Chapter 5

In Search of a Solution

The most popular wisdom calls for solving the problems of the City of Cleveland either through some form of regional government, through a smaller city council, through a four year term for mayor, or a combination thereof. Many thoughtful and well-intentioned leaders see Cleveland's primary problems as ones of unity between the mayor and the city council and lack of money. They overlook the inherent disunity of over a half-million people from strikingly different backgrounds and the incapacity of even a well-financed and harmonious city government of such size to function effectively. The supporters of a larger government, a smaller council, or a stronger mayor forget that as long ago as 1920 the central city's government did not meet most residents' view of effective government and that since 1924 suburbanites have voted consistently against annexation to Cleveland.

Political reality is that the City of Cleveland will not in our lifetimes be incorporated into a regional government. The residents of the City of Cleveland will not permit it, nor would suburbanites relinquish their power to such a super-municipality.

A smaller council will make residential concerns less likely to be perceived. A longer term for mayor will diminish the mayor's need to focus on headline issues but it will not significantly increase his ability to focus on or identify the myriad of service delivery failures and investment needs that are known only to civil service level management. One need only examine other older American cities with four-year mayors to find that they, too, fail to match the record of their adjacent suburbs for honesty, cost efficiency, and service quality.

A clear lesson of history is that police and fire protection, waste collection, snow removal, street repair, dog catching, and real property protection cannot be administered well by a government whose primary leaders are overwhelmed by the number of problems they must face, who are unable to maintain close personal observation of the particular individuals that must do the city's work, and who are unable to talk personally and regularly with individual residents about the problems which munic-

ipalities were originally created to solve. In delivering traditional municipal services, smaller may be better.

Some may argue that larger government will produce economies of scale or provide a larger real estate tax base for the City of Cleveland's needs. Neither argument is well founded.

In 1976, for example, Cleveland's per capita real estate base ($4,163) was about the same as Parma's ($4,282) and substantially more than Cleveland Heights ($3,150), Garfield Heights ($3,040), Lakewood ($2,860), and East Cleveland ($2,360), but each suburb provided a higher level of service at a lower per capita cost.

Nor is the real estate tax base as important to municipal finance as it once was. Since 1950 there has been a dramatic change in the sources both of a central city's operating income and funds for capital improvements. In 1976, more than 30 percent of total income for Cleveland came from the federal or state government. More than 25 percent of Cleveland's total income was derived from the local income tax, and much of that came from nonresidents. Less than 45 percent was collected through real estate taxes.

There is no reason to believe that federal and state financing of local government is a temporary phenomenon. It is the predominant financing pattern for most big cities of the world. With the availability of federal funds and municipal income taxes, a city government which maintains or expands its role as an employment center can retain its local financial base even with a declining, aging, or dependent residential population.

Analysis also leads to the conclusion that economies of scale do not necessarily result from increasing the size of municipal government. The fundamental ingredients of sound management that produce such economies in private business do not always exist in the public sector. For example, large service enterprises may produce profits for shareholders or top-level management, but they are difficult to manage effectively without decentralization and often require that local managers share in both the risk and the profit. Thus, in fast-food retailing, where profits depend on repeat business based on customer satisfaction, the franchise arrangement offers ownership, profit-sharing, and risk assumption to the local manager. That ownership arrangement goes hand in hand with effective delivery of service and satisfied managers.

A basic principle of modern management of large businesses is that responsibility for decision making including expenditures, hiring, and firing should be fixed as low as possible in the management structure. In many large businesses, performance standards are set at the top but hiring, firing, and expenditure decisions are made in the subsidiaries, branches, or districts.

The same management principles apply to local government, but the pattern of ownership and risk taking is different. In local government, it is the voter who has the most significant ownership interest. It is the voter who bears the brunt of the risk, and who benefits if there is a profit. The evidence seems to confirm that because the resident's control over his or her government is greater in the smaller suburban government, service delivery in suburban government is more efficient compared to central city government.

The conclusion is supported by comparing expenditures by the City of Cleveland for certain services with costs of the same services in the suburbs. Cleveland in 1976 spent more per resident for services to residents ($234.92) than any city in Cuyahoga County including Shaker Heights ($224.95), Brooklyn ($220.62). Euclid ($210.66), and Brook Park ($195.44). It spent more for direct police protection per capita ($50.38) than any suburb including the adjacent suburbs of Brooklyn ($42.28) and East Cleveland ($29.11); yet Cleveland provided its residents with less police service than those suburbs (see Table IV).

It is noteworthy also that Cleveland's per capita receipts from local taxes in 1976 were $161.92 – significantly more than Garfield Heights ($85.22), South Euclid ($94.75), East Cleveland ($100.45), Cleveland Heights ($116.04), and Lakewood ($117.05), all of which have reputations for delivering a better quality of municipal service than the City of Cleveland.

Cleveland raised and spent those relatively large amounts of money while having by far the poorest residential population in the area. Per capita income in 1974 for Cleveland residents was $3,925.00 compared with $4,841.00 per person in East Cleveland, the next city in per capita wealth. Cleveland seems to be able to raise municipal revenue despite the poverty of its residents (see Table V).

Before one determines that availability of funds is Cleveland's major problem, one should consider seriously how effectively those funds are being managed, and if they are ineffectively used,

TABLE IV
Comparison of Total Per Capita Governmental Expenses and Per Capita Expenses for Police and Waste Collection in Cleveland and Adjacent Municipalities for the Year 1976*

	Per Capita Expenses for All Basic City Services**	Per Capita Expenses for Police and Waste Collection	Percent of Basic Service Expended for Police and Waste Collection
East Cleveland	$127.52	$66.44	52.10
Cleveland Heights	139.61	60.49	43.33
Brooklyn	220.62	91.78	41.60
Euclid	210.66	86.29	40.96
Garfield Heights	93.42	34.69	37.13
Shaker Heights	224.95	78.27	34.79
Lakewood	136.12	51.68	34.12
Parma	97.88	29.26	29.89
Cleveland	234.92	59.62	25.37

*Based upon *Financial Report for Ohio Cities, Auditor of State, 1976.*

**See note to Table V.

TABLE V
Comparison of Per Capita Income* of Residents in Cleveland and Adjacent Municipalities with Governmental Income and Expenses for Basic Services** in the Year 1976***

	Personal Income	Local Tax Receipts	Government Expenses for Basic Services
Cleveland	$3,925	$161.92	$234.92
East Cleveland	4,841	100.45	127.52
Garfield Heights	4,927	82.67	93.42
Parma	5,257	85.22	97.88
Brooklyn	5,274	191.73	220.62
Euclid	5,799	183.66	210.66
Lakewood	5,863	117.05	136.12
Cleveland Heights	6,289	116.04	139.61
Shaker Heights	9,651	187.66	224.95

*Information supplied by the Regional Planning Commission.

**Government Expenses for Basic Services are the following expense categories listed in the Auditor of State's 1976 Financial Report for Ohio Cities: Security of persons and property (but not the sub-category "other"); Public Health and Welfare services; Leisure Time Activities; Community Environment and Basic utilities (but not the sub-category "Electric Utility"); Transportation Facilities (but not the sub-category "Airport").

***Population assumption is 1970 census figure.

why? Could it be that with so many constituencies in Cleveland wanting a piece of the pie, everyone gets a little, but no one gets enough of what she or he most desires?

The Lessons of Experience. Is there a lesson for the City of Cleveland to learn from its own past experiences and from other municipal experiences? The first lesson is that well-managed city governments should concentrate on their primary obligations. The primary obligations of municipal government have historically been to provide for the safety, sanitation, property maintenance, and recreation of its residents. If changing times have left Cleveland with responsibilities that are no longer appropriate to city government, that serve the needs of nonresidents more than residents, or that divert needed resources from the areas of primary municipal responsibility, then the control and financing of those other municipal functions should be reexamined.

Divestiture and Reduction of Secondary Responsibilities. Operating programs which do not relate to primary municipal obligations must be reduced or divested to balance the city's present or anticipated income against its anticipated expenses. Even General Motors must sometimes relinquish Frigidaire to enhance Chevrolet. The hypothetical shoe retailer mentioned in a previous paragraph might discontinue selling jogging shoes and hiking boots if he found that others could market them better and that they were unprofitable for him.

Some municipal services were originally undertaken by the City of Cleveland in its heyday of growth from 1890 to 1930 because no other entity existed to perform them. Public markets, public bathhouses, the zoo, the workhouse, and Metropolitan General Hospital are just a few of the public facilities which were built or flourished in that period when no other governmental entity or public revenue source existed to meet those important needs. Some have been discontinued and others transferred to other management.

For any public service, it is less important who performs it than that it be performed adequately, cheaply, and without impairing more primary obligations of the City of Cleveland. The City of Cleveland may well find it desirable to shift some of its functions to other entities.

For example, perhaps the city's few remaining health services and its house of corrections should be transferred to the county.

Cleveland in 1976 spent $3.46 per person for care and treatment of the ill; East Cleveland spent $2.43 per capita; and Garfield Heights spent nothing. Metropolitan General Hospital was transferred from city to county responsibility a number of years ago. The remaining health service delivery functions might well be relinquished to the county. Experience shows that suburban residents have been willing to vote taxes for county-run health services.

The workhouse, conceived at a time when today's suburbs were farmland and few crimes were committed outside Cleveland, is now a mere shadow of its former self. Yet the concept of a work program for criminal offenders is as viable today as it was in 1913 when the workhouse was created. The city has already placed the financial needs of the workhouse near the bottom of its priority list, although in 1976 it spent $1,185,422 on that facility.

Meanwhile both the state and county have a primary interest in criminal justice, and crime has moved to the suburbs. Plans are now being considered at the state level for the development of state correctional facilities close to urban areas. Perhaps the future of the workhouse is as a facility operated by the county, financed largely by the state, but available to offenders from Cleveland, suburban, and county courts.

Muny Light – the "bete noire" of recent political confrontation – presents another case for possible divestiture. The commitment to preserve Muny Light as a competitive force with which to challenge the Cleveland Electric Illuminating Company has been clearly established. However, the documented inability of Cleveland to manage this enterprise properly is even older than the documented skulduggery of CEI. Perhaps Muny Light should be removed permanently from "muny" politics?

One solution might be to convert Muny Light to a consumer cooperative. Consumer electrical co-ops have functioned for years to serve poor rural consumers. Perhaps there is a new form of urban electric cooperative which might better serve the people who use it than does municipal ownership of Muny Light?

Cities Within A City: The Vehicle for Delivering Primary Municipal Service

The divestiture of secondary programs that would be better operated by other entities still would not solve the inability

of Cleveland simultaneously to provide satisfactory primary municipal services to Glenville, Buckeye-Woodland, Broadway, Ohio City, Old Brooklyn, Westpark, and the Tremont areas. The difficulty in delivering police protection, refuse collection, snow removal, and the other services received directly by all of Cleveland's 573,000 residents is only partly financial. In truth, 2,000 policemen, 1,000 trash collectors, and 100 housing inspectors serving more than 500,000 people represent departments too large to be managed effectively through a political organization.

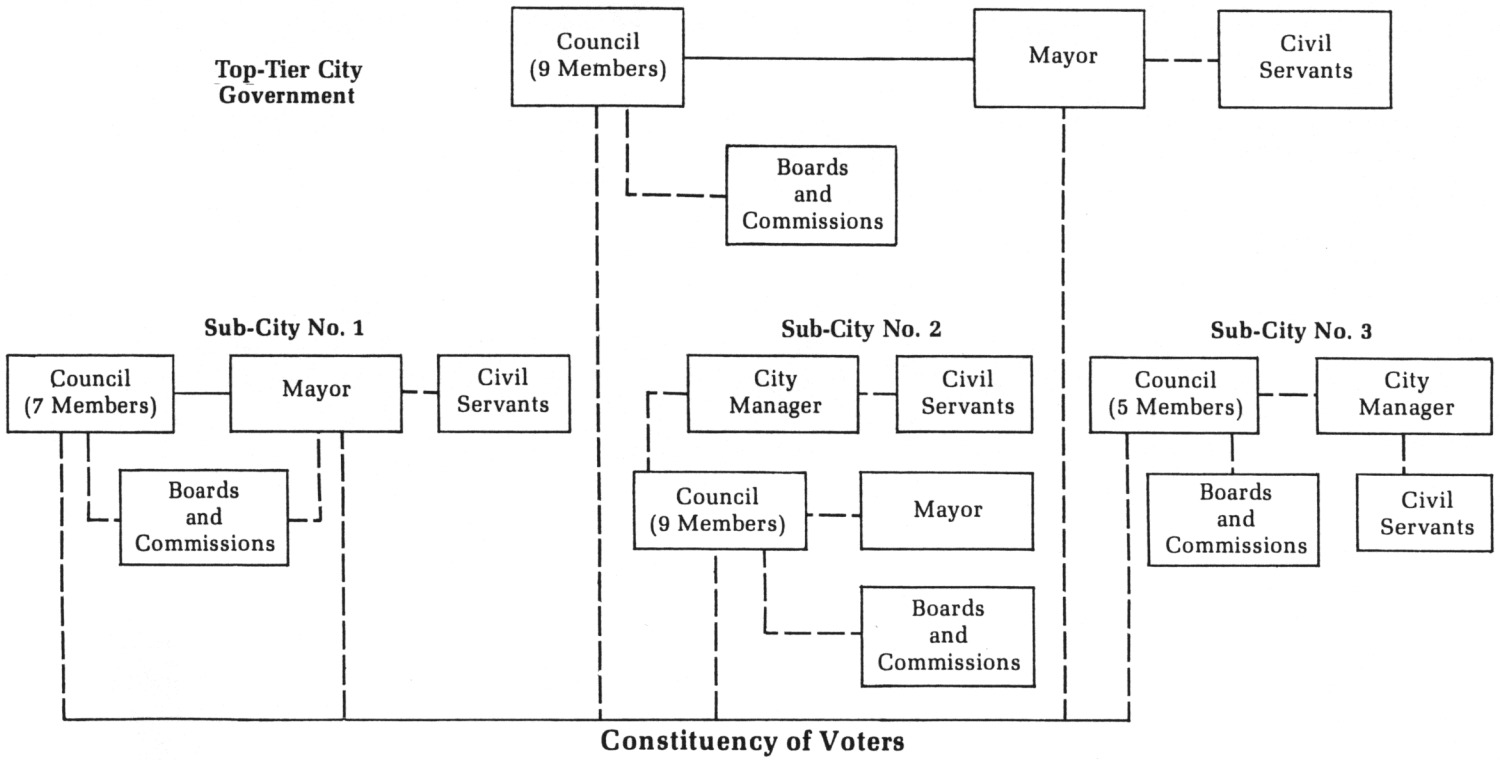
Why not consider creating within the City of Cleveland 15 or 20 smaller cities the size of Cleveland's more harmonious and unified suburbs? Those sub-cities could be part of a federated Cleveland within the historic city's existing boundaries just as the 50 states are part of the United States.

What is contemplated is a two-tiered system of municipal government in which matters of common city-wide impact would be controlled by a central government or top tier, and matters of local concern which admit of legitimate local differences would be decided and administrated by sub-cities constituting a lower tier. To the sub-cities would be given complete administrative control over primary municipal services – police, fire, refuse collection, snow removal, street repair, local parks, recreation, and real property protection and improvement. However, control of taxation, accounting, central purchasing, and revenue distribution would be a function of the central government. The City of Cleveland would not change its boundaries, but functions would be reallocated within the existing boundaries (see Tables VI and VII).

Most of the taxes now collected by the City of Cleveland would be distributed by the central government to the sub-cities according to a formula to be devised when the sub-cities were established. The new sub-cities would then utilize that money to deliver primary services according to their own priorities.

Allocation of money by formula from the federal government is not unusual. Formulas govern the present federal revenue sharing system and are used by state government to allocate funds for education. In England, the Local Government Act of 1966 allocates funds from the national to local government by a formula that considers, among other factors, the number of people in different age groupings, the population density, the miles of roads per 1,000 people, and changes in rates of economic growth. There are obvi-

TABLE VI
A Possible Structure
of
Two-Tiered Municipal Government



ous relationships between waste collection costs and populations, between street or sidewalk repair and distance, between park maintenance and acreage, and between housing inspection and dwelling units.

Typical of functions performed by the central city government would be tax collection and distribution, payroll, central purchasing, auditing, management consulting, and enforcement of equal opportunity hiring. The advantages of computerization could also be retained by the central government. However, actual hiring and firing of sub-city employees and decisions to purchase for sub-city use would be made by the new lower tier governments.

The existing Cleveland City Council could be reduced to a manageable number – perhaps as few as nine. That central council would vote city-wide taxes and would make policy for the retained functions of the central city government. Those council representatives would be legislators, not ombudsmen for complaints about barking dogs or poor trash collection.

The new sub-cities could have a variety of structures and sizes to conform with natural affinities of people within a realistic area for delivery of services. Ethnic identity would not be ignored in determining these sub-city boundaries, but each sub-city would have boundaries which permitted the ultimate development of recreational, educational, commercial, and other business sites suited to the needs of its inhabitants. Populations might vary from 10,000 to 60,000 individuals so long as they were administratively viable. Thus, a sub-city of Glenville might serve 60,000 people with a mayor-council form of government which would include seven councilmen elected partly at large and partly from the old wards.

The Superior-St. Clair area from the Inner Belt to Liberty Boulevard might be its own sub-city containing less than 20,000 people. The area served by Near West Side Neighbors in Action could have its own mayor and city council rather than no access to the mayor and service from portions of three council representatives. Existing Wards 6 and 9 might be reconstituted into their historic identity as a new Old Brooklyn, and Wards 14 and 15 (Old Warsaw) might share their ethnic heritage as a sub-city. Old West Park might be restored as a new entity. Downtown might be its own sub-city.

TABLE VII
Possible Allocation of Functions in a Two-Tiered Municipal Government

Functions of the Top Tier (Central Government)	Functions of Lower Tier (Sub-cities)	Possible Shared Functions of the Central Municipal Government and the Sub-cities
Taxation and Revenue Allocation to Sub-cities	Zoning	Police
Supportive Services	Street Repair	Fire
Payroll	Housing Code Enforcement	Emergency Medical
Accounting	Waste Collection	Repair and Clearance of Arterial Roads
Central Purchasing	Traffic Control	Sewers
Scientific Police Investigation	Off-street Parking	Commercial Development
Budgeting	Elderly Services	Industrial Development
Management of City-wide Facilities	Neighborhood Park Maintenance and Development	
Airport	Housing Development	
Convention Center	Municipal Legal Services	
Greenhouse	Street Light Maintenance	
Markets	Rodent and Animal Control	
Workhouse	Tree Planting	
Waste Disposal	Snow Removal	
Major City Parks	Accident Investigation	
Adjudication of Damage Claims and Criminal Cases	Recreation	
	Land Clearance	
	Adjudication of Traffic and Housing Code Violations	
	Prosecution of Misdemeanor and Minor Offenses	

Within these sub-cities, the mayors, city managers, and council representatives would perform functions much more appropriate to the needs of their constituents. The mayor or city manager would have day-to-day responsibility for waste collection, police, and the other traditional municipal functions. In contemporary Cleveland, residents expect the councilman to solve a problem if the police don't respond. Under a system of sub-cities, the sub-city mayor or manager would have the responsibility for redressing such service complaints, but the chief executive would also have the power which the councilman now lacks.

With real power to respond to citizen complaints about service in the hands of the sub-city's chief executive, council members would play a policy-making role—studying, planning and approving the sub-city's future. However, the policy making would be more democratic since five or more representatives would serve the area of a sub-city instead of the single councilman who now exercises both veto and command for a Cleveland ward.

Governmental continuity within the sub-city would also be enhanced. Only an occasional sub-city mayor would rise to mayor of the entire city, and it would be rare when a single election removed an entire council. Thus, sub-cities could have continuity of policy-making personnel to develop and implement long-term policies for their development.

The natural alliances and capacities of the new sub-cities to generate new resources and deliver services is immediately apparent. In Hough-Fairfax, for example, there would be a sizable institutional base. Industries like White Motor, Warner and Swasey, and the Cleveland Clinic would be joined with black and white residents; but the residents would have the voting power. Political trade-offs would inevitably result, but the existence of the new sub-city would increase the possibility that the residents would be aware of the magnitude of and need for such a trade-off.

Supportive volunteerism—an essential component of any thriving municipal community—would be substantially restored by creating these sub-cities.

A recent study by Dr. George Gallup concluded that large cities today contain a vast reservoir of untapped volunteer talent. The poll showed that 57 percent of central city residents said they were willing, without pay, to serve on boards and commissions, to maintain parks and conduct recreation activities, to work as police

auxiliary – even to collect trash and garbage. The average person polled was willing to contribute 9.3 hours per month; but there was much greater willingness to volunteer work on neighborhood problems than on city-wide problems.

In modern suburbia many vital municipal services are rendered by volunteers. Many depend on parent volunteers to lead their youth programs. Most suburban zoning, planning, or other boards offer nominal pay at best to board members. Brecksville still has a volunteer fire department. And in all but a few suburbs payments for service on councils, boards, and commissions are more token than compensatory payments. No suburb pays a councilperson enough to justify full-time service.

Groups like Near West Side Neighbors would work in concert with rather than in confrontation to city government; and volunteerism would probably be greatly increased.

In the City of Cleveland, however, few services are rendered today except for a handsome price. Councilmen in the City of Cleveland earn $18,000 per year. But in Shaker Heights, a city with more people than any Cleveland ward, the total of salaries for seven councilmen was only $9,000 in 1978. Similar budget levels are true in Berea, East Cleveland, Beachwood, Brooklyn Heights, and Newburgh Heights. The highest council salary in any suburb in 1978 was $5,900 for the council president in Parma. Most suburban councilmen in 1978 were paid under $3,000 per year.

If 17 new sub-cities each elected seven councilmen at salaries of $2,500 each, the combined cost of those legislative branches would be half that of Cleveland's present City Council for a savings of $295,000 – enough still left to provide the top-tier's City Council 16 members at their present $18,000 annual salary.

Volunteerism would be restored in another part of the political process as well. In the suburbs, tax levies rise and fall with resident volunteers. In the City of Cleveland, levies are now promoted largely by city workers, the news media, and suburbanites. It has been decades since a truly citizen-based effort was mounted in Cleveland to raise needed municipal revenues.

The present problem of volunteerism in Cleveland is that when Cleveland residents now volunteer their efforts on city problems, the efforts are channeled to resist or overpower the central city government rather than to organize support and implement agreed programs. Is there any doubt that such misdirection of

human energy is inherent in the size and distance of the central city's government? A federated Cleveland, composed of cities within a city, would be a major instrument in restoring a new spirit to the inner city that is essential to its forward progress.

The spirit would focus on uniting people around needs that they perceive to share with others. The new sub-cities would also become stronger advocates for local needs in the financial halls of the greater federal, state, and county governments. Indeed, each new sub-city should be free to devise its own plan and market its own needs to public and private funding sources.

The new sub-cities might also be expected to develop programs to attract new residents. In Hough, for example, the Hough Area Development Corporation is already engaged in a program to build single-family homes for ownership by middle-income families. As a particular new sub-city gained a reputation for offering decent municipal services, its population might be expected to stabilize and grow in affluence.

Only a detailed analysis could reveal whether the creation of sub-city mayors or managers would increase or decrease the number of managerial positions. Since service delivery jobs would simply be redistributed geographically, no increase in service delivery jobs would result. Some functions would be eliminated. For example, why would the police need special community relations officers, or why would the new central government for Cleveland maintain a community relations staff?

A Cleveland of federated sub-cities would also offer a real possibility that black-white political confrontation would be reduced in the new Cleveland. The experience of racial integration in existing suburbia has not been easy; but, politically, it has been far more successful than in the City of Cleveland. The sharing of common interests among people as neighbors has served both in suburbia and in existing Cleveland neighborhoods greatly to overcome ethnic and racial differences. There exists a real spirit of racial cooperation in both the Buckeye-Woodland and Superior-St. Clair neighborhood organizations that stands as eloquent testimony that people who are neighbors can bury their racial or ethnic prejudices to work together in the common good. But the historic clash between East and West in Cleveland over more than a century is support for the further proposition that distance breeds conflict even among individuals who are racially or culturally similar.

Sub-Cities of Cleveland

1. Downtown
2. Near West Side
3. Tremont-Clark Fulton
4. North West
5. Mid West
6. West Park
7. Old Brooklyn
8. Superior-St. Clair
9. Near East Side
10. Hough-Fairfax
11. Glenville
12. Waterloo Beach
13. Collinwood
14. Buckeye-Woodland
15. Broadway-Miles
16. Mt. Pleasant
17. Southeast Cleveland