

# A MODEL FOR MUNICIPAL MANAGEMENT

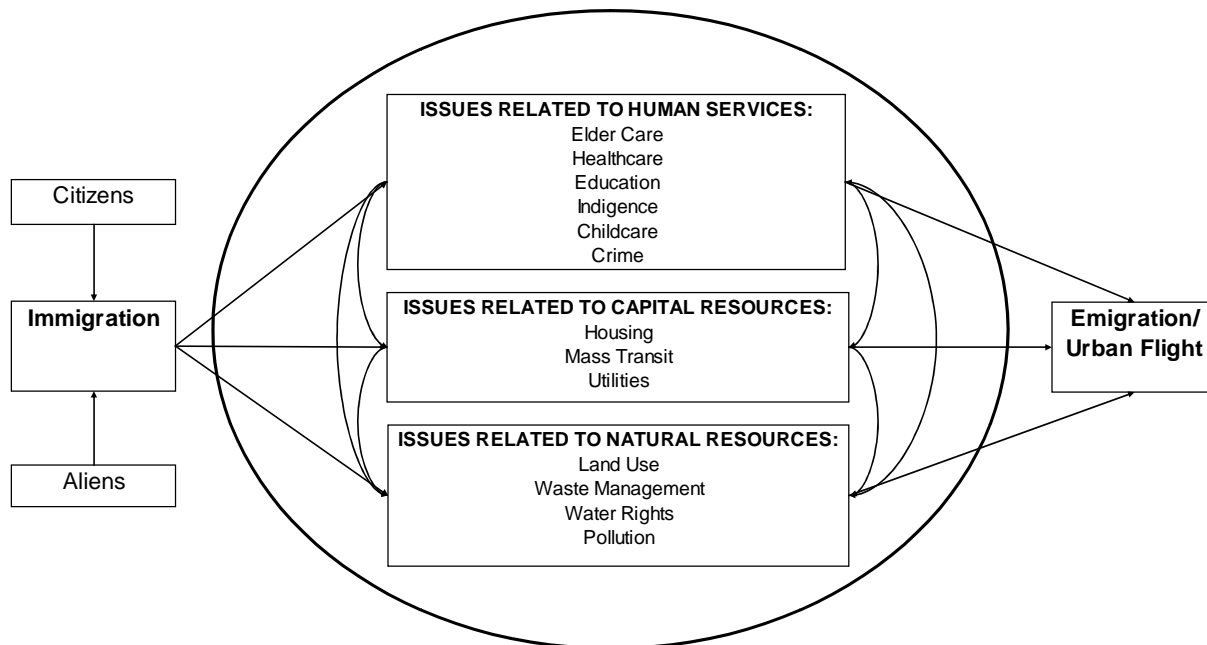
Copyright 2008, J. Eric Smith

## INTRODUCTION

The challenges faced by contemporary municipal managers can be grouped into four broad categories:

- Migration (how the municipality deals with fluid immigration and emigration in an era of increasing social mobility, on a regional, national and international basis);
- Human services (how the municipality serves and is served by its citizens);
- Capital resources (how the municipality develops and sustains its physical infrastructure); and
- Natural resources (how the municipality extracts value from and stewards its physical environment).

There are obviously linkages between these four classes of challenges, and none of them can be addressed in a vacuum. Migration is unique among the four classes of challenges in that it can be viewed as both a pressurizer for the other classes (i.e. immigration stresses the ability of the municipality to deliver services, emigration reduces the taxable base for revenues), and as an indicator of how well the municipality is handling its other challenges (successful management of human services, capital resources and natural resources can lead to increased immigration, failed management of those challenges will lead to increased emigration). The following figure provides a visual representation of this concept, along with a list of specific sub-topics presented in each of the other three classes of challenges.



Within the confines of the municipality (represented by the oval), the relationships between the three broad classes of challenges and their subsidiary units have obviously been presented in a stylized, simplified fashion. In the sections that follow, each of the subsidiary

issues will be briefly summarized, and an attempt will be made to show a less stylized view of the interactions between them in an effort to demonstrate where municipal managers may achieve “the most bang for the buck” in addressing specific problems. Finally, an overview of potential funding remedies and sources will be evaluated, along with an assessment of how partnerships with other private and public providers may help municipal managers achieve their goals, and the ways in which outcomes can be achieved by both financial and policy measures.

### **ISSUES RELATED TO MIGRATION**

As noted above, migration provides both opportunities and challenges for municipal managers. On the immigration side, there are complexities to be considered with regard to citizenship status, and who is considered to have standing within the municipality. Citizens generally have the right to move freely between municipalities, and to receive services and participate freely in the civic, social, economic and political life of the municipalities in which they make their homes. Aliens may or may not have these rights, depending on whether they are in the United States with legal work papers, visas, or passports, or whether they are in the country illegally. Obviously, immigration policy is set at a national level, and local administrators will not be able to change the definition of whether their resident aliens are legal or illegal. They can, however, make determinations and decisions about what services will be provided to their resident aliens, and create infrastructure to integrate them into the community at large. Incoming legal aliens and citizens can both be tremendous assets to a municipality if they are able to participate in the work force or bring other resources not otherwise locally available. They may also be burdens on the municipality, though, if they arrive in the municipality seeking services that are already over-extended or otherwise insufficient to meet current needs.

At the other end of the migration spectrum, emigration occurs when a municipality’s residents feel they can better maximize their quality of life and utility elsewhere. When large-scale urban flight occurs, it results in abandoned buildings, deteriorating neighborhoods, reduction in taxable income, business failures, labor shortages and a growing sense of desperation and despair among the residents remaining, many of whom simply may be unable to leave, not unwilling to. Urban flight is more likely to siphon off younger, more mobile members of a community, leaving the elderly increasingly dependent on a municipality with a decreasing number of working-age citizens. Emigration is a cumulative symptom of all the factors to be discussed in the sections ahead. It may ultimately be the most telling barometer of a municipal manager’s success or failure in fostering and sustaining a place where people want to live, work, raise their families and grow old. It is essentially a phenomenon that is wholly dependent on these other quality of life factors: the only way a municipal manager can attack and address urban flight is by resolving the underlying structural issues that cause it.

### **ISSUES RELATED TO HUMAN SERVICES**

This section addresses the ways in which a municipality serves its citizens directly, ensuring that their basic needs are met, that they are able to live productively and with dignity, and that there are social safety nets in place to catch them when their own networks collapse. In the broadest terms, these issues can be broadly grouped into six sub-topics: elder care, healthcare, childcare, education, indigence and crime. Each will be briefly summarized below.

**Elder care:** Modern medicine is allowing people to live longer, more productive lives, but it is doing so at a time when increased mobility means that many elderly people no longer live with or near family when the time comes that they require assisted living or full-time nursing services. In a perverse twist on the expected laws of supply and demand, long-term elder care costs are skyrocketing at the same time that demand is swelling as the baby boom generation reaches retirement age. Federal and state safety nets for the ill and elderly may be difficult for needy people to access or understand, and they may involve the complete distribution of an individual's assets before they may be used. Fundamental issues for municipal managers hinge on ensuring that the elderly are able to access services and resources available to them, while also providing an infrastructure that allows for adequate housing and healthcare at a point when individuals are no longer able to care for themselves, and may not have family members who can assume a prominent role in delivering or providing such care.

**Healthcare:** The current business and regulatory model for providing healthcare in the United States has resulted in increasing costs, increasing restriction, and a decreasing sense of confidence in the services provided to our citizens, or their availability in the event of an emergency. Debate is ongoing about how to address this on a nationwide basis, but until radical changes occur, municipal managers will be faced with a model that results in poor people using ambulances as taxis and emergency rooms for routine healthcare needs, simply because they have no other way to access physicians and practitioners. At the other end of the spectrum, the wealthier, employed resident of a municipality may use their healthcare insurance to seek care and treatment elsewhere, if they perceive the local healthcare infrastructure to be insufficient to meet their needs. Municipal managers must work with providers, hospitals and insurance companies to find a balance and craft an infrastructure that meets needs across the full economic spectrum, while also addressing environmental (e.g. pollution, sanitation) and social (e.g. drugs, gun violence) issues that can exacerbate healthcare needs and costs.

**Childcare:** Since 1996, when President Clinton "ended welfare as we know it," provision of government funding for needy families has been term-limited and predicated on an assumption that the recipient of funding would eventually return to the workforce and be weaned from subsidized support. The fallacy in this model is that many of the recipients of funding under the Temporary Assistance for Needy Families (TANF) are often single mothers with young children, and in order for them to return to the workforce, they not only have to make enough money to feed and house their families, but they must also make enough money to acquire childcare services for their children, either full day for younger children, or after school programs for school age children. As with elder care, increasing mobility means that many young families are raising their children without the safety net provided by extended family. Lack of adequate childcare may result in people being unable to accept otherwise good jobs, children been left unattended in the home or on the street, or children being cared for in substandard, unlicensed, home-based day care centers. Ultimately, this spiral can result in indigence, with both parents and children out of their homes because they consider sheltered care to be more economically and personally acceptable to supporting the integrity of the family unit as a whole. Quality childcare services also obviously benefit the young people who receive them, reducing opportunities for unsupervised access to drugs, street violence and crime, and increasing learning opportunities in conjunction with school. Municipal managers must ensure that an adequate stock of quality, licensed childcare exists in order to maximize the utility of their working-age residents, and reduce risk and hazard to their youngest residents.

**Education:** One of the most complex and puzzling questions regarding education in the United States today is explaining why we spend so much per student on national, state and local levels when compared to other countries, but reap such relatively low returns for our investment in terms of the quality of the education being provided, and its utility as students grow up and enter the working world. Primary and secondary education is a cornerstone to the socialization of our children, especially as dual-income families reduce the amount of time that children spend being socialized and educated directly by their parents. Municipal managers have a responsibility to work within their local governance and taxation models, and within the increasingly complex tangle of state and federal educational regulations and funding streams, to ensure that children have adequate and safe educational facilities and services provided and accessible. Quality education can run hand-in-hand with childcare in minimizing opportunities for criminal behavior, and reducing the likelihood of indigence now and in the future, as children are properly cared for throughout the day while their parents are working.

**Indigence:** Homelessness may be a symptom of a wide syndrome of societal failings and service breakdowns. It may be the result of immigration, as citizens or aliens are drawn to a municipality in the hopes of bettering their lives, only to find inadequate housing, social services or employment opportunities. It may be the result of failures in the healthcare system, where untreated, mentally ill individuals simply can not function well enough in society to secure and hold jobs or housing. As noted above, it may be the result of a breakdown in the education and childcare systems, as parents are unable or unwilling to abandon their children for eight hours a day to work, instead choosing to go into shelters or onto the streets with them. It may even stem from failures in the elder care system, as the infirm and aged see their fixed, finite assets consumed, but do not have the social networks available to ensure they successfully transition into subsidized housing or healthcare situations. Indigence is a direct contributor to criminal activity, both in terms of violence between and against homeless people, and in terms of petty, property or violent crime committed by individuals who see no legal means of addressing their circumstances. Municipal managers must ably work through all of these systems to build safety nets to ensure that the number of people falling out of the system and onto the streets is minimized. They must also ensure that their municipalities have the means of dealing with indigence, rather than leaving their weakest and most defenseless residents on the streets to die.

**Crime:** Like indigence, crime may be more of a symptom of deeper social ills than a primary phenomenon of its own. While every municipality will have its share of psychotic sociopaths, for whom violent crime is a “hardwired” activity that doesn’t require any outside provocation or motive, the majority of criminal activities with which managers are likely to contend will be driven by factors such as deteriorating housing stock, crushing economic need, unsupervised youth, drug and alcohol addition, or simply a lack of proper socialization into the expected norms and standards of the community. The challenges for municipal managers are to find a proper balance between policing and punishing offenders, and to address the underlying issues that increase the likelihood that criminal behavior will occur. It is crucial that criminals be held accountable for their actions, but it is also crucial that they have the opportunity to be rehabilitated and returned productively to society, if possible. (Obviously, capital and other habitual offenders with pathological tendencies may never be candidates for such rehabilitation). Violence and property crimes may well be two of the most significant contributors to urban flight, as they have impact well beyond the actual effects of the crimes themselves. Once people become fearful that they, their families or their belongings are at risk, then no amount of positive

experience in other aspects of their municipal lives is likely to carry more weight as they make their decisions to stay or leave.

In summary of the human services section, in the broadest terms, municipal managers have a very real responsibility for adequately marshalling resources to ensure that their residents have fair and equal opportunities to embrace the rights afforded to them by our federal and state constitutions. Municipal managers must recognize that their policies will impact people across the full spectrum of human experience, from the very young to the very old, from the very rich to the very poor, from longstanding members of the community to the very newest arrivals. By ensuring that these basic human needs are met, municipal managers invigorate and engage their most valuable assets—their residents—as they work to address the capital and natural resource issues discussed in the sections that follow.

### **ISSUES RELATED TO CAPITAL RESOURCES**

Capital resources are the physical infrastructures and investments that underpin all activities within a municipality. A given community could have the most modern childcare center in the state, but if the municipality can't provide power and water to it, then it has no value. Another municipality may have many jobs available at a new plant in the outskirts of town, but those jobs will not be filled by municipal residents if there are no trains or buses to get prospective workers from the city center to the new facility. Exceptional healthcare and childcare services may make a municipality an attractive destination for ambitious immigrants (citizens and aliens alike), but if housing stock is insufficient or inadequate, then those potential employees will choose to go elsewhere instead.

Capital resources pose unique challenges for municipal managers because they may be owned either by the municipality, by residents of the municipality, or by private or public third parties. Municipal managers have a direct ability to influence and guide the use of property they own outright, while they must depend on zoning laws and building codes to influence the construction, use and maintenance of capital assets owned by others. There is a delicate balancing act to be achieved here, as the advantages of municipally-owned capital assets (outright control of their use, direct ability to ensure upkeep, etc.) may be outweighed by the disadvantages (properties removed from the tax rolls, municipality directly responsible for potential environmental or safety issues, etc.) There are also certain capital assets that require degrees of expertise and overhead costs that make them more suitably owned and operated by commercial interests who can allocate fixed costs over national or international bases unavailable to local municipalities (power utilities, etc.) Municipal managers must ensure that their capital assets are used in a way that meets the needs of their residents, which oftentimes will require them to be savvy and effective negotiators with organizations that may view their municipality as a very small, insignificant player in their international business aspirations.

There are three broad sub-topics to consider within the Capital Resources category: housing, mass transit and utilities. Each of them will be briefly addressed below.

**Housing:** The majority of housing stock in any municipality is likely to be privately owned, either in the form of single family homes, or landlord-owned rental properties. Generally, the only housing likely to be owned by the municipality itself will be low-income or transitional housing, for residents without the means to meet rental or mortgage payments. In some cases, municipalities may outsource this segment of the housing market, contracting directly with landlords to provide subsidized housing. Housing is a tremendously important element in

assessing the quality of living in any community, as residents' homes provide the basic framework and location from where all other aspects of their lives emanate. Municipal managers must work to ensure that the quantity of housing stock correlates to the demand for it; blighted neighborhoods with abandoned houses or over-crowded, over-developed suburbs are equal indicators of poor management of housing stock. Building codes and zoning laws must also be deftly used to ensure that the quality of housing stock is high, and that acceptable levels of maintenance and safety are provided by private owners and landlords alike. Housing stock also impacts the revenues of most municipalities through property taxes, and municipal managers have a responsibility to ensure fair and equitable enforcement of assessment and taxation provisions within their municipalities.

**Mass transit:** The need for and reach of mass transit in a municipality is obviously directly related to its size and layout. Small, densely-compacted communities may have limited need for mass transit services. Large, decentralized municipalities, however, must view mass transit as a circulatory system ensuring its very lifeblood—the people living there—have the ability to move efficiently between home, school, shopping and work. Mass transit is a crucial resource for people without the means to afford their own vehicles, and also can play a significant role in the quality of life of a municipality by reducing congestion and pollution, especially in densely-populated urban centers. Municipal managers must ensure that they provide mass transit services that effectively meet the needs of their communities, working with transit authorities, other subsidized operators, or their own private fleets to craft routes that maximize the likelihood and frequency of use. Mass transit systems may have high maintenance costs, so municipalities must find a proper balance between costs to riders and costs to service their capital assets, as well as sources of funding to cover the likely shortfall between those two totals. The system must be well-marketed, accessible and safe, ensuring that residents of all ages and abilities understand where and how to use it, and feel empowered to do so. Service must also be dependable, with robust backup systems in place, since the jeopardy to passengers who depend solely on mass transit to get to and from work, or to and from their children, is extremely high.

**Utilities:** The era of air conditioning, entertainment centers and home and office computing has created energy demands that far exceed the expectations of grid designers of the pre-electronic world. Many municipalities function with antiquated electric, water, steam and sanitary systems that are nearing, or have passed, their optimal life expectancies. Municipal managers must work with a large, decentralized body of potential providers in the utilities arena, many of which will not be particularly interested in nor supportive of the managers' goals and aspirations for their municipalities. They must ensure they negotiate fair deals for their residents, to ensure that their utility infrastructure will meet their needs at rates that aren't unduly burdensome above and beyond the levels that our reliance on imported oil has already inflicted upon them. If a municipality owns its own utilities (most likely in the cases of sanitary or water plants), then it is incumbent that those systems receive routine maintenance and care to preclude catastrophic failure with widespread impact upon the residents' quality of life. There are significant healthcare issues associated with utilities as well, as tainted water supplies or polluting power plants can cause major burdens on the healthcare system.

In summary of the capital resource section, municipal managers must work with their assets and with those owned by others to ensure that the physical infrastructure of their municipalities are strong. They must make wise decisions about when to acquire capital assets, when and how to maintain them, and when to sell or scrap them. Their capital assets must be adequate to meet the needs of the community, neither too large nor too small a portion of civic

expenditures. Third party and private capital suppliers should meet the same expectations of quality that the municipality sets for its own assets, as the municipal manager still owns the responsibility and liability if it contracts out for shoddy products that harm or fail to serve its residents.

## **ISSUES RELATED TO NATURAL RESOURCES**

Except in the very rare case of newly established villages, towns or communities, most municipal managers will never get to “pick” their natural resources. Their municipalities were established in the current locations for some historical reasons over which they had no control, though oftentimes these founding reasons were associated with some specific natural resource available nearby: a spring, a river, a protected view, a harbor, fertile farmland, nearby timber, etc. Prior to the 1960s, such assets were generally perceived to limitless, self-correcting or self-cleaning, so large that any impacts man made would be scrubbed out by a self-regulating global ecosystem. We now understand that our natural resources are not limitless and that we are more than capable of irreparably damaging them. Depleting or damaging our natural resources in this way can have a fundamental impact on the quality of life within a municipality.

There are four broad areas of concern among natural resources: land use, waste management, water rights and pollution. Each of them will be briefly summarized in the paragraphs that follow.

**Land Use:** Wise land use policies can have a profoundly positive impact on how a municipality develops and maintains optimal blends of undeveloped, industrial, retail, recreational and residential zones. By creating master plans, enforcing zoning, and ensuring that development occurs only at a rate that human, capital and other natural resources can accommodate, municipal managers have a nearly unparalleled opportunity to shape the ways in which their communities will grow in years to come. There may be cases where municipalities may acquire significant tracts of land, if for no other reason that to ensure that they remain undeveloped, or are developed in a way that meets a sound land use plan. Contractors, utilities, businesses and residents alike must be subject to land use requirements, thereby increasing the likelihood that the most fundamental natural resource available to a community—the very ground upon which it rests—remains vibrant and viable to support the long-term health of the municipality and its residents.

**Waste Management:** The United States has long had a profoundly consumption-driven culture, wherein we acquire goods, use them until they are spent, and then discard their after-products or waste. This results in staggering quantities of paper, plastic, food byproducts, industrial waste, hazardous materials, glass, construction supplies and other waste requiring processing and disposal. While some of these products may be recycled, most of them ultimately will be buried or burned, creating potential water, ground and air pollution issues as byproducts. Municipal managers must ensure that they have sound means for addressing the waste management needs of their residents, both in terms of removing waste in a timely, sanitary fashion, and also in terms of disposing of the waste in a safe and cost-effective fashion. Some municipalities may choose to provide this as a government service, while some may depend upon relationships between their residents and private contractors. If municipalities have their own landfills, they must ensure that they are run safely and in compliance with a well-crafted

land use plan. Municipal incinerators must operate to stringent clean air standards. If waste management is entirely contracted out, it is incumbent upon municipal managers to ensure these services are provided in a cost effective, environmentally sound fashion.

**Water Rights:** Like land use, this issue comes down to a matter of policy decisions and planning to ensure that water resources are neither polluted nor unduly exploited to the point where residents are unable to afford or acquire clean water for household, industrial or recreational use. Municipal managers may have to impose and enforce unpopular dictates (e.g. rationing, watering bans, etc.) to ensure sound water rights policies are maintained. Consideration must be given to both surface and aquifer based water rights, so that rivers and lakes remain just as unspoiled as the underground water pulled to the surface by wells. Water rights considerations must be factored into both waste management and land use decision-making, as both of those areas have the potential for significant impact to a municipality's water supplies.

**Pollution:** As indigence and crime were outcomes of an entire syndrome of human resources issues, so is pollution an outcome of an entire syndrome of capital and natural resources issues. Poor decision-making and management of land use, water rights, waste management and utilities can directly result in increased pollution, as can failure to adequately embrace mass transit. Like crime and indigence, pollution is one of the most obvious, visible manifestations of poor municipal management, one that pervades all aspects of life, at work and at home, taking a significant physical and psychological toll over time.

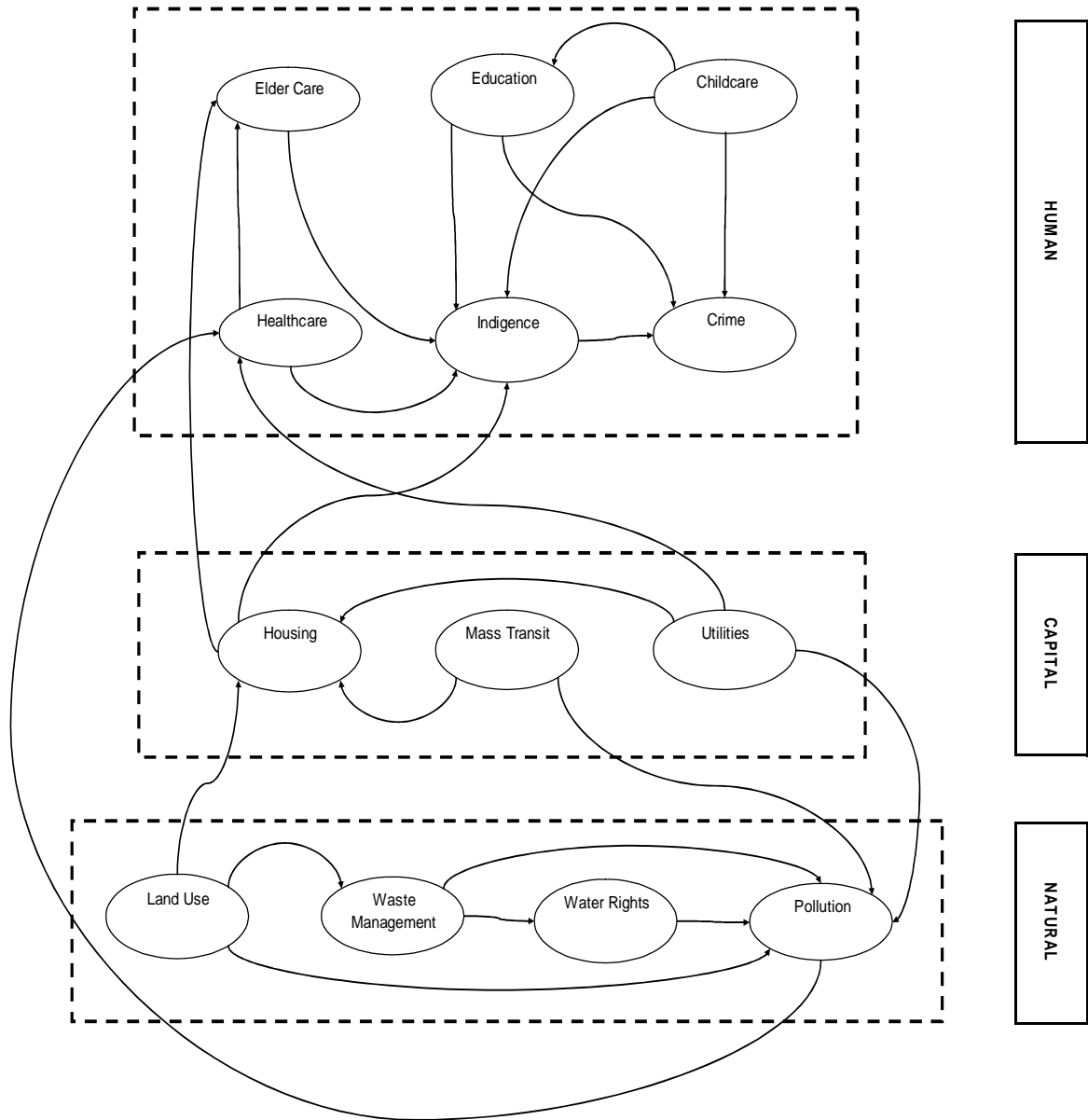
In summary, the issues related to natural resources, as a group, often hinge on successful policymaking and enforcement, rather than the imposition or acquisition of new resources (once cleanup of previously despoiled resources is completed—which can be spectacularly expensive). Municipal managers have to work with the cards that nature dealt them, as well as the ways in which their predecessors played their hands, but they must take what they have inherited and work to ensure that similar mistakes are never made again. Growth must be reasonable within the terms of what the land, water and air can bear. Finding a balance between the desire for economic expansion and preservation of natural assets may be one of the most difficult balancing acts that a municipal manager must perform.

## **DEPENDENCIES BETWEEN ISSUES**

In the introduction to this paper, I noted that migration issues served as both pressurizers and dashboards for the human services, capital resource, and natural resource management issues that municipalities face. They impact, and are impacted by, all twelve of the specific functional issues covered in the preceding three sections. Within the parameters of the municipality itself, however, the twelve areas of concern do not all impact or interact with each other in equal terms. For example, improving pollution may result in improvements in healthcare, although improving healthcare wouldn't necessarily improve pollution. Improving childcare would improve education, though improving land use wouldn't necessarily improve education.

The chart on the following page plots some of the more common sense dependencies between the twelve issues covered in the heart of this paper. While second- or third-order connections could probably be found between any of these areas, this diagram is an attempt to plot the most compelling, strongest correlations between issues, where improvements in one area could readily be expected to provide significant, clear-cut improvements in another. The arrows

on the lines indicate the direction of the dependency, so using the pollution-to-healthcare example cited above, the arrow points from pollution, to healthcare, not vice versa. The twelve areas of concern are clustered in their groups (human services, capital resources, natural resources) to show the network of relationships both within and between those broader organizational areas.



In the world of finite resources in which we all live, charts like this can help municipal managers assess where they might focus more attention or resources, given the spillover effects into other areas of concern. Taking a simple mathematical approach, we can rank the twelve areas by whether they are more “impactive” (i.e. have more outgoing arrows, influencing more areas) or “reactive” (i.e. have more incoming arrows, so are more dependant on actions in other areas). Conceptually, the most impactive areas should be the ones that receive the most direct attention, while the most reactive ones may be best addressed by paying attention to the

impactive elements that drive them. Attempting to put significant direct resources and attention into highly reactive elements may lead to short-term improvements, but if the underlying impactive elements are not addressed, the feedback loops are going to undo those short-term fixes in the long-term. The following table summarizes the results of such an analysis of the chart on the preceding page, sorted from the most impactive to the most reactive.

	<u>Outgoing</u>	<u>Incoming</u>	<u>Impactive/(Reactive)</u>
Childcare	3	0	3
Land Use	3	0	3
Utilities	3	0	3
Mass Transit	2	0	2
Education	2	1	1
Waste Management	2	1	1
Healthcare	2	2	0
Water Rights	1	1	0
Elder Care	1	2	(1)
Housing	2	3	(1)
Crime	0	3	(3)
Indigence	1	5	(4)
Pollution	1	5	(4)

Using such a metric, municipal managers would be wise to focus special attention on childcare, land use, utilities, mass transit, education and waste management, because of their ability to drive positive change in other areas. Focusing specifically and directly on pollution, indigence and crime without addressing the underlying issues that exacerbate them is a recipe for failure in the long-term, even though the highly visible nature of each of those areas may often lead municipal managers to attempt to address them directly without addressing structural and root causes behind them. This is not to say that the lower ranked issues are not important; they are, but with finite resources to deploy in addressing all twelve of these functional areas, it is important to ensure that decision-making supports effective, efficient, roots-based solutions to problems like these. Higher levels of attention for higher ranked functional areas may be one way to achieve such efficiency.

### **POLICY AND PARTNERSHIP**

Two other related elements that merit consideration when attempting to prioritize and address multiple municipal issues are the roles of policy and partnership.

Solutions to specific problems may be policy based (elected and appointed officials work together to develop a policy that rectifies a situation) or resource based (within existing policies, situations are addressed by investing additional resources into them). Obviously, policy changes may ultimately result in the deployment of additional resources, though there may be many cases where enforcing or implementing the policy can occur within a municipality's existing infrastructure.

Solutions may also occur in a partnership framework, in which commercial or nonprofit organizations carry out programs under contract or direction of the municipality, or under a non-partnership framework, in which the majority of human, capital and financial resources used in a program belong to the municipality. In general, commercial interests will be involved if there is

profit motive for them. Nonprofits will be involved if there is a perceived social need for which community funding can be raised on a tax-deductible basis. In the absence of a strong profit or charitable mission, municipalities can expect to function in a non-partnership mode, depending primarily on government funding (which may come from state or federal sources, but which is still administered by the municipality without commercial or nonprofit partners) or revenues received from taxes or other municipal income streams.

Municipal managers should simultaneously evaluate problem areas within the framework of these two lenses. Problems that can be addressed through a policy-based and partnership-based approach may be the easiest, quickest ones to solve, as they are all “paper” fixes from the standpoint of the municipal manager (set the policy, sign and monitor the contract with the partnering provider). Problems that are resource-based and non-partnership based may be the slowest, hardest ones to resolve, as they require the municipal manager to identify and reallocate the resources needed to address the issue, and then manage the issue itself through to fulfillment. Policy/non-partnership and resource/partnership based problems would fall somewhere between those poles, with the former involving a “paper” step following by a difficult implementation, and the latter involving a difficult process associated with the provision of resources, followed by a “paper” step in placing contracts for third party providers.

Whenever municipal managers can navigate their problems into the policy/partnership quadrant of this conceptual matrix, they increase the likelihood of efficient, effective resolution. If issues and opportunities associated with the six highly impactful areas identified in the prior section (childcare, land use, utilities, mass transit, education and waste management) can be migrated into this quadrant, then the possibility of positive change increases. If they remain stuck in the resource/non-partnership quadrant, then the municipal manager’s challenges will be magnified by the complexities associated with securing funding and administering the resultant programs.

## **FINANCIAL RESOURCES**

After discussing human services, capital resources, and natural resources at length, and encouraging municipal managers to seek policy/partnership solutions to problems that may mitigate the need for additional resources, we must conclude by considering the very real fact that financial resources underpin all initiatives in all of these areas, and that it is often shortfalls in financing that cause municipal managers to have to choose between equally valid and valuable programs that may address equally important problems.

The final challenge for municipal managers, then, is to serve as exceptional financial stewards, seeking opportunities to enhance revenues and cut expenses with equal zeal, while ensuring that the residents don’t suffer undue financial burden or hardship as a result. First and foremost, municipal managers must consider existing financial resources within their own budgets, cutting losses in failed programs, reallocating funding to ensure the most pressing needs are met, seeking efficiencies and partnerships to do more with less—or to do more without having to increase the burden on the tax-paying residents of their municipalities.

When needs can not be met from within existing budgets, municipal managers have a wide array of options available to them, although none of them are easy to acquire. Municipalities may seek additional state and federal funding, for starters, either through grants or contracts for specific projects, or through better administration or more robust usage of existing funding streams for such national or state run programs as Medicare, Medicaid, No Child Left

Behind or Temporary Assistance for Needy Families funding. Municipalities may also consider bond financing for large-scale projects, or business development initiatives designed to encourage growth, stimulate economic activity, and thereby increase tax revenue.

The other way to increase tax revenue, of course, is to increase the rate of taxation or the base of taxable goods and services. In the United States, we are culturally conditioned to resist such increases, even when we pay rates significantly lower than many industrialized nations, and even when we desire programs that must be cut due to lack of tax revenues. There may obviously be times and circumstance where municipal managers simply have no choice but to increase the tax burden on their residents, though this should be done only to address significant structural needs, due to the distortions that high taxes impose on the supply and demand curves within a market.

### CONCLUSION

In summary, municipal managers have a plethora of issues to which they must be responsive. This paper summarizes some of the most pressing ones, and attempts to provide some models for decision-making in addressing these diverse, interlocked concerns. Once priorities have been established, partnerships and policies should be assessed, and resources (human, capital, natural and financial) mustered to address the most impactful issues facing the municipality. Ultimately, managers are responsible for and to the citizens of their municipalities, and the final litmus test question for any decision must be: will this action do the greatest good and least harm for the most residents entrusted to our care? The issues discussed in this paper are complex and difficult, but with wise municipal management, they can be addressed and resolved, to the betterment of the municipality, the state in which it is located, and the nation as a whole.

***Acknowledgment:** In January and February 2008, Professor Robert McEvoy's urban policy think tank at the Rockefeller College of Public Affairs and Policy conducted a survey of the most pressing issues facing municipalities today. The think tank was composed of graduate students in public policy, political science and public administration, and included members with significant experience in State and local government and the nonprofit sector. During the survey period, each member of the think tank proposed a topic for discussion. Each topic was then vetted by the entire think tank. This paper incorporates elements gleaned from these discussions, though the specific words used to summarize and describe them, and the organizational structure used to present them, are exclusively the author's.*