionally, the coalition increased community-based support systems by enlisting commitment from all sectors of the community to support housing and services for homeless and at-risk individuals and families.

CONCLUSION

This chapter introduced the reader to the liberal and conservative ideologies regarding government's rule in the provision of affordable housing to its citizens. Case 10.1 presented real-world data regarding one city's housing environment. Case 10.2 presented a failed project to provide a low- to moderate-income housing subdivision. Case 10.3 explains how members of a community successfully used the process of collaboration to provide housing and shelter for its homeless citizens. Chapter 11 will provide readers the opportunity to study city financial and management issues regarding a municipal airport authority.

AUTHOR'S NOTE

Additional information for Case 10.2 was obtained by speaking with Mr. Keith Lampkin and Martias Kendrick, the director and project coordinator of the Clarksville Office of Housing and Community Development.

REFERENCES

- City of Clarksville. (2012). Housing and community development. Retrieved from <http://www.cityofclarksville.com/HousingDevelopment/index.php>.
- City of Clarksville (n.d.). No place like home down payment assistance program. Retrieved from [http://www.cityofclarksville.com/housing-development/pdf/Homebuyer%20guides%202%205%20\(2\).pdf](http://www.cityofclarksville.com/housing-development/pdf/Homebuyer%20guides%202%205%20(2).pdf).
- Clarksville. (2005). 2005–2010 consolidated plan. Retrieved from <http://www.cityofclarksville.com/masterPlanDocuments/Housing>.

- Clarksville. (2006). *Analysis of impediments to fair housing choice*. Training and Development Associates, Inc. Retrieved from <http://www.cityofclarksville.com/HousingDevelopment/pdf/Clarksville%20AI%20Complete.pdf>.
- Eason, B. (2011a, February 15). Clarksville seeks federal housing funds. *Leaf Chronicle*, p. A4.
- Eason, B. (2011b, May 20). Official asks city to weigh campground for homeless: They're scattered and already living in tents, councilwoman says. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2011c, September 4). Public housing lags as Clarksville grows: With no new housing in 40 years, city opts out of vouchers. *Leaf Chronicle*, pp. A1, A6.
- Freeman, L. (2002). America's affordable housing crisis: A contract unfulfilled. *American Journal of Public Health*, 52, 709–712.
- Gray, B., and Wood, D. (1991). Collaborative alliances: Moving from practice to theory. *Journal of Applied Behavioral Science*, 27, 3–22.
- Halsall, P. (1998). The new liberalism, 1913. *Internet modern history sourcebook*. Retrieved from <http://www.fordham.edu/halsall/mod/1913blease.html>.
- Huxham, C. (1991). Facilitating collaboration issues in multi-organizational group decision support in voluntary, informal collaborative settings. *Journal of the Operational Research Society*, 42, 1037–1045.
- Marinez, S. (2000). The Housing Act of 1949: Its place in the realization of the American dream of homeownership. *Housing Policy Debate*, 11, 467–486.
- McAloon, W. (2009). The intellectual foundation of conservative opposition to project and tenet-based housing assistance. Unpublished honors thesis, U.S. Naval Academy.
- Meadow. (2011). Source of reference lost.
- Melaine, M. (2011, May 23). Services grow along with homelessness: Agencies find more people seeking help. *Leaf Chronicle*, pp. A1, A4.
- Montiel-Overall, P. (2005). Toward a theory of collaboration for teachers and librarians. Retrieved from <http://www.ala.org/aasl/aaslpubsandjournals/slmrb/slmrcontents/volume82005/theory>.
- Pickerill, J. (2011). The role of federal government. *Patriot Post*. Retrieved from <http://patriotpost.us/commentary/2011/10/12/the-role-of-federal-government/>.
- Real Estate abc. (2012). Retrieved from <http://www.realestateabc.com/outlook/overall.htm>.
- RealTracs Solutions. (2011). Residential property comparative market analysis. Retrieved from http://www.realtracs.net/Search/Residential/Reports/CMAReport_Main.aspx.

- SmartGrowth 2030 Plan. (2012). A blueprint for progress and quality. As we grow to 250,000 residents. Retrieved from <http://www.clarksvillesmartgrowth.com/Sec1-OverviewMenu.htm>.
- Trulia. (2012). Clarksville real estate overview. Retrieved from http://www.trulia.com/real_estate/Clarksville-Tennessee/.
- U.S. Census Bureau. (2010). American fact finder. Retrieved from http://factfinder2.census.gov/legacy/aff_sunset.html.
- U.S. Department of Housing and Urban Development. (2010). *Consolidated end-of-year review—Program year 2009, City of Clarksville*. Retrieved from <http://www.cityofclarksville.com/HousingDevelopment/pdf/112910%20Consolidated%20End%20of%20Year%20Review%202009.pdf>.
- U.S. Department of Housing and Urban Development. (2012a). *FY2012 fair market rent documentation system*. Retrieved from <http://www.huduser.org/portal/datasets/fmr/>.
- U.S. Department of Housing and Urban Development. (2012b). *FY 2012 income limits documentation system*. Retrieved from <http://www.huduser.org/portal/datasets/il/il2012/2012summary.odn>.
- Wood, D., and Gray, B. Toward a comprehensive theory of collaboration. *Journal of Applied Behavioral Science*, 27, 139–162.

RECOMMENDED READINGS

- Czajkowski, J. (2007). Leading successful interinstitutional collaborations using the collaboration success measurement model. Retrieved from http://www.chairacademy.com/conference/2007/papers/leading_successful_interinstitutional_collaborations.pdf.
- Eason, B. (2010, September 19). Elderly lack local options in housing. *Leaf Chronicle*, pp. A1, A4.
- Gajda, R. (2004). Collaboration theory to evaluate strategic alliances. *American Journal of Evaluation*, 25, 65–77.
- Gray, B., and Wood, D. (1991). Collaborative alliances: Moving from practice to theory. *Journal of Applied Behavioral Science*, 27, 3–22.
- Selsky, J. (1991). Lessons in community development: An activist approach to stimulating interorganizational collaboration. *Journal of Applied and Behavioral Science*, 27, 92–115.
- Thyer, B. (2005). A conservative perspective on social welfare policy. Retrieved from <http://www.intellectualconservative.com/article4778.html>.
- U.S. Environmental Protection Agency. (2001). Affordable housing and smart growth: Making the connection. Retrieved from http://www.smartgrowth.org/pdf/epa_ah-sg.pdf.

11

Finance and Accounting Management*

Crime is the most flourishing and lucrative business in America.... I speak now not only of the crime in the streets, the burglaries and the robberies, which represent tens of billions of dollars each year; I speak of the crime which we call “white collar”—the crimes committed by the advantages; not the disadvantages; the crimes committed with pen and pencil, not with a gun or “jimmy”; under the bright lights of the executive offices, not by stealth in the dark.

—Herbert Stern (Hoffman, 1973, p. 2)

INTRODUCTION

The cases in this chapter highlight the experience of shared governance, concentrating on shared management and financial oversight by a city and county government over one regional municipal airport. The cases feature a lack of internal controls, too many overseers, too few employees, and the practice of having to ask both governments for budgetary allocations and capital projects funding.

The first few years of the 21st century will forever be known as a time in which the United States and other capitalist countries determined business as usual was in need of a makeover. Financial scandals and the resultant failures drew comparisons with activities leading to the stock market crash of 1929. Companies considered

* This chapter was written by Robyn Hulsart, associate professor of professional studies, School of Technology and Public Management, Austin Peay State University.

unable to fail, i.e., Enron, WorldCom, and HealthSouth, were caught in fraudulent behaviors that seemed untenable for most investors and unfathomable for most Americans at large. The stock market shook, and with it a respected, storied, and successful accounting firm, Arthur Andersen, also became a casualty of the times (Crumbley et al., 2010). Due to the billions of dollars in loss sustained by investors, employees, and taxpayers, Congress passed into law the Sarbanes–Oxley Act of 2002 (SOX) to reform the regulatory structure of U.S. public company boards that had been static for decades. SOX is considered landmark legislation that has fundamentally changed the way corporate organizations do business and how accounting professionals perform statutory auditing functions. Of particular importance to this chapter is SOX Section 404: “Management Assessment of Internal Controls.” Clearly the most controversial provision of the act, Section 404 requires management to assess operations using a top-down risk assessment, and to report any findings of potential risk. Section 404(a) requires that an internal control report be prepared by an auditor that “states the responsibility of management for establishing and maintaining an adequate internal control structure and procedure for financial reporting including an assessment of the effectiveness of the structure.” Section 404(b) requires “each registered public accounting firm, that prepares or issues the audit report for the issuer, shall attest to, and report on, the assessment made by the management of the issuer” (U.S. Securities and Exchange Commission, n.d., n.p.).

Although SOX was enacted to counter financial malfeasance in the corporate sector, the Office of Management and Budget (OMB) also launched a review of federal financial management. Circular A-123, explaining internal controls required by the Federal Financial Management Improvement Act of 1996, was released by OMB and the Chief Financial Officers Council in 2005 and 2006 (Lee et al., 2008). Since government accounting has been undergoing considerable reform, it is important to recognize that the possibility of the Sarbanes–Oxley Act being applied to private (nonpublic) companies, nonprofit organizations, and state and local governments looms on the horizon.

Nonfinancial management methods studied in the cases are the lack of application of managerial principles. Students studying management should be familiar with Henri Fayol (1916) from the classical school of management thought. Cases 11.1 and 11.2 demonstrate what can happen when Fayol's principles of division of work and unity of command are violated. The principle of division of work states that employees work more efficiently if work tasks are assigned to specific individuals. The unity of command principle suggests an employee should not receive orders from more than one superior (Robbins and Coulter, 1999). The principles, if employed, provide organizations a disciplined, stable, and orderly existence as well as create harmonious relationships between superiors and subordinates. When reading these cases, the reader is encouraged to identify areas where the practices of division of work and unity of command could have been applied and to form an opinion if SOX should be applied at the local levels of government.

CASE 11.1 INTRODUCTION

Case 11.1 demonstrates lackadaisical accounting practices and repeated audit findings of an airport due to a lack of internal control. Even after the enactment of SOX in 2002, the Airport Authority apparently chose to ignore the auditor's report, resulting in the eventual uncovering of at least one fraud perpetrated between the years 2005 and 2010 and at least one airport manager leaving due to questionable accounting practices.

While many historians write the golden age of aviation began with Charles Lindbergh's crossing of the Atlantic in 1927, the years between the end of World War I (1919) and the beginning of World War II (1939) are credited with the exponential growth of general aviation as we currently know it. It was this era of inexpensive airplanes sold as military surplus, a multiplicity of aviation firsts, and daredevil barnstorming pilots that prompted Clarksville Chamber of Commerce President Adolf Hach to lobby Montgomery County residents to invest in the Clarksville Aviation Corporation. Selling stock in the corporation for \$50 per share, it took Hach and company

two years to raise the money to purchase the property of the J.C. Caroland family, on which they built the Clarksville Airfield Station.

Located north of Clarksville on 236 acres, the airfield was visited on October 29, 1929, by a 200-foot long dirigible from Scott Field, Illinois, which, according to a *Leaf Chronicle* reporter:

Swooped down over the city. The craft was brought low and Captain Kepner shouted questions asking the location of the field. Spectators pointed toward the new port and automobiles streaked, in an unbroken line, to witness the craft land. (Aviation, n.d.)

Officially opened for business in June 1930, the airport continued to grow and on December 1, 1937, the Clarksville Aviation Corporation ceased operation and turned the airport over to Montgomery County. In 1943 the county dedicated the airfield in memory of Clarksville native Colonel John F. Outlaw, who was assigned to the 105th Observation Squadron. Since then, the airport has been referred to by locals as Outlaw Field.

To create an airport management agency, Montgomery County and the City of Clarksville, in a joint ownership, formed the Clarksville Airport Joint Committee in 1957. This organizational structure remained intact until 1997, when the Clarksville–Montgomery County Regional Airport Authority (CMCRAA) was created as a regional airport authority pursuant to the Airport Authorities Act (Tennessee Code Annotated Sections 42-3-101 et seq.). Resolution 78-1996-97, dated June 5, 1997, established the authority and authorized the Airport Authority Board to take any action necessary to establish the authority (Internal Audit Review, 2003). The county and city governments created the oversight board because the airport's ability to function as its own entity was paramount. Comprised of five members, the Airport Authority Board is represented by two members appointed by the city, two appointed by the county, and one at-large member selected by the board. Tennessee Code Annotated requires that each member serve a five-year term for continuity. It is this shared representation of city and county governments that has created financial and management oversight issues that have plagued the facility for years.

This case chronicles the management issues that hounded one organization serving three masters: a city government, a county government, and an airport authority. The Airport Authority also reported to the city and the county budgeting agents and to state or federal offices providing grants.

CASE 11.1: OUTLAWS AT OUTLAW FIELD

In its September/October 2005 newsletter, the editor of the Southeast Chapter of the American Association of Airport Executives wrote:

Patrick A. Ryan is the new airport manager at Outlaw Field, in Clarksville, Tenn., and he has quite a job ahead of him. He is assuming the challenging task of running the airport from the previous manager, Mark Davis, who left his keys on the desk September 6, walked out and never returned. The Airport Authority, which hired Ryan last week, is a defendant in a lawsuit filed by fixed base operator Robert O. Wyatt. The Airport Authority is about \$400,000 in debt with about half that amount owed to the city. It also owes \$150,000 for installation of never used fuel tanks ... and another \$400,000 is outstanding for runway paving.... The Airport Authority is trying to turn things around at the airport before the city and county governments decide they made a mistake in 1998 by switching from a city-county airport board to a regional airport authority.

Note to Mr. Ryan: Leave the keys on the desk, run like hell. Ed. (Airport, 2005)

The question to ponder is: Why would the editor of a newsletter written for professional airport managers suggest the newest employee at Outlaw Field run? Could the editor of the newsletter be referring to the revolving door of airport managers? Robert Anderson voluntarily managed the airport from 1978 through 1997. Other managers assuming control of the airport include Tom Hayden, who was employed from December 1997 through December 1998. Teri Jackson assumed the position in January 1999, leaving in April 2000. She was followed in September 2000 by Mike Dranttel. After Dranttel left in July 2003, the position remained unfilled until Pat O'Hara, an Airport Authority Board member, managed the facility in his spare time. The year 2004 found Mark Davis in charge, leaving abruptly in

September 2005. Then came Pat Ryan (Audited, 2008). Apparently, Ryan's tenure at the helm of the airport was deemed satisfactory by the Airport Authority until June 9, 2009. On this date, the authority had to petition the Montgomery County commissioners for \$18,000 in emergency funds to keep the airport open. When presenting the request, CMCRAA Chairman Dr. Ron Whitford notified the county commissioners that manager Ryan had resigned after the discovery of a "severe cash shortage and that the fiscal state of the authority had been understated by the former airport manager" (Guevarra, 2009, p. 1).

The opportunity for cash shortages or outright theft was not a new complaint that had been raised relative to the methods of conducting business at the airport. According to Robertson (2000), employee fraud (or crime) is the "use of fraudulent means to take money or other property from an employer," usually involving some kind of falsification such as false documents, lying, exceeding authority, or violating employer policies (p. 73). Unfortunately, neither the city or county, or the authority, considered the lack of direct oversight an issue. Had they been following the Federal Aviation Administration's reporting of crimes perpetrated against airport authorities, they would have recognized a trend that included such frauds as the \$635,000 Missoula International Airport felony theft conviction of the airport manager (McDonald, 2005), the \$1.1 million theft of grant money from the Yucca Valley Airport (Reston, 2007), a \$235,000 embezzlement scheme perpetrated over six years at Atlanta's Hartsfield-Jackson International Airport (Yamanouchi, 2009), and a simple misappropriation of assets scheme at Taylor County Airport (Hayes, 2012).

Reviews of audits conducted on the Clarksville Montgomery County Airport by the Tennessee Department of Transportation indicate that at least two city auditors and an airport auditing team consistently reported since 2003 ongoing problems with the airport's accounting practices. Statements from audits conducted in 2003, 2008, and 2010 are included below.

2003 Audit

Inadequate Internal Controls

The Airport's controls are limited. With a maximum staff of two people, the Airport lacks the necessary resources to properly segregate duties and implement a good internal control framework.

Airport Authority does not adequately account for its transactions. The Airport Authority receives funding from both the state and local governments. This funding is usually designated for specific purposes or requires special accounting treatment. The Airport Authority has not segregated and properly accounted for the funding they have received in the past.

The failure to timely enter in and properly classify transactions in the Airport's accounting software resulted in the former Airport manager's creating financial reports using spreadsheet software for the monthly Airport Authority meetings. These monthly reports often differed from reports produced by the Airport's accounting software.

Bylaws Not Always Followed

This review noted instances in which purchases were not properly bid or approved by the Airport Authority Board as required by the Airport's Bylaws.

This review found that the Airport Authority did not follow proper procedures ... a review of the bank accounts revealed that numerous checks did not have the required two signatures stipulated by the Airport's Bylaws. (Internal Audit Review, 2003)

Clarksville–Montgomery County Regional Airport Authority Audited Financial Statements, June 30, 2008—Selected Findings

08-01 (Recurring finding) Segregation of Duties: The Airport Authority lacks proper segregation of duties within its accounting department. The same personnel who receive and deposit checks or cash also reconcile the bank account. In addition, personnel performing the bank reconciliations can also sign checks.

08-02 (Recurring finding) Management Oversight of Financial Reporting: We noted a lack of management oversight over financial reporting which includes the preparation of the financial statements and footnote disclosures in conformity with generally accepted accounting principles (GAAP).

08-03 Control Operating Effectiveness Deficiencies: We noted operating effectiveness deficiencies in the following controls:

Three of ten checks selected for testing did not have documentation of Board member approval.

Manager review of new payroll rates was not documented.

Board approval of cost of living increase in wages was not documented.

Review of the bank reconciliations was not documented.

Review of the monthly financial statements by the manager and Vice-Chairman was not documented.

The Airport Authority did not resolve prior year findings number 07-01 and 07-02. The findings recurred in the current year and are reported as findings 08-01 and 08-02 respectively. (Audited, 2008)

Clarksville–Montgomery County Regional Airport Authority, June 30, 2010—Selected Findings

2010-01 (Recurring finding) Segregation of Duties: The Airport Authority lacks proper segregation of duties within its accounting department. The same personnel who receive and deposit checks or cash also reconcile the bank account. In addition, personnel performing the bank reconciliations can also sign checks.

2010-02 (Recurring finding) Management Oversight of Financial Reporting: We noted a lack of management oversight over financial reporting which includes the preparation of the financial statements and footnote disclosures in conformity with generally accepted accounting principles (GAAP).

2010-03 (Recurring finding) Control Operating Effectiveness Deficiencies: We noted operating effectiveness deficiencies in the following controls:

None of the debit card transactions had documentation of board member approval.

Review of the bank reconciliations was not documented.

Review of the monthly financial statements by the manager was not documented.

2010-04 (Recurring finding) Financial Policies and procedures: The Airport Authority operates under various financial policies and procedures which have evolved over the years in response to changes in management and the board of commissioners. Many of these policies and procedures are unwritten and documentation of formal approval by the board is lacking.

The auditor's concerns in 2003 are published as recurring findings in 2008 and 2010. This indicates a lack of willingness to create an environment different from that reported by Kevin McLemore. In a letter to the editor entitled "Airport Authority Has Poor Practices" he wrote:

An audit of the 2007–08 airport finances by an accounting firm concluded "an environment exists where personnel could potentially perpetrate and conceal fraud. The audit recommends refining of accounting and more oversight. (McLemore, 2010)

What Mr. McLemore did not know when he wrote his scathing indictment of the Airport Authority was that the June 30, 2010, audit conducted by Thurman Campbell Group PLC of Hopkinsville, Kentucky, included finding 2010-05:

Theft/Fraud: The Authority does not have adequate segregation of duties over financial resources including but not limited to, access to cash. The State of Tennessee Comptroller's office authorized an investigation into theft that was allegedly perpetrated by Authority employee, Rachael Nelson. Allegedly, Ms. Nelson used the Authority's debit card, access to online banking, and lack of management oversight to pay personal debts with Authority cash. Airport Authority records related to the alleged theft were adulterated or missing. The investigation included fiscal years ending June 30, 2005 through June 30, 2010. Findings are as follows:

Year-end	Alleged Theft/Fraud
2005	\$1,850
2006	\$12,369
2007	\$19,255
2008	\$18,349
2009	\$14,564
2010	\$37,628

Recommendation: The Airport Authority should implement internal controls designed around adequate segregation of duties and limit access to cash to top management personnel and board members. The use of debit cards should be eliminated and access to the Authority credit card should be restricted to top management. Employee travel reimbursements and related documentation should include time and

destination of travel and should be recorded uniformly by all Authority personnel. Bank statements and reconciliation of cash should be monitored by top management. A written internal control manual should be maintained by the Authority.

Management Response: The Authority has accepted the resignation of Ms. Nelson. A new Airport manager and an accountant have been hired to replace Ms. Nelson. We have instructed our new employees to initiate the preparation of a written internal control manual. The manual will concentrate on proper segregation of duties and access to cash, including management's observation of monthly bank statement reconciliations. The Authority no longer uses debit cards and travel reimbursements have become uniform and include all appropriate information. Management is working closely with City and County governmental officials to make sure that all audit findings are addressed and resolved. (Audited, 2010)

Nelson resigned in June after city auditors began inquiring about missing receipts and payouts made to companies that "auditors could find no evidence exists." Eason reiterated a recurring theme when it came to the authority, audits, and findings: "The nature of the complaint was not new. An independent auditor in 2009 wrote that the Authority lacked proper segregation of duties in its accounting practices. The recommended fixes were not adopted" (Eason, 2010b, p. A1).

On October 13, 2010, the Tennessee Bureau of Investigation arrested the former employee of the Clarksville–Montgomery County Regional Airport after she was indicted by the Montgomery County Grand Jury on theft charges. According to the *Leaf Chronicle*, Nelson "was indicted on one count of theft over \$60,000 for stealing money from the Airport Authority while she was employed as the office manager" (Green, 2010, p. A4). On December 20, 2011, Nelson was sentenced to six years in jail and ordered to serve 180 days in the Montgomery County Jail and the rest of the time on probation. In addition to her sentence, the judge ordered restitution for \$55,967.16 (Green, 2011).

While fault can be found in the authority's not responding for over a decade to reported accounting anomalies, it is evident that the case of Rachael Nelson caught its attention. The authority received 175 applications for the clerk position. To maintain professional standards in the search process, board member Charles Hand had his company's human resources director help screen the applications. As a result of the comprehensive search, airport clerk Tammy Bowen was hired. John Ferguson was then hired as the new airport manager. Adding to the new environment of fiscal responsibility, the authority approved a *CMCRAA Employee Handbook and Corporate Bylaws* on September 15, 2010. With the focus now on accountability and professionalism at Outlaw Field, the city, county, and airport were rewarded with the first audit report, June 30, 2011, issued without findings.

CASE 11.2 INTRODUCTION

General aviation is the term used to refer to all aspects of the aviation industry except scheduled passenger and cargo operations and military flying. Included in the definition is any business engaged in on-demand passenger or cargo charter flying; corporate flight departments; owner-flown aircraft; flight schools; companies offering aircraft fuel, storage, maintenance, and parts; aircraft sales; and brokerage and rental firms (Seidenman and Spanovich, 2009). The Clarksville–Montgomery County Regional Airport (Outlaw Field–CKV) is an example of an airport that operates under the Federal Aviation Administration's definition of general aviation.

In January 2005, the Tennessee Department of Transportation (TDOT) issued its *Tennessee Long-Range Transportation Plan: Aviation System Plan Update*. The plan (TDOT, 2005, p. 6-13) stated:

Major capital improvements for Outlaw Field through 2010 include a taxiway extension and development of corporate and T-hangars. Major improvements through 2020 include relocation of the parallel taxiway 17/35 to meet separation standard.... Proposed capital improvements through 2030 are:

Outlaw Field (Clarksville–Montgomery County Regional Airport)

Phasing	Project
2010	T-hangars
2010	Corporate hangars
2010	Ramp extension (front of terminal)
2010	Maintenance hangar
2020	Strengthen runway 17/35
2020	Relocate parallel taxiway 17/35

Assuming the state correctly identified the future needs of the airport, it would be reasonable to assume that the airport would be seeking funds to finance the improvements. A complicating factor for the Airport Authority, in any financing, is the shared governance arrangement between the City of Clarksville and Montgomery County. An example of the funding confusion can be seen in the Airport Authority members having to ask the city Finance Committee for more money in January 2011. By law, the city is required to split the authority's funding with Montgomery County 50-50.

At the time of the request, Authority Chairman Ron Whitford reported to committee members that the county had contributed roughly \$50,000 more toward the operations of the facility than the city. As a result, the county was asking the authority to refund monies not matched by the city. The city's underallocation of funds was the result of sizable cuts made to the authority's operating budget after the 2010 city audit report uncovered the \$100,000 fraud perpetrated by the airport manager, Rachael Nelson (Eason, 2010a).

Budget cuts in struggling economic times are not unusual or unexpected. However, Whitford contends the city's cuts were made very late in the budgeting process with little regard to the needs of the authority. This action left the Airport Board no option but to come to the city Finance Committee to ask that the cuts be reinstated and for an additional \$30,000 for start-up capital for a new project (Eason, 2011a).

To effectively operate and maintain Outlaw Field, the Airport Authority is tasked with working with the City of Clarksville, Montgomery County, and federal and state governments. An

Internal Audit Review (2003) was requested by the city council “to discuss their concerns regarding the management of the Clarksville–Montgomery County Regional Airport Authority” (p. 1). One objective of the review was to determine whether the airport was, in fact, an ongoing concern. The review results stated:

It does not appear that the Airport is likely to remain solvent without some type of assistance or other major change.... Based on an analysis of audited financial data since its inception, the Airport Authority has never produced positive cash flows from operations. (p. 7)

The question of financial solvency has plagued the authority since its inception in 1997.

The significant sources of revenue received for the airport are lease of facilities, operations subsidies, and grants.

CASE 11.2: FUNDING CHALLENGES OF SHARED GOVERNANCE—OUTLAW FIELD

This case focuses specifically on the operations subsidies that the Airport Authority receives from the City of Clarksville and Montgomery County and the grants received from federal, state, and local agencies for maintenance of the airport, improvements, and expansion projects. The operation of the airport falls squarely on the shoulders of the city and county governments. Not only does this create questionable equity for taxpayers, but having the two entities share the burden of responsibility equally places the airport in a position of financial servitude. In an e-mail to his constituents, Councilman Bill Summers (personal communication, January 27, 2012) makes the argument that the 50-50 funding arrangement is not fair for city taxpayers and businesses. His position is: “The city residents and businesses pay both city and county property taxes. The city and county then turn around and take some of the tax dollars paid and allocate it to the airport.” Therefore, he contends, city residents and businesses have the “privilege to contribute funding to two government functions for one airport, while persons

and business outside the city limits contribute only to the county.” Summers further argued:

The county government has the authority to tax all county residents and commercial interests on an equal basis to fund the airport.... The city can only tax city residents and businesses, and that allows about 35,000 residents, businesses, and industries located in the county to use the airport without having to help support it.

Strong opinions, such as this, regarding airport financing make decision making a challenge and contribute to the overall uneasiness of fiscal shortfalls that eventually require the authority to go back to the representative finance committees for additional funding.

Partially in response to Clarksville’s industrial portfolio being significantly enhanced with the arrival of Hemlock Semiconductor LLC, aircraft traffic at Outlaw Field has increased dramatically. In early 2011 a 25 percent increase in revenue from the previous year was reported, and newfound success at the airport can be attributed to a spike in corporate jet use rather than the usual small aircraft (Settle, 2011a). Touting the surge in use as an increase in “upscale aviation traffic,” the Airport Authority members say they do not want to disappoint, and they see the airport as a vital business recruitment tool that is starting to realize its full potential.

John Ferguson, airport manager, said, “We’re just trying to change the image out here, and be more attuned to the corporate aviation that can bring jobs to the community” (Settle, 2011b, p. A3).

In an effort to meet the demands and usage of the facility and “change the image” of the airport, the authority turned to the 2005 *Aviation System Plan Update* for the facility. In 2010 a grant from the Federal Aviation Administration, passed through TDOT’s Aeronautics Division, was used for construction of a 10-unit T-hangar building. The grant required the authority, meaning the city and county budgets, to contribute a portion (10 percent) of the cost of construction. Much needed by the general aviation community, the hangar unit was completed in 2011 and now provides another revenue stream for the airport. While the three other projected improvements (corporate hangars, a ramp extension in front

of the terminal, and a maintenance hangar) did not receive the direct attention of the authority, grants on the books at the close of fiscal year 2010 included state monies for maintenance (recurring payment), automobile access, engineering to rehabilitate the runway, a utility extension, Tobacco Road purchase, and money for a new tractor. Federal Aviation Administration grants passed through TDOT included the money for the T-hangars and runway lights. Fiscal year-end 2011 showed grants received for ongoing maintenance, airfield crack repair, terminal construction, security extension, drainage extension, and a vision grant.

The balance of this case will discuss the terminal construction grant, which was secured in an effort to “change the airport from general aviation to a corporate focus” (Hicks, 2010b, p. A1).

New jets, new airplanes, more hangars, and an anticipated “new look” to the airport necessitated the resurrection of the airport’s fuel farm. Not having fuel available to the aviation community has long been a contributor to the notion that Outlaw Field was an airport that had long since seen its glory days. On Tuesday, March 1, 2011, the airport again, after a several year absence, began selling fuel. On the opening day for fuel sales, the airport sold 490 gallons of aviation gasoline and jet fuel. “As of noon today (Wednesday), we’ve already pumped a little over 1,100 gallons, I think this says there has been a demand for it,” Authority Chairman Whitford said. He contends that in-house, self-sustained fuel sales conservatively equate to a profit margin of around 70 cents per gallon (Settle, 2011b, pp. A1, A3; Settle, 2011c). However, the funding issues continuing to be challenging. The ability to move forward is hampered by a funding package that answers to the City of Clarksville, Montgomery County, and the Tennessee Department of Transportation.

On September 2, 2008, the *Leaf Chronicle* congratulated the airport for receiving the Front Door Award from the Tennessee Department of Transportation, Aeronautics Commission, and Department of Economic and Community Development. This recognition was bestowed for the airport’s efforts to create a good appearance. However, a good appearance was hardly enough for the keepers of the vision for the future of aviation in the Clarksville–Montgomery

County area. Added to the announcement was the news that the authority had been awarded a \$60,000 grant for mowing equipment (Hicks, 2009a). This recognition was the first of what would eventually be several passing references to the authority's efforts to change the focus of the airport from general aviation to a corporate airport serving the local business community (Hicks, 2010b). In a newspaper article, Hicks stated, "Part of the effort is to build a new terminal" (p. A3). Authority member Jerry Clark told the newspaper that more than \$1.1 million in grants had been secured for the terminal project, and another federal grant of \$166,667 for airport improvement had not been received, but the authority "has been assured it will be awarded" (p. A4). As the plans for the new terminal continued, the opinions about the facilities at Outlaw moved from "a 1960s-era facility that has become a community embarrassment to a Front Door Award winner" (Hicks, 2009b, p. A1). At this time, the plan for the terminal construction was slated to be \$4.8 million, of which \$3 million was to come from a Department of Commerce grant from federal stimulus money. According to Clark, "the grant would be offered because jobs created by companies ... could be recruited through the airport improvements" (p. A3).

In an effort to shore up support for the growing expense of the terminal project, Airport Authority Chairman Ron Whitford and County Mayor Carolyn Bowers discussed the possibility of an aircraft modification company locating on the airport property and bringing as many as 200 "high-paying jobs" to the area. Bowers stated, "Salaries for the company would start around \$65,000 a year. A 130,000 square-foot building with office space would be needed, and that it [the company] would bring in machinery and equipment worth more than \$2 million." Whitford added in his discussion with the County Commission's Budget Committee, "They [the company] were referred to us through the state, so this is no fly-by-night company" (Hicks, 2010a, pp. A1, A3). The conversations initiated by Bowers and Whitford were orchestrated to urge the commissioners to provide \$625,000 toward the construction of a new terminal and for making runway improvements. As is required in a shared governance situation, an equal amount was requested from the city

council. The Clarksville–Montgomery County’s \$1,250,000 would then be added to “money the city and county have already set aside for the project” (p. A3) and for providing the local matching funds required for a \$4 million U.S. Department of Commerce grant for construction (Hicks, 2010a).

When pushed to provide details about the potential lessee at the airport, Whitford responded he had no more information. “I simply was trying to use an example for the commissioners to show the potential things that could occur, and the critical need to get this local money approved so we can apply for the grant. It seems that some commissioners do not believe there are potential benefits to having an up-to-date airport, which is the only way we can maximize ... future growth potential” (Hicks, 2010a, p. A3).

The Clarksville City Council (in response to the County Commission’s Budget Committee’s decision to approve) approved a resolution for a city match of \$625,000. However, the city’s passage of the funds was not without conflict. Eason wrote:

The bulk of that \$625,000 would double a prior commitment to fund \$500,000 for the terminal. That money, coupled with a potential \$1 million from Montgomery County, would be used as a match to acquire a \$2 million grant from the federal Economic Development Agency. (2010a, p. A1)

Councilman Bill Forrester responded to cost concerns, “I think any time you can build a \$4 million project for 25 percent (that) is a good investment” (Eason, 2010a, p. A1). City Councilman Marc Harris worried the vote would send a wrong message to the community because residents asking for improvements to Edith Pettus Park had been told money was tight. Harris said, “In the paper tomorrow they’re going to read from one meeting that you can’t put money into a park, but you want to put \$650,000 into an airport” (Eason, 2010a, p. A1).

Adding to the woes of both the city council and the County Budget Committee, while contracts had been awarded for the new terminal, the much anticipated \$4 million U.S. Department of Commerce grant for the construction was not approved (Hicks,

2010b). Since both governments had already committed \$625,000 to the estimated \$5 million project, the additional money was going to have to come from somewhere. In July, the city council increased its commitment to \$1.75 million, assuming the county would approve the same amount. Due to the county's budget having been already passed, County Mayor Carolyn Bowers was reluctant to approach her budget committee for additional funds. However, she did secure a commitment for an additional \$1,125,000, which, when added to the previous allocation of \$625,000, would meet the city's \$1.75 million (Hicks, 2010b). Up to this point in time, the project had received only \$1 million in grants, which, when combined with the local appropriations totaling \$3.5 million, should have resolved the question of financing.

City Finance Commissioner Ben Griffin told the city council and Finance Committee that he wanted to fund the city's \$1.75 million portion through a loan rather than hand over the city's cash. He said, "To me, in this economy, it doesn't make sense to pay cash for something now when Montgomery is paying for this out of debt service" (Eason, 2011b, p. A1). He further stated the city was nearing the point of no return in its reserve fund, and that the potential end-of-year budget overrun was in the \$5.7 million range. Making his case, Griffin argued for "generational equity," noting that the terminal would provide long-term benefit to the community and future taxpayers. He stated, "The people who use an asset should pay for it. Unless you have the money—and we don't—we can't afford to pay \$1.75 million cash for a building that's going to be here for 40 years" (Eason, 2011b, p. A3).

In January 2011 new issues regarding the terminal construction costs became headlines. Amid claims and counterclaims concerning the project, some Airport Authority Board members bantered about a "malfeasance" perpetrated by the City of Clarksville. The issue was the city would not make payments allocated for the new terminal. Accusations reportedly being made included "overcharges" tied to change orders that were not a part of the original scope of work, an allegation Authority Board members vehemently denied. Jerry Clark, project manager, stated, "Any change orders related to this

project were well within the acceptable limits of any project of this nature and the implication that there has been mismanagement is absurd” (Bonecutter, 2012, para. 2).

It became apparent that the city and county were forced into a position of jointly providing an additional \$202,000 to complete the construction. To answer the question “How could this have happened?” all of the concerned parties met to review construction expenses and anticipated grant allotments to determine where the construction budget stood. During the meeting, a miscommunication over how funds were to be dispersed was uncovered. The Airport Authority’s understanding was the funding, \$1,750,000, provided by both the city and county would be used to match a state grant and would not take away from terminal construction funding. The city and county, on the other hand, intended those matching funds to be deducted from the overall total terminal funding budget. Airport manager John Patterson said the discrepancy was “a simple misunderstanding” that was cleared up after “hours of discussion” (Tamburin, 2012a,b, pp. A2, A4).

As the construction of the airport reaches completion, funding problems will continue as long as there is a city finance committee, a county budget committee, and various state and federal agencies with their hands on the controls. In an e-mail to his constituents, Councilman Bill Summers (personal communication, February 4, 2012) wrote:

It appears we have a left hand, right hand and an extra hand in looking at costs and management. Each hand has not been talking the same language and that has caused these problems.... It is time to leave this operations in the hands of one government entity and stop the management by committee approach ... it has been a continuing battle of what the airport needs, what the city will agree to, what the county will agree to, making sure one doesn't give more or less than the other, and a host of other issues and problems. It is time to consolidate the financial and oversight management of the airport.

Although not relinquishing complete control of the airport to one government, on April 24, 2012, the Clarksville Finance and Administrative Committee approved an amended interlocal agreement with the

county, allowing the county to take over the bookkeeping responsibilities for the Airport Authority. According to John Patterson, the airport director, “the change in the contract also closes up some loopholes for any future changes that might happen as a result of changes to policy for the Airport” (Smith, 2012, p. A4). Hopefully, this is the first step in eliminating the last organization still under the auspices of shared governance between Clarksville and Montgomery County.

CONCLUSION

This chapter introduced the readers to challenges airport directors faced due to having a lack of proper accounting techniques and management skills. The Sarbanes–Oxley Act was described and Henri Fayol’s management principles of unity of command and division of labor were defined. The incorporated cases provided readers the opportunity to identify examples of the management principles and develop an opinion of how the Sarbanes–Oxley Act should be applied at the local levels of government.

REFERENCES

- Airport has new manager. (2005, September/October). Southeast Chapter of the American Association of Airport Executives. Retrieved from <http://www.secacaae.org/newsSeptOct2005.pdf>.
- Audited financial statements and other information. (2008, June 30). Clarksville–Montgomery County Regional Airport Authority.
- Audited financial statements and other information. (2010, June 30). Clarksville–Montgomery County Regional Airport Authority.
- Aviation’s golden age. (n.d.). History of Outlaw Field. Montgomery County Regional Airport. Retrieved from http://clarksvilleairport.com/?page_id=284.
- Bonecutter, H. (2012, January 27). Clarksville Mayor Kim McMillan assures Airport Authority money will be paid to complete project. Retrieved from <http://www.clarksvilleonline.com/2012/01/27/clarksville-mayor-kim-mcmillan-assures-airport-authority-money-will-be-paid-to-complete-project/>.
- Crumbley, L., Heitger, L., and Smith, S. (2010). *Forensic and investigative accounting*. Chicago: CCH.

- Eason, B. (2010a, February 5). City OKs airport idea. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2010b, July 16). State investigating airport: Audit released. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2010c, August 17). Clarksville Montgomery County Airport flaws long studied. *Leaf Chronicle*, pp. A1, A3.
- Eason, B. (2011a, January 26). Airport seeks funding. *Leaf Chronicle*, pp. B1, B4.
- Eason, B. (2011b, January 31). City considers airport loan. *Leaf Chronicle*, pp. A1, A3.
- Fayol, H. (1916). *Administration industrielle et générale; prévoyance, organisation, commandement, coordination, controle* (OCLC 40204128). Paris; H. Dunod et E. Pinat.
- Green, T. (2010, October 13). Ex-airport worker indicted in theft. *Leaf Chronicle*, p. A4.
- Green, T. (2011, December 20). Office manager gets 6 years in theft case. *Leaf Chronicle*, pp. A1, A3.
- Guevarra, D. (2009, June). Clarksville Montgomery County Airport Authority requests emergency money to keep Outlaw Airport open. *AvStop Aviation Online Magazine*. Retrieved from <http://avstop.com/news/outlaw.airport.htm>.
- Hayes, L. (2012, March 1). Taylor Co. airport manager accused of theft. News Channel 7. Retrieved from <http://wsaw.com/taylor+co+airport+manager>.
- Hicks, M. (2009a, November 4). Airport Authority gets \$60k grant for mowing equipment. *Leaf Chronicle*, p. A4.
- Hicks, M. (2009b, November 19). Clarksville terminal is taking off. *Leaf Chronicle*, pp. A1, A3.
- Hicks, M. (2010a, February 4). Clarksville airport courts 200 jobs. *Leaf Chronicle*, pp. A1, A3.
- Hicks, M. (2010b, August 24). Manager: Earning trust is job no. 1. *Leaf Chronicle*, pp. A1, A3.
- Hoffman, P. (1973). *Tiger in the court: Herbert J. Stern, the U.S. attorney who prosecuted 8 mayors, 2 state treasurers, 2 powerful political bosses and 64 other public officials*. Chicago: Playboy Press.
- Internal Audit Review. (2003, August 11). Clarksville City Council. Retrieved from <http://www.cityofclarksville.com/finance/PDF/Clarksville%20Montgomery%20County%20Regional%20Airport%20Authority%20Audit.pdf>.
- Lee, R., Johnson, R., and Joyce, P. (2008). *Public budgeting systems*. Sudbury, MA: Jones and Bartlett Publishers.

- McDonald, C. (2005, May 22). Investigator details theft of airport funds by Montana manager. *The Missoulian*. Retrieved from <http://www.archives.californiaaviation.org/airport/msg35067.html>.
- McLemore, K. (2010, May 3). Airport Authority has poor practices (Letter to the editor). *Leaf Chronicle*, p. A7.
- Reston, M. (2007, February 17). Airport manager sought in \$1.1-million theft. *Los Angeles Times* article collection. Retrieved from <http://articles.latimes.com/print/2007/Feb17/local.me-airport/17>.
- Robbins, S., and Coulter, M. (1999). *Management* (6th ed.). Upper Saddle River, NJ: Prentice Hall.
- Robertson, J. (2000). *Fraud examination for managers and auditors*. Austin, TX: Viesca Books.
- Seidenman, P., and Spanovich, D. (2009). *General aviation in the United States*. Report for the National Aviation Transport Association. Retrieved from http://nata.aero.data/files/NATA%20publications/NATA_factbook.pdf.
- Settle, J. (2011a, February 17). Airport sees big traffic increases, launching fuel sales on March 1. *Leaf Chronicle*, p. A5.
- Settle, J. (2011b, March 3). Corporate planes fuel traffic takeoff. *Leaf Chronicle*, pp. A1, A3.
- Settle, J. (2011c, July 24). Big things happening at hometown airport. *Leaf Chronicle*, pp. B4, B5.
- Smith, A. (2012, April 24). Finance committee approves new interlocal agreement for Airport Authority bookkeeping. *Leaf Chronicle*, p. A4.
- Tamburin, A. (2012a, January 24). \$200,000 needed to complete Montgomery County Airport. *Leaf Chronicle*, pp. C1, C6.
- Tamburin, A. (2012b, February 6). County commission considers additional funding for airport. *Leaf Chronicle*, pp. A 2, A4.
- Tennessee code annotated §42-3-101, title 42 aeronautics. Retrieved from <http://www.lexisnexis.com/hottopics/tncode/>.
- Tennessee Department of Transportation. (2005). *Tennessee long-range transportation plan: Aviation system plan update*. Retrieved from <http://www.tdot.state.tn.us/plango/pdfs/plan/Aviationsystem.pdf>.
- U.S. Securities and Exchange Commission. (2002). Sarbanes–Oxley. Retrieved from <http://www.sec.gov/>.
- U.S. Securities and Exchange Commission. (n.d.). Homepage. Retrieved from <http://www.sec.gov/>.
- Yamanouchi, K. (2009, September 2). Airport employee accused of embezzlement. *Atlanta Journal-Constitution*, p. A1.

RECOMMENDED READINGS

- Audited financial statements and other information. (2009, June 30).
Clarksville–Montgomery County Regional Airport Authority.
- Audited financial statements and other information. (2011, June 30).
Clarksville–Montgomery County Regional Airport Authority.
- Thompson, L. (2011, October 14). Interim airport boss takes optimistic view of potential. *Leaf Chronicle*, p. A1.

12

Airport Authority*

Public sector ethics mean doing the “right” thing not only as indicated by law but also as indicated by public opinion and as accepted by management principles and practices as well as ... beliefs about what is in the overall public interest and what is fair.

—Montgomery VanWart and Evan Berman (1998, p. 327)

INTRODUCTION

Strategic management in the public sector gained momentum during the 1990s as a result, in part, of the National Performance Review. Involved in the strategic management process is strategic decision making. The primary theoretical framework for analyzing this case is the strategic decision-making process. Strategic decisions, as defined by Amason (1996), are those that impact complex and ambiguous situations as well as require large numbers of organizational resources. According to Papadakis et al. (1998) there are seven dimensions of the strategic decision-making process: rationality, financial reporting, rule formalization, hierarchical decentralization, lateral communication, politicization, and problem-solving dissension. These seven dimensions are related to characteristics of specific

* This chapter was written by Victoria McCarthy, associate professor, Department of Professional Studies, School of Technology and Public Management, Austin Peay State University.

decisions, characteristics of top management, and contextual factors of an organization's internal and external environments.

In a longitudinal study of strategic decision making, Mintzberg and Waters (1982) found that the strategic process emerges from the organizational members' weakly coordinated decisions. The more volatile the organizational environment, the more difficult it is to make systematic strategic decisions. Although multiple factors affect the strategic decision process, Papadakis et al. (1998) found that "decision specific characteristics [like those mentioned above] have the most influence on the strategic decision-making process" (p. 134).

Three models that influence the strategic decision-making process are the *rational behavioral model* (Simon, 1957), the *incremental model* (Lindblom, 1959), and the *mixed scanning model* (Etzioni, 1967). The behavioral model as presented by Simon (1957) assumes (1) all possible solutions cannot be considered or analyzed because decision makers cannot imagine every possible alternative, (2) cognitive rational decisions are limited by one's ability to only process a finite amount of information, and (3) limited information, time, and expertise make a complete analysis of each situation impossible. The result is that problems are simplified and decision makers *satisfice* (Simon, 1957) (i.e., optimal decisions are not made). Instead, decision makers settle for decisions that are "good enough" for the time being. Next, the incremental model, as presented by Lindblom (1959), described decisions that "are made in small analytical increments as a response to events and circumstances" (Allen and Coates, 2009, p. 10). Characteristics of the incremental model are (1) consideration of only a few options, (2) decisions result from negotiated settlements, (3) gradual changes are made, (4) decisions are reactive, and (5) outcomes are partially determined by political considerations (Allen and Coates, 2009). Finally, Amitai Etzioni (1967) believed that decision making involves characteristics of both Simon's rational behavioral model and Lindblom's incremental model.

Strategic decisions are those that affect the future of organizations and require significant resources (Willemsen et al., 1999). The manner in which these decisions are handled is determined by both the content and context of the decision. Dimensions of the decision

(e.g., centralization or formalization) vary among organizations, impact managers, and decision-making styles. As with all strategic decisions, the one presented in this case is context specific and unique. The reader is encouraged to use the decision-making model in Figure 12.1 and the ethics scoreboard located at http://www.ethicsscoreboard.com/rb_5step.html to decide how he or she would manage the situation.

CASE 12.1 INTRODUCTION

This case explores the decision-making process and impact of the Clarksville–Montgomery County Regional Airport Authority’s decision to divest itself of a mobile home park. The authority currently manages Outlaw Field as a general aviation airport. The Tennessee Infrastructure Alliance (2008, p. 34) writes: “General Aviation airports are critical to the economic development of communities across

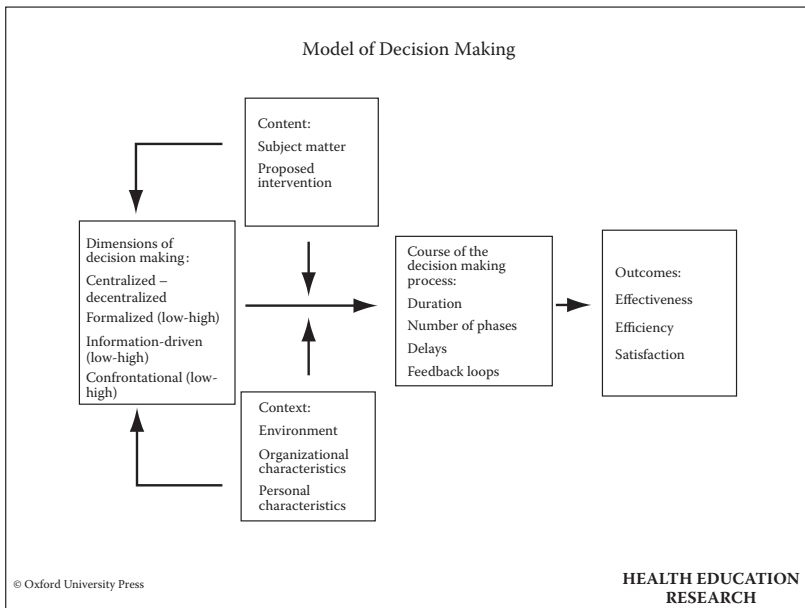


Figure 12.1 A contingency model for strategic decision making. (From Willemsen, M.C. et al., *Health Education Research*, 14, 1999, 519–531. Retrieved from <http://her.oxfordjournals.org/content/14/4/519.full>. With permission.)

the state.... In order to stay competitive; these airports must be kept up to date.”

The City of Clarksville and the County of Montgomery created the Airport Authority in 1997 to oversee operations of Outlaw Field pursuant to the Tennessee Airport Authorities Act. The Airport Authority Board consists of five voluntary members authorized “to take all actions necessary to establish the Airport Authority” (Clarksville, 2008, p. 3). In 1997 the Federal Aviation Administration (FAA) mandated that Outlaw Field increase its safety zone. Some of the land needed to fulfill this mandate contained a mobile home park that housed low-income residents. The Airport Authority bought the entire park because the land owner would not parcel out the park—the deal was “all or nothing” (Hicks, 2009b, A6). The FAA later reversed the mandate and the Airport Authority found itself owning a mobile home park. Airport officials decided to keep the park and manage it as a source of revenue for the airport. After a few years of providing revenue, the mobile home park became a financial strain. Income had fallen significantly, and the estimated cost of repairs to bring the park up to city code was estimated at \$250,000 (Hicks, 2009a).

Statement of the problem: The Airport Authority owns and operates a mobile home park that is losing money and wants to divest itself of ownership. There are approximately 60 low-income tenants who will be displaced by the closing of the mobile home park.

CASE 12.1: AIRPORT AUTHORITY OR SLUM LORD?

She’s not moving out until the sheriff comes to put her out.

—Mark Hicks (2009d, A1)

“I don’t know what we are going to do.... And nobody in this town will help you move a trailer. I guess only poor people live in trailers,” said American Village mobile home resident Jason Danner (Hicks, 2009d, p. A1). Once the decision was made to close, residents of the mobile home park were given 30 days to relocate. This decision placed some residents in a difficult position. “If they would have given us six months’ notice then we could have saved up for the move,” said another park resident (Hicks, 2009d, p. A1). “They’re

punishing us for the people who don't pay," complained Charles Abramowitz, a resident of the park since 1991 (Hicks, 2009a, p. A3). Some residents asked the Airport Authority to assist with the cost of relocating their trailers. However, according to Ron Whitford, chair of the Authority Board, the authority did not have the money for financial assistance, and if it did, the taxpayers would be paying the costs (Hicks, 2009a). To assist residents, the authority arranged for a local nonprofit organization to help residents pay moving costs and allowed residents to take authority-owned electrical service boxes with them (Hicks, 2009c).

"We volunteered to run a regional airport, not a trailer park," argued Jerry Clark, one of the Authority Board members.... We should not be in the trailer park management business" (Hicks, 2009b, p. A6). Ron Whitford, chairman of the board, stated that about \$20,000 was needed to repair the park's water system so that it would meet city codes (Hicks, 2009b, p. A7). Originally, the park's revenue was budgeted to pay for the \$800,000 loan used to buy the property and subsidize airport operations (Hicks 2009b, A6). However, in 1998, an independent audit of the Airport Authority's financial statements revealed that revenues from the mobile home park were down (Clarksville, 2008). Unpaid rents and increased operating expenses had resulted in financial losses for the park that the Airport Authority had to absorb. In an opinion column published in the *Leaf Chronicle*, Alane Megna (2009) wrote:

Although it is a shame that residents of the American Village mobile park will have to relocate, the local Airport Authority is doing the right thing by closing it down.... No one is saying that the process won't be painless or inexpensive, especially for those who have been renting out multiple mobile home units in the park. But this is a step the Authority needs to make so that it can eliminate a money pit and focus all of its time and resources to the airport, which needs to attract more customers, especially corporate clientele. (p. B2)

Thus, the Airport Authority closed the mobile home park and the low-income residents had to relocate at their own expense.

REFERENCES

- Allen, C., and Coates, B. (2009). Strategic decision making paradigms: A primer for senior leaders. Paper presented to the U.S. War College. Retrieved from [http://www.carlisle.army.mil/usawc/dclm/Strategic%20Decision%20making%20\(Allen%20Coates%20July%202009\)%20final.pdf](http://www.carlisle.army.mil/usawc/dclm/Strategic%20Decision%20making%20(Allen%20Coates%20July%202009)%20final.pdf).
- Amason, A. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: Resolving a paradox for top management teams. *Academy of Management Journal*, 39, 123–148.
- Clarksville–Montgomery County audit of financial statements. (2008). Retrieved from <http://www.comptroller1.state.tn.us/repository/CA/2008/Clarksville%20Montgomery%20Co%20Regional%20Airport.pdf>.
- Etzioni, A. (1967). Mixed scanning: A third approach to decision-making. *Public Administration Review*, 27, 387–388.
- Hicks, M. (2009a, June 13). Airport neighbors will be forced out: Mobile home park with 60 trailers to close over finances. *Leaf Chronicle*, pp. A1, A3.
- Hicks, M. (2009b, June 14). Acquisition of trailer park stems from FAA mandate. *Leaf Chronicle*, p. 6.
- Hicks, M. (2009c, July 16). American village trailer park residents given closure date. *Leaf Chronicle*, p. A4.
- Hicks, M. (2009d, August 3). Trailer park residents struggle to make move: Some can't afford to move as Aug. 21 deadline looms. *Leaf Chronicle*, pp. A1, A3.
- Lindblom, C. (1959). The science of “muddling through.” *Public Administration Review*, 19, 79–88.
- Megna, A. (2009, June 17). Get out of trailer business. *Leaf Chronicle*, p. B2.
- Mintzberg H., and Waters, J. (1982). Tracking strategy in an entrepreneurial firm. *Academy of Management Journal*, 15, 465–499.
- Papadakis, V., Lioukas, S., and Chambers, D. (1998). Strategic decision-making processes: The role of management and context. *Strategic Management Journal*, 19, 115–147.
- Simon, H. (1957). *Models of man*. New York: John Wiley & Sons.
- Tennessee Infrastructure Alliance. (2008). *Tennessee air transportation infrastructure analysis* (1st ed.) Nashville: Tennessee Infrastructure Alliance.
- VanWart, M., and Berman, E. (1998). Contemporary public sector productivity values: Narrower scope, tougher standards, and new rules of the game. *Public Productivity and Management Review*, 22, 326–347.

Willemsen, M., Meijer, A., and Jannik, M. (1999). Applying a contingency model of strategic decision making to the implementation of smoking bans: A case study. *Health Education Research*, 14, 519–531. Retrieved from <http://her.oxfordjournals.org/content/14/4/519.full>.

RECOMMENDED READINGS

- Airport Cooperative Research Program Report Synthesis 1. (2007). Innovative finance and alternative sources of revenue for airports. Retrieved from http://onlinepubs.trb.org/onlinepubs/acrp/acrp_syn_001.pdf.
- Grant, R. (2003). Strategic planning in a turbulent environment: Evidence from the oil majors. *Strategic Management Journal*, 24, 491–517.
- Grothaus, J., Helms, T., Germolus, S., Beaver, D., Carlson, K., Callister, T., Kunkel, R., and Johnson, A. (2009). *Guidebook for managing small airports*. Airport Cooperative Research Program Report 16. Retrieved from http://onlinepubs.trb.org/onlinepubs/acrp/crp_rpt_016.pdf.
- Heifetz, R. (1994). *Leadership without easy answers*. Cambridge, MA: Belknap Press.
- Ring, P., and Perry, J. (1985). Strategic management in public and private organizations: Implications of distinctive contexts and constraints. *Academy of Management Review*, 10, 276–286.
- Stone, D. (2002). *Policy paradox: The art of political decision making*. New York: W.W. Norton & Co.
- Wessermann, H. (1981). Innovative revenue sources: The entrepreneurial municipality. *Public Management*, 63, 21–23

13

Animal Welfare and Control

If a decision affects persons who are not party to the decision, then that decision has external effects.

—Kenneth Goldin (1975, p. 1)

INTRODUCTION

The term *externality* is used in the field of economics to describe private market actions that place costs on, or provide benefits for, third parties without their permission (Starling, 2011; Externalities, n.d.). Government actions may create externalities as well. In an article published by *Public Choice*, Gordon Tullock (1998, p. 413) explains: “Civil servants, judges, general officers, and representative voting bodies” can create externalities when “they make decisions not directly controlled by all the people who are affected.”

Externalities may be positive or negative. For example, a positive externality could occur when a local government buries electrical power lines along a city street to enhance public safety, health, and welfare. The externality, or spillover, would be a potential increase in property values for citizens who live on that street. On the other hand, government approval of a zoning request to build an industrial factory near a housing subdivision could result in a decrease of property values for the citizens. This would be an example of a negative externality. Other public management actions that can create negative externalities include instituting taxes or fees, establishing fixed limits, requiring operating permits, setting licensing

requirements, mandatory standards, and passing laws. Negative externalities may result in citizen dissatisfaction and unrest (Saari and Petron, 2006).

CASE 13.1 INTRODUCTION

This case explores city ordinances passed to correct public health and nuisance problems created by irresponsible pet owners. The reader is encouraged to identify potential negative and positive externalities created by these laws.

CASE 13.1: OOWWW-DOGGIE*

No one needs to tell us how many dogs and cats we can have if we take care of them. It doesn't matter if I have two dogs or 50. If the dogs are fed good, looking good, have all their shots, and are spayed and neutered, then I don't see any problem in having them.

—Inge Irby (Green, 2011, p. A4)

In Clarksville, Tennessee, one lady ran a pet rescue operation from her home. She had 75 dogs in her front yard. Another citizen had 15 pit pulls in his backyard. Puppy mill breeders were proliferating throughout the city. Citizens fed up with the resulting noise, smell, unsanitary conditions, and selling of sick animals asked the city council to do something about these problems. Councilwoman Deanna McLaughlin took on the task and sponsored three ordinances that would amend existing city code pertaining to animal control. The ultimate aim was to protect the health and general welfare of the people and animals living within city limits.

The first ordinance proposed setting limits on the number of animals that could be kept on land located within city borders. The ordinance would make it “unlawful to harbor any combination of more than seven dogs or cats on less than one acre in size within the city limits ... and more than ten dogs and/or cats on land larger than

* The name of this case was borrowed from Clarksville City Councilman Bill Summers (personal communication, May 5, 2011).

one acre in size but less than five acres (City Ordinance 80-2010-2011).” Anyone desiring to exceed these numbers could apply to the Department of Finance Revenue for a “special exemption” permit. Individuals applying for an exemption permit would be required to allow city officials to conduct no-notice inspections of their properties. The inspectors and police officers would check to ensure that city health, sanitation, and safety standards were being complied with. Permits would cost \$100 annually and have to be renewed at a cost of \$25. Any owners found to be in violation of city codes or county animal control regulations would have their permits revoked and be subject to a \$50 civil fine for each day of noncompliance. The ordinance would be enforced by the Clarksville Police Department and the Clarksville Department of Building and Codes.

The second ordinance was also designed to protect the public health, safety, and welfare of individuals and animals living within city limits. The City of Clarksville Ordinance 81-2010-11 read:

Whereas, the roadside sale of animals, particular dogs and cats, poses not only traffic risks but other potential hazards that could affect the safety and well-being of the entire population; and

Whereas, the roadside sale of dogs and cats is a likely contributor to the problem of pet overpopulation, which results in many animals being euthanized by Montgomery County Animal control; and

Whereas, the roadside sale of dogs and cats poses potential health hazard as many of the animals have not been vaccinated, spayed or neutered, or undergone health screenings to identify diseases that can infect other animals or humans; and

Whereas, the Clarksville City Council hereby finds, determines, and declares that this ordinance is necessary for the immediate preservation of the public health, safety, and welfare of the city of Clarksville and the inhabitants therefore:

It shall be unlawful for any person, firm or corporation, to attempt to sell, exchange, trade, barter, lease, rent, donate or display for a commercial purpose of any dog or cat on any roadside, public right-of-way, parkway, median, park, playground, swimming pool, other recreation area, flea market or other outdoor market, or commercial or retail parking lot that is generally accessible by the public, regardless of whether such access is authorized.

The ordinance did not apply to pet shops, commercial kennels, veterinarian's offices, or nonprofit animal welfare organizations. The Clarksville Police Department and Department of Building and Codes would be given enforcement authority, and citizens found to be in violation of the ordinance would be issued a citation and a civil fine of \$50 per day of noncompliance. The monies recouped from the fines would be used to help pay costs incurred for enforcement.

The third proposed ordinance was created to eliminate backyard breeding operations. Councilman Bill Summers (personal communication, June 3, 2011) explains:

Animal breeding would not be allowed in city residential areas when done for compensation under the new law. This residential stipulation was already in the zoning codes but this law will help re-enforce the concept. Land located within the city limits zoned for farm (AG) or commercial (C5) use could be used for breeding purposes. A couple of other commercial zoning categories allow for breeding upon a variance approval.

These commercial breeders of dogs and cats would have to obtain a city breeder's license from the Department of Finance and Revenue. The term *breeder* was defined as "anyone who breeds animals for the purpose of compensation" (B. Summers, personal communication, May 5, 2011). The license would cost \$250 and have to be renewed annually. The Clarksville Police Department and Department of Building and Codes would have enforcement authority. Violators of the ordinance would receive a citation and be assessed a civil fine of \$50 per day of noncompliance (City of Clarksville Ordinance 82-2010-2011). Again, the monies recouped from the fines would be used to help pay costs accrued for enforcement.

While they were well intended, the proposed ordinances created contention within the city's animal breeding and care communities. John Gammon, president of the Clarksville Kennel Club, told the council: "Limit laws deal with numbers ... they do not deal with the actual problems" (Eason, 2011b, p. A4). He asked the council not to pass the pet limit ordinance. Animal advocate Elaine Weil stated:

Pet limit laws are simply bad ideas. No large animal groups support them, not the American Society for the Prevention of Cruelty to Animals, the Humane Society of the United States, Animal Humane Association, Cat Fanciers Association nor the American Kennel Club. They open up governments to lawsuits. They unfairly target responsible pet owners who already abide by care control laws and respect their neighbors.... There are several shortfalls with the proposed breeding ordinance.... A more effective approach is to define the breeding activities and practices a government wishes to regulate. For example, if one proposed purpose of the law is to reduce the number of litters being born into a community with a high euthanasia rate of unwanted pets, then an ordinance might restrict a breeding to one or two litters a year. And since codes already exist that prohibit kennel businesses from operating in residential areas, and anyone operating a business for profit is required to get a business license from the city, this current version provides no added benefit for people currently residing near any such operations. The city and county simply need to enforce existing laws. (E. Weil, personal communication, n.d.)

Another citizen argued local governments had no business going into people's homes to inspect pet conditions. She also stated fees for licenses and permits placed increased burdens on responsible pet owners, not the irresponsible people causing the problems. Finally, Richard Schroll, a delegate of the American Kennel Club (AKC), agreed with the provision to stop roadside sales of pets, but warned the council that setting pet limits, restricting breeding within certain areas of the city, and requiring the purchase of breeders' licenses would result in the AKC declaring Clarksville a "non-dog-friendly city." As a result, the AKC also would no longer sponsor dog shows within the city, resulting in a negative economic impact loss of \$750,000.

Arguing for passage of the ordinances was Mr. Bob Rosa, who asked the council members to respect the rights of neighbors to live in peace. Amy Shaver, executive director of the Montgomery County Humane Society, said, "The proposals were a step in the right direction for animal health ... and that breeder's licensing would enable law enforcement to better track animal sales" (Eason, 2011a, p. A4). Mr. Les Crocker, director of the Department of Building and Codes,

stated that current animal control regulations were difficult to enforce because violators were not deterred by the current one-time civil fine of \$50 or the possibility of having to make a court appearance. Mr. Crocker stressed inspections of personal property would only be conducted when citizens filed complaints. “If their neighbors don’t have a problem with it, we don’t need to be out there.... We’re going to be understanding,” he said (Eason, 2011a, p. A4).

Councilman Jeff Burkhart voiced his concern that the city was getting too involved in citizens’ lives. “Councilman Wallace Redd asked why roadside sales were a problem and Councilmen Marc Harris and David Allen both suggested it was unfair to prohibit dog owners from selling their own puppies” (Eason, 2011a, p. A4). Councilwoman McLaughlin defended her ordinance proposals, stating she had worked with a focus group of animal advocates, studied ordinances from comparable cities within the state, and that current zoning ordinances already prohibited breeders from operating in residential areas of the city. Amy Shaver concurred, stating, “Clarksville isn’t reinventing the wheel with these ordinances.... We’re pretty behind when it comes to any animal-related laws” (Eason, 2011a, p. A4).

At the second reading of the ordinances, the city council did not pass the ordinance that would place pet limits on owners. However, the ordinances restricting the sale of animals and requiring a breeder’s permit were passed and became law.

AUTHOR’S NOTE

Additional case information was obtained from the three city ordinances sent by e-mail to the author by Clarksville City Councilwoman Deanna McLaughlin on August 3, 2012:

City of Clarksville Ordinance 80-2010-2011. An Ordinance Amending Part II (Code of Ordinances); Title 3 (Animals), Chapter 1 (Animal Control), to Add Section 3-112 (Number

of dogs and or cats allowed to be kept on premises) and Section 3-113 (Special exemption permits) of the official Code of the City of Clarksville.

City of Clarksville Ordinance 81-2010-2011. An Ordinance Amending Part II (Code of Ordinances); Title 3 (Animals), Chapter 1 (Animal Control), to Add Section 3-114 (Roadside sale of animals prohibited) of the official Code of the City of Clarksville.

City of Clarksville Ordinance 82-2010-2011. An Ordinance Amending Part II (Code of Ordinances); Title 3 (Animals), Chapter 1 (Animal Control), to Add Section 3-115 (Breeder's license required for all dog or cat breeders) of the official Code of the City of Clarksville.

Information was also obtained by viewing Clarksville City Council meeting videos and from conversations with Robert Schroll and Elaine Weil.

REFERENCES

- Eason, B. (2011a, May 5). New laws would limit house pets: City also considers regulating breeding. *Leaf Chronicle*, pp. A1, A5.
- Eason, B. (2011b, May 6). Limit on number of pets defeated. Ordinances targeting breeders, mills pass. *Leaf Chronicle*, pp. A1, A4.
- Externalities and public policy. (n.d.). Retrieved from http://www.aw-bc.com/info/bruce/ch04_bruce.pdf.
- Green, T. (2011, May 5). Opponent feels targeted by city. *Leaf Chronicle*, pp. A1, A4.
- Goldin, K. (1975). Price externalities influence public policy. *Public Choice*, 23, 1–10.
- Saari, D., and Petron, A. (2006). Negative externalities and Sen's liberalism theorem. *Economic Theory*, 28, 265–281.
- Starling, G. (2011). *Managing the public sector*. Boston: Wadsworth, Cengage Learning.
- Tullock, G. (1998). Externalities and government. *Public Choice*, 96, 411–415.

RECOMMENDED READINGS

- Block, W. (1983). Public goods and externalities: The case of roads. *Journal of Libertarian Studies*, VII, 1–34.
- Gomez, M. (2004). Optimality of the competitive equilibrium in the Uzawa-Lucas model with sector-specific externalities. *Economic Theory*, 23, 941–948.
- Holtermann, S. (1972). Externalities and public good. *Economica*, 78–87.
- Plott, C. Externalities and corrective taxes. *Economica*, 33, 84–87.
- Ruffin, R., and Anderson, M. (n.d.). Externalities, markets, and government policy. *Economic Review*. Retrieved from <http://www.dallasfed.org/assets/documents/research/er/1996/er9603c.pdf>.
- Starrett, D. (1980). Measuring externalities and second best distortions in the theory of local public goods. *Econometrics*, 48, 627–642.

Glossary

Administrative decentralization: Posits that the management of public services should be delegated to local governments. (*See also* theory of decentralized government.)

Benefits: Financial or nonfinancial programs provided to individuals for accomplishing their assigned work. Examples are vacation time and insurance plans. (*See also* total compensation, salary, wages, and longevity pay.)

Chronic homelessness: A U.S. Department of Housing and Urban Development term used to describe persons who are unaccompanied homeless individuals with a disabling condition who have been continuously homeless for a year or more or had at least four episodes of homelessness in the past three years.

City charter: A legal document that establishes a city's existence, structure, rights, and powers.

Community Development Block Grants: A Department of Housing and Urban Development program that provides communities with resources to address a wide range of community development needs.

Conservatism: A political ideology that embraces limited government intervention and believes in personal responsibility. (*See also* liberalism.)

Cost burden: A U.S. Department of Housing and Urban Development term used to identify households that use more than 30 percent of their gross monthly income to pay for housing. (*See also* severely cost burdened).

Dillon's Rule: Legal ruling stating that municipalities receive their powers and rights from state legislatures.

Eminent domain: Legal authority governments have to take ownership of personal property for the purpose of public benefit. (*See also* public benefit and taking.)

Equity theory: A motivational theory stating that a salary and benefit package that pays all employees (doing the same level of work) equally will inspire employees to want to do the work.

Excessive condemnation: Occurs when more personal property than is needed to secure a public benefit is taken through the process of eminent domain. (*See also* incidental condemnation and public benefit.)

Expectancy theory: A motivational theory that posits management should design a work process in a way that will motivate the employee to want to do the work.

Externalities: Private or public sector actions that place costs on, or provide benefits for, third parties without their permission. (*See also* spillovers.)

Family income: The Housing and Community Development Act of 1974 defines the term *family income* as the total calculated income of all persons living in the same household who are related by birth, marriage, or adoption. (*See also* household income.)

GAAP: Generally accepted accounting principles are a universally accepted set of accounting principles, standards, and procedures.

General aviation: General aviation is any type of flight that is not conducted by the military or a commercially owned operator.

General systems theory: General systems theory posits that a system is composed of many parts and that one must understand all the parts and how they interrelate to the functioning of the system as a whole.

HOME: HOME is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act. HOME provides formula grants to localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

Home rule: Legal ruling that municipalities have their own powers and rights as long as those power and rights do not violate federal and state laws.

Household income: The Housing and Community Development Act of 1974 defines household income as the total income of all the persons in a shared living arrangement. (*See also* family income.)

Incidental condemnation: Occurs when more privately owned property than is needed to secure a public benefit is taken through the process of eminent domain. (*See also* excessive condemnation and public benefit.)

Incrementalism: A decision-making model where decision makers start with an analysis of the current situation (a baseline) and then move slowly away (both positively and negatively) from the baseline assessment.

Individualism: A concept that states the best action to take is the one that serves the best interest of individuals as opposed to the greater good.

Just compensation: Market value of private property and costs incurred by a property owner due to the taking of personal property through eminent domain.

Levels of service: A transportation planning term measuring the free flow of traffic on interstates, highways, and local roads. A levels of service scale usually runs from A (indicating free flowing) to F (indicating a major breakdown in traffic flow).

Liberalism: A political ideology that believes it is government's responsibility to ensure all citizens of a society have equal opportunity. (*See also* conservatism.)

Longevity pay: A monetary amount paid based on how long the individual has worked for the organization. (*See also* benefits.)

Median income: The Housing and Community Development Act of 1974 defines household income as the total income of all the persons living in a share a living arrangement. (*See also* family income.)

Metropolitan planning organizations: State and local organizations that cooperatively prepare comprehensive urban transportation plans.

Mixed scanning model: A decision-making model based on a strategic analysis of an organization's internal and external environments.

Modal shift: A transportation planning term indicating when the movement of people and goods has been shifted from one type of mode to another. (*See also* mode.)

Mode: A transportation planning term indicating what type of method is being used to move people and goods. (*See also* modal shift.)

Moderate income: Defined by the U.S. Department of Housing and Urban Development as earning 31 to 50 percent of the area's median income. (*See also* very low income.)

Municipal ownership movement: A social movement, popular in the early 1900s, that believed government organizations could provide urban services more effectively than privately owned companies. (*See also* theory of natural monopolies.)

National performance review: A six-month review of the efficiency of federal government requested by President Bill Clinton and conducted by Vice President Al Gore in 1993.

Nonprofit organizations: Organizations formed by concerned individuals in support of causes whose needs cannot be met by government or are not profitable for private sector organizations.

Ordinances: Laws established by local governments. (*See also* resolutions.)

Overcrowded: A U.S. Department of Housing and Urban Development term used to identify households that contain more members than the unit has rooms.

Pay-for-performance plans: Pay plans that pay an employee an amount of money based on his or her level of performance on the job.

Physical defect: A U.S. Department of Housing and Urban Development term used to identify households that lack a complete kitchen or bathroom.

Planned unit development (PUD): A public planning term identifying a development zoned to accommodate both residential and commercial activities in one area.

Police power: Governmental authority to place controls on the use of private property without taking ownership of the property.

Political-economic theory: Postulates that an urban entity is dependent on another due to political and economic influences.

Prevailing wage: Wage and benefit packages paid to the majority of workers doing the same type of work. (*See also* wage.)

Public benefit: Anything that improves health, safety, morality, convenience, aesthetics, interest, economic vitality, or general welfare of the community at large.

Rational behavior model: An organizational decision-making model where decisions are made based on human cognitive and analytical abilities. (*See also* satisficing.)

Resolutions: Official written statements documenting local government opinions or acts of public recognition regarding simple or short-term matters of interest. Resolutions are not legally enforceable. (*See also* ordinances.)

Salary: A set amount of money received for accomplishing some type of work. (*See also* total compensation and wages.)

Satisficing: A term meaning that individuals make their decisions based on the minimum requirements needed to resolve problems. (*See also* rational behavioral model.)

Severely cost burdened: A U.S. Department of Housing and Urban Development term used to identify households that use more

than 50 percent of their gross monthly income to pay for housing. (*See also* cost burdened.)

Spillovers: Private or public sector actions that place costs on, or provide benefits for, third parties without their permission. (*See also* externalities.)

Strategic analysis: Also known as a SWOT analysis. A management tool for identifying an organization's strengths, weaknesses, opportunities, and threats.

SWOT: *See* strategic analysis.

Taking: A legality applied when a government takes private property for public use after paying the owner just compensation. (*See also* eminent domain.)

Theory of decentralized governance: Suggests that authority and responsibility should be delegated from central governments to subordinate governments. (*See also* administrative decentralization).

Theory of natural monopolies: Posits that there are services needed by a population that are only profitable for one industry to provide. (*See also* municipal ownership movement.)

Theory of resource dependency: Posits that organizations are dependent on receiving resources from external environments and that these environments may influence how the receiving organizations operate.

Theory of social justice: Posits that the poor and disenfranchised should be treated equally by society.

Total compensation: The combination of salaries and benefits received for performing work. (*See also* salary, benefits, and wages.)

Traffic congestion: Occurs when the number of motor vehicles on interstates, highways, major arteries, and local roads impedes the smooth flow of traffic.

Universalism: A concept that states the best action to take is one that meets the greatest needs of the greatest number of people.

Very low income: Defined by the U.S. Department of Housing and Urban Development as earning less than 30 percent of the area's median income. (*See also* moderate income.)

Wages: An hourly set amount of money paid for work. (*See also* prevailing wage, total compensation, and salary.)

City management in developing countries is a quickly growing area in current public administration literature. However, little research material can be found regarding the management of cities. Demonstrating the issues in this field, ***Challenges in City Management: A Case Study Approach*** brings the sometimes dry theories and concepts of urban planning and management to life. The author uses case studies to demonstrate “who,” “what,” “why,” and “how,” dramatically increasing readers’ ability to comprehend and apply the theories.

Incorporating urban management and organizational management theories with actual practice, the author presents case studies based on observations made during her extensive experience. She offers multiple examples of common contemporary city topics ranging from personnel to policy-making, housing, homelessness, transportation, and budgeting. Each study describes and analyzes a scenario, identifying the economic and political factors as well as the often conflicting players and interest groups.

Features

- Presents case studies dealing with a range of contemporary topics in city management
- Applies a case study methodology that develops analytic skills
- Provides urban organizational management theory to apply to the scenarios covered
- Integrates discussions of urban management and organizational management theories
- Offers multiple cases in areas of personnel, policy, housing and homelessness, transportation, and budgeting

The book provides enhanced understanding of the complex environment city administrators work in, helping readers develop improved decision-making and problem-solving skills through the study of real issues city administrators have experienced. The case study methodology used supplies information that is immediately applicable to real-world situations, making it a resource that city administrators can use to improve their public administration and governance skills.



American Society for Public Administration

Series in Public Administration and Public Policy



CRC Press
Taylor & Francis Group
an informa business
www.crcpress.com

6000 Broken Sound Parkway, NW
Suite 300, Boca Raton, FL 33487
711 Third Avenue
New York, NY 10017
2 Park Square, Milton Park
Abingdon, Oxon OX14 4RN, UK

K13967

ISBN: 978-1-4398-8436-2



www.crcpress.com