

# **Municipal Form of Government and City Service Delivery Methods**

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### Abstract:

This paper analyzes relative levels of contracting out of municipal services between the two major forms of city government in the United States: council-manager and mayor-council. Logistic regressions are applied to samples drawn from International City/County Management Association (ICMA) data to test the hypothesis that cities with council-manager forms of government are more likely to outsource the provision of city services to private and nonprofit providers than are mayor-council cities. The empirical test finds that form of government does not make a statistically significant difference in the likelihood that a city will contract out. These findings support other research suggesting that a simple dichotomy of municipal organization is insufficient to explain how municipal organization influences decision-making.

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*“I think local government is the highest form of government there is. I want you to think about it: If the water flows in the morning and your toilets flush, your whole day is better... What higher calling could you have?” - Annise Parker, Mayor of Houston*

### INTRODUCTION

Citizens in the developed world rely on government for a broad range of goods and services: clean air, potable water, roads, education, police, and fire protection. These goods exhibit the properties of common pool resources, public goods, or natural monopolies. Either their non-excludability disincentivizes profit-driven firms from producing them, or the large economies of scale they require make government provision or regulation attractive to produce efficiencies and minimize rent-seeking by private monopolies.

While national and state governments often regulate standards of air and water quality, when it comes to getting the water flowing and the toilets flushed, somebody nearby needs to do

the job. Local governments play a vital role in the provision of goods closest to people: roads, sewage, mass transit, police, and electricity. It is therefore unsurprising that a wide body of research exists discussing how local governments should organize and how they should provide basic services to their citizens.

This paper builds on previous work examining the influence of city form of government in shaping policy-makers preferences for method of service delivery. The two major forms of municipal government in the United States, mayor-council and council-manager, are reviewed, as are the methods of in-house and contracted-out ('outsourced') service provision. A brief discussion of possible influences on service delivery methods follows. Finally, logistical regressions are run to test whether council-manager cities are more likely to outsource services to private and nonprofit providers than are mayor-council cities. It is found that this is not the case. A summary of findings and directions for research concludes.

## **LITERATURE REVIEW**

### *Municipal Forms of Government*

The two major forms of municipal government organization are the mayor-council and the council-manager forms of government. Of course, these are broad categories that represent a spectrum of organizational structures, and researchers are increasingly confronted with a field of "hybrid" forms (Carr and Karuppusamy 2010). Even so, these categories are still useful starting points for analysis since large numbers of cities identify themselves as council-manager or mayor-council cities in their charters and ordinances. Council-manager cities in particular appear upfront about their governing structure, perhaps because this organizational arrangement is pushed as a highly progressive and professional form of governance.

Mayor-council governments mimic the structure of federal and state governments. Citizens elect council members to represent them in the city's legislative body. These council members can represent specific wards, be elected at-large, or some combination of the two. In addition, a mayor serves as the chief executive for the city and oversees the day-to-day administration and implementation of policy. The mayor can be either a member of the council or elected directly by citizens to a separate office (Hayes and Chang 1990).

While the mayor-council organization is easy to understand, its inherently politicized nature has drawn criticism from advocates of council-manager governments. According to critics, mayor-council governments are susceptible to graft and the formation of political machines that serve incumbents and special interests, the end result being higher taxation and overspending (Craw 2008).

The council-manager form of government grew in response to the perceived excesses of mayor-council arrangements and now represents 49 percent of U.S. municipal governments (International City/County Management Association 2007). In a council-manager government, citizens elect council members. Often, the mayor figure in these governments is elected from among the council members to preside over the legislature. The council sets policy for the city, but appoints a nonpartisan, professional city manager to oversee the implementation of city policies. Managers typically have backgrounds in public or business administration.

[Figure 1]

Proponents of council-manager arrangements believe that because managers are nonpartisan appointees, they will pursue the best interests of citizens by seeking to provide services to citizens at the lowest cost rather than doling out contracts to favored groups (Craw

2008). Managers belonging to professional associations such as the ICMA also have well-established professional networks through which they can share best practices and seek additional training or information (Carr, LeRoux et al. 2008). Because of their specialized knowledge and wide networks, managers in theory should be able to navigate the intricacies of efficiently providing complex public goods.

### *Forms of Service Provision*

Municipal governments have two major options on how to provide services: They can produce them in-house or outsource some or all of the provision. By in-house production, it is meant that the city finances, owns, and operates the resource. Employees of say, a city-owned water treatment plant are technically city employees. “Outsourcing,” broadly, occurs when a government contracts out with a third party to own, operate, and even finance the resource. Privately owned toll roads or special utility districts are examples.

Of course, a service arrangement can fall somewhere between in-house and outsourced. Instead of owning all elements of production for the water treatment plan above, a city may own the treatment plant, but contract with a private company to operate it (Gerrard 2001). These types of arrangements have become known as public-private partnerships, or PPPs. PPPs have varying levels of “public-ness” and “private-ness,” though their lowest common denominator is that they are a mix of both (Starr 1988).

The drive for “new public management” in recent decades has boosted the popularity of public-private partnerships and other forms of outsourcing (Torrance 2008). Hybrid forms of service provision promise to leverage the best of both worlds: utilizing the centralized planning

powers and citizens' voice mechanism of local government while benefiting from the expertise and efficiency of the private sector.

Whether these efficiency gains are actually achieved is open for debate as attempts to measure cost savings to taxpayers have returned mix results. Burchfield et al. (2006) find that what citizens gain in lower taxes may be canceled by "fiscal externalities" of overinvestment in infrastructure and urban sprawl. Other work challenges whether there are fiscal savings at all: A study of water distribution in France indicates that PPPs lead to higher prices than public management, possibly arising from the high transaction costs of highly information asymmetric bidding processes (Chong, Huet et al. 2006). Savings have been found to be rare in solid waste and water services elsewhere as well (Bel, Fageda et al. 2010).

#### *Influences on Service Delivery Choices*

Even between geographically and culturally similar cities, methods of public goods delivery can differ widely. Peiser (1981) explores the different approaches of Dallas and Houston, Texas, for zoning, developing, and providing utility services to new communities. While Houston leaves zoning authority ultimately in the hands of private developers, the city of Dallas takes a more hands-on approach. Additionally, while Dallas relies on publicly-owned regional utility companies to service new communities, Houston developers form special Municipal Utility Districts (MUDs) with authority to impose user fees and taxes to finance bonds used to construct new facilities. The different approaches lead to different costs for lots as well as a different urban landscape. Houstonians enjoy a 6 percent cost advantage per lot (roughly \$1000), while Dallas typically enjoys more consistently planned, tighter spaced communities.

Mieszkowski and Smith (1991) also attribute the existence of decentralized but inexpensive communities in Houston to MUDs.

Of course, other factors may influence service delivery choices. In an international comparison between the United States and Canada, Hebdon and Jalette (2008) find that Canadian cities are typically more active than American cities in providing services. Interestingly, they find that Canadian cities are more likely to outsource the provision of services through privatization. They hypothesize that differences in Canadians' relatively higher confidence in government to competently provide services may explain these results.

Budgetary distress has also been observed to have at least minor influence on delivery choices in the United States (Bel and Fageda 2008). State-imposed rules such as tax revenue caps have been shown to increase cities' willingness to partner with other city governments to capture economies of scale for city services (Krueger and Bernick 2009). In an international setting, Guardiola, Gonzalez-Gomez and Picazo-Tadeo (2011) find a positive correlation between fiscal constraints in Spanish cities and the privatization of water services.

While voter attitudes may influence government choices, political affiliation has been found to play a negligible if any role in service delivery choices. Krumm & Mause (2010) conduct an empirical survey of factors influencing local government use of the Public Finance Initiative to establish PPPs in the UK, and find that whether a municipality leans predominantly Labour or Conservative is not correlated with participation UK's Private Finance Initiative, a template for public-private partnerships. In the United States, Ferreira & Gyourko (2009) find that the Democrat-Republican divide among city mayors matters little in delivery choices.



Studies on the influence of city form of government on service delivery choices remains mixed. Lamothe, Lamothe, and Feiock (2008) find in their study of city service delivery choices over time that form of government does not matter, though they acknowledge this contradicts other findings and expectations: “Professional orientation should lead council-manager governments to manage the contracting process more effectively and, therefore, make them more likely to opt for contracted modes of delivery. Professional city managers are likely to value policy innovation and entrepreneurship and should be more likely to perceive themselves as competent at handling the uncertainty and complexity of the contracting out process.

Meanwhile, Heftez and Warner (2004) find that governments with professional managers tend to contract out at higher rates and contract back in (switch back from private to public provision) at lower rates, however, these considerations tend to be cost driven. Levin and Tadelis (2010) also find a small positive relationship between council-manager form of government and contracting out.

## **ECONOMIC MODEL**

This paper explores how various control factors shape local governments’ decisions to outsource the provision of city infrastructure and services and lays the groundwork for a comparison of levels of outsourcing seen between council-manager and mayor-council cities. Much of the literature on municipal outsourcing centers on transaction costs in engaging in privatization, outsourcing, and public-private partnerships. There are also monitoring costs associated with outsourcing services in order to ensure that the partners are providing adequate quality at a fair cost.

Some cities may lack the expertise or the resources to adequately monitor third party providers and navigating the complexity of creating and enforcing contracts. Such cities would prefer in-house production to outsourcing of any services. Different institutions, for example, a council-manager form of local governance, may increase a city's likelihood of 'purchasing' external provision of services by providing the know-how to construct and monitor such arrangements. According to its proponents, a council-manager form of government is more sophisticated than the traditional mayor-council arrangement because a city manager is typically a nonpartisan expert whose incentives are to ensure that city policies (including the provision of services) are provided efficiently.

[Figure 2]

The proposed economic model to capture these ideas is a consumer choice model. Cities with similar budget constraints but different preferences will purchase different mixes of outsourced and in-house services. I test the hypothesis that cities which possess a council-manager form of government are more likely to outsource provision of services, while a mayor-council form will tend to provide them in-house.

I predict that there is a positive relationship between a city possessing a council-manager form of government and the number of services contracted out as it is possible that professional city managers will seek a broader menu of service delivery options. Form of government would drive cities' "tastes" for service delivery methods. Mayor-council governments will tend towards familiar and potentially politically beneficial in-house production, while professional managers may have bought into the potential efficiencies of alternate delivery methods. This would

correspond to different indifference curves on the classic consumer choice model shown in Figure 2.

## **EMPIRICAL STRATEGY**

### *Statistical/Econometric Model*

This paper uses a series logistic regressions on a sample of council-manager and mayor-council cities to test the hypothesis that council-manager cities contract specific services out at higher rates than mayor-council cities. City population, partisanship, term length, and whether a city's chief elected official serves a part-time or full-time position are used as controls. Logistic regressions were run on each of a total of 67 city services from the International City/County Management Association's 2002 Profile of Government Service Delivery Choices. Table 1 contains a full description of variables. Marginal effects of these regressions were examined to determine whether there existed significantly higher levels of outsourcing between one of the forms of government analyzed.

### *Description of Data*

The International City/County Management Association (ICMA) periodically conducts a voluntary survey on municipal forms of government. Cities report on various aspects of their organizational structure, including whether they are chartered as a council-manager or mayor-council form of government, whether council members and executives are full- or part-time officials, and whether elections are partisan. The data for this paper come from the ICMA's 2001 survey. The data also contain statistics from the 2000 Census reported within the ICMA datasets, including city population.

The ICMA also surveys its members on service delivery methods in its Profile of Government Service Delivery Choices. Municipal governments are asked to identify which services are currently provided through the city and to indicate whether they are provided directly by the city or through contracting out to for-profit, nonprofit, or third party government entities. Cities also provide information on whether service delivery methods have changed in recent history.

Table 2 provides summary statistics for services examined. As one might expect, different service types are outsourced at different rates. Services where a competitive market is fairly conceivable such as towing are outsourced at much higher rates, perhaps because the ability for multiple companies to compete provides satisfactory downward pressure on costs. Childcare and eldercare, which are commonly provided by private and nonprofit organizations even without contracting with cities, are also outsourced at fairly high rates.

On the other hand, critical services such as police and fire protection, and low-profit services such as library operation are rarely outsourced by cities. The former case likely reflects a city's desire to maintain control over critical operations and competencies. Utilities such as gas and electricity operation are outsourced at middle to low rates, perhaps reflecting a tradeoff between the expertise and potential cost-cutting pressures of competitive contracting and the need for control over critical infrastructure and management of natural monopolies.

This paper examines cities in the ICMA's South region (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia). A regional rather than national dataset was used to control for the impact of geography on the number and types of services provided.

For example, in many northern cities, snow clearing composes a major share of municipal budgets. Population also serves as a control because cities of small population 1) face different constraints in their service delivery choices as a result of their small sizes and budgets and 2) are sometimes excluded from home rule (choosing their form of government) by state law.

This data is cross-sectional. Other works exist which compare service delivery choices over time. The findings are that arrangements are quite static, as changing an arrangement can be a costly endeavor (Joassart-Marcelli and Musso 2005). This could mean that such sticky arrangements have stronger influence over provision of services than the form of government. Furthermore, with the ICMA being an association for city managers, undersampling of mayor-council cities remains an issue.

### *Results*

Table 3 summarizes empirical results of the logistic regressions and their marginal effects for a sample of services. For virtually all services, no statistically significant difference existed between marginal effects for council-manager and mayor-council cities. Confidence intervals at the 95 percent level tend to straddle both signs, further confirming that form of government matters little in service delivery methods. Two exceptions were found in the results: street and parking lot cleaning and the operation and maintenance of recreation facilities, with council-manager governments more likely to contract these out.

## **CONCLUSION AND DIRECTIONS FOR RESEARCH**

This paper analyzed whether council-manager cities exhibit stronger preferences for the outsourcing of city services as would be evidenced by higher likelihoods of contracting out to

non-government entities. The findings appear to add to the body of research rejecting this hypothesis. The reasons for this remain unclear.

As was noted in the literature review, city governments are undergoing a transformation in which a simple dichotomy between two forms of government may be an inadequate description of the real world. After all, many mayor-council cities actually do hire professional managers to oversee day-to-day operation of city services, while the mayor still plays a stronger decision-making role than a typical council-manager city. Given the large number of municipal governments within just the United States, it should be unsurprising to see a wide range of experimentation in government forms among them. If city organization has any decisive influence on city policy outcomes, a much more detailed view of the city's structure will be required.

Adding to this, it is still unknown whether each form of government arrives at about the same service delivery choices for the same reasons. That is, do mayors and managers both face the same incentives in the market for service provision choices, or do they face different sets of incentives that bring them to the same conclusions?

As previously mentioned, one further obstacle will be to account for institutional rigidity of delivery choices. One of the best predictors of current delivery methods are previous delivery methods, as cities often lock themselves into long-term agreements and are reluctant to incur the high search and switching costs to change them. Though a city might prefer or benefit from changing its method of delivery, legal or political obstacles may prevent it from doing so in the short run. Accounting for this effect will be more challenging, though equally necessary to examine how organizational structures influence municipal choices.

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## TABLES

<b>Table 1: Description of Variables</b>	
<b>Variable</b>	<b>Description</b>
Fulltime	Is the position of chief elected official in your local government <i>officially</i> full-time or part-time? (Municipal Form of Government Q8)
Term	Length of term for council members (Municipal Form of Government Q27)
Termlimit	Maximum number of terms allowed by law (Municipal Form of Government Q28A)
Partisan	Does the political party affiliation of council candidates appear on the ballot in a local general election? (Municipal Form of Government Q18)
Population	Population reported in 2000 Census
Median_inc	Medium household income reported in 2000 Census
<b>Services</b>	<b>From Profile of Local Government Service Delivery Choices, 2002</b>
Swaste_res	Residential solid waste collection (7_1)
Swaste_main	Commercial solid waste collection (7_2)
Swastedispose	Solid waste disposal (7_3)
Street_repair	Street repair (7_4)
Street_clean	Street/parking lot cleaning (7_5)
Traffic_main	Traffic sign/signal installation/maintenance (7_7)
Parking_main	Parking meter maintenance and collection (7_8)
Landscape	Tree trimming and planting on public rights of way (7_9)
Cemetery_main	Maintenance and administration of cemeteries (7_10)
Inspection_code	Inspection/code enforcement
Parking_op	Operation of parking lots and garages (7_12)
Water_distr	Water distribution (7_16)
Water_treat	Water treatment (7_17)
Sewage	Sewage collection and treatment (7_18)
electric_op	Electric utility operation and management (7_21)
Gas_op	Gas utility operation and management (7_22)
Utility_meter	Utility meter reading (7_23)
Utility_bill	Utility billing (7_24)
Crime_control	Crime prevention/patrol (7_25)
Safety_comm	Police/fire communications (7_26)
Fire_control	Fire prevention/suppression (7_27)
Emergency_med	Emergency medical service (7_28)
Ambulance	Ambulance service (7_29)
Traffic_control	Traffic control/parking enforcement (7_30)
Towing	Vehicle towing and storage (7_31)
Insect_control	Insect/rodent control (7_33)
Animal_control	Animal control (7_34)
Animal_shelter	Operation of animal shelters (7_35)
Daycare_op	Operation of daycare facilities (7_36)
Childwelfare	Child welfare programs (7_37)
Eldercare	Programs for the elderly (7_38)
Hostpital_op	Operation/management of hospitals (7_39)

Recreation_op	Operation & maintenance of recreation facilities (7_47)
Parks_main	Parks landscaping and maintenance (7_48)
Library_op	Operation of libraries (7_51)
Buildings_main	Buildings and grounds maintenance (7_53)
Payroll	Payroll (7_58)

<b>Table 2: Summary Statistics</b>					
<b>Variable</b>	<b>Observations</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>Min</b>	<b>Max</b>
Fog	1368	0.6506	0.4770	0	1
Fulltime	1368	0.1425	0.3497	0	1
Term	1123	2.9394	1.0739	1	5
Limit	1368	0.0994	0.2993	0	1
Partisan	1368	0.0950	0.2934	0	1
U00pop	421	98,060.77	2225,379.3	2,517	2,076,175
<b>Services</b>					
Swastecollect_res	270	0.3704	0.4838	0	1
Swastecollect_com	202	0.4901	0.5011	0	1
Swastedispose	225	0.3688	0.4836	0	1
Streetrepair	336	0.2917	0.4552	0	1
Streetlot_clean	261	0.1762	0.3918	0	1
Snowplow	196	0.0561	0.2307	0	1
Sign_main	283	0.1802	0.3850	0	1
Parking_main	75	0.1066	0.3107	0	1
Treetrim	312	0.3076	0.4622	0	1
Cemetery	145	0.1517	0.3599	0	1
Inspection	349	0.0372	0.1896	0	1
Parking_op	127	0.2294	0.4162	0	1
Bus	109	0.2935	0.4575	0	1
Paratransit	85	0.3764	0.4873	0	1
Airport	144	0.2013	0.4024	0	1
Waterdistr	272	0.0551	0.2286	0	1
Watertreat	243	0.0658	0.2485	0	1
Sewagetreat	274	0.0802	0.2722	0	1
Sludgedispose	226	0.2964	0.4577	0	1
Hazarddispose	134	0.4552	0.4998	0	1
Utility_electric	66	0.3333	0.4750	0	1
Utility_gas	53	0.4528	0.5025	0	1
Utility_metering	238	0.1218	0.3278	0	1
Utility_bill	241	0.0954	0.2944	0	1
Crime_control	359	0.0055	0.0745	0	1
Emerg_comm	345	0.0086	0.0929	0	1
Firecontrol	328	0.2134	0.1447	0	1
Emerg_medservice	270	0.1407	0.3483	0	1
Ambulance	215	0.2697	0.4448	0	1
Traffic_control	302	0.0264	0.1608	0	1
Towing	155	0.7870	0.4106	0	1
Sanitary_inspect	180	0.1354	0.3433	0	1
Insect	155	0.0166	0.1283	0	1
Animal_control	306	0.0588	0.2356	0	1
Animal_shelter	233	0.2188	0.4143	0	1

Daycare	47	0.5319	0.5043	0	1
Childwelfare	105	0.2476	0.4336	0	1
Eldercare	216	0.3194	0.4673	0	1
Healthprog	120	0.1750	0.3815	0	1
Drugtreat	91	0.4615	0.5012	0	1
Mental_op	78	0.3589	0.4828	0	1
Prison	201	0.0248	0.1561	0	1
Homeless_shelter	44	0.6590	0.4794	0	1
Jobtrain	96	0.3125	0.4659	0	1
Welfare	96	0.1041	0.3070	0	1
Recreation_facilities	338	0.1390	0.3465	0	1
Landscape	337	0.1839	0.3880	0	1
Convention	129	0.2015	0.4027	0	1
Arts	163	0.4785	0.5010	0	1
Library	241	0.0580	0.2344	0	1
Museum	115	0.3826	0.4881	0	1
Buildings_main	362	0.2762	0.4477	0	1
Buildings_security	286	0.1853	0.3892	0	1
Fleet_heavy	342	0.3245	0.4688	0	1
Fleet_emerg	319	0.3605	0.4809	0	1
Fleet_other	347	0.2795	0.4494	0	1
Payroll	365	0.0301	0.1711	0	1
Tax_bill	246	0.0691	0.2541	0	1
Tax_assess	201	0.0696	0.2551	0	1
Dataprocess	342	0.1549	0.3625	0	1
Tax_delinquent	247	0.2307	0.4221	0	1
Titlerecords	217	0.0506	0.2198	0	1
Legal	294	0.5204	0.5004	0	1
Secretarial	341	0.0439	0.2053	0	1
Personnel	350	0.0400	0.1962	0	1
Publicrelations	336	0.0863	0.2812	0	1

<b>Table 3: Marginal Effects</b>		
<b>swastecollect_res</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	-0.0713 (0.51)	0.1393
fulltime	-0.0148 (-0.13)	0.8085
term	0.0256 (0.65)	0.1837
limit	0.0754 (0.80)	0.4611
partisan	-0.1191 (-0.78)	0.8514
N	115	
Pseudo R-squared (logit)	0.0195	
<b>streetrepair</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	0.0883 (0.91)	0.0967
fulltime	0.1156 (0.98)	0.1174
term	0.0651 (1.77)	0.0368
limit	0.1949 (2.25)	0.0867
partisan	-0.0166 (-0.11)	0.1584
N	173	
Pseudo R-squared	0.0195	
<b>streetlot_clean</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	0.1374 (2.43*)	0.0565
fulltime	-0.0185 (-0.23)	0.8204
term	0.0146 (0.52)	0.2799
limit	0.0747 (1.02)	0.073
partisan	-0.0206	0.1319

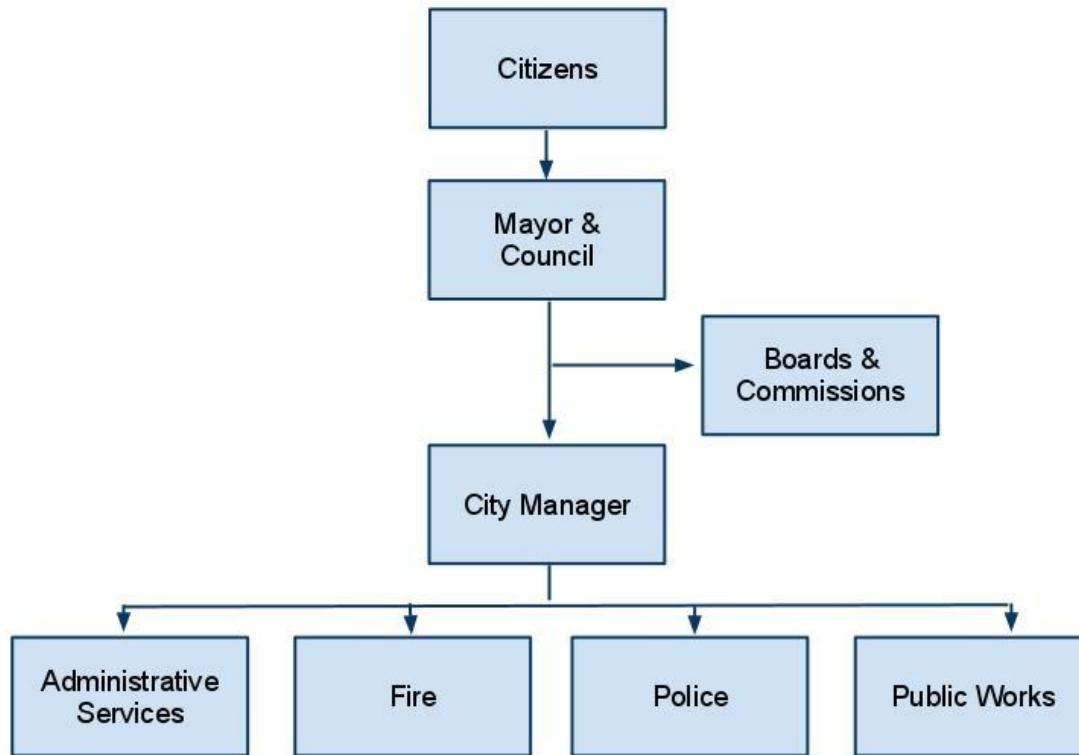
	(-0.16)	
N	157	
Pseudo R-squared	0.0364	
<b>sign_main</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	-0.015 (-0.13)	0.1165
fulltime	0.2065 (1.56)	0.1324
term	0.0538 (1.44)	0.0374
limit	0.0426 (0.49)	0.0877
partisan	(dropped)	
N	136	
Pseudo R-squared	0.0396	
<b>treetrim</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	0.0598 (0.57)	0.1048
fulltime	-0.033 (-0.29)	0.1132
term	0.0877 (2.30)	0.0381
limit	0.1871 (2.13)	0.0878
partisan	-0.0015 (-0.01)	0.1681
N	164	
Pseudo R-squared	0.0555	
<b>inspection</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	0.0123 (0.45)	0.0274
fulltime	0.0103 (0.23)	0.0449
term	0.0242 (2.00)	0.0121
limit	0.0221	0.0335

	(0.66)	
partisan	(dropped)	
N	161	
Pseudo R-squared	0.0729	
<b>waterdistr</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	-0.0582 (-0.70)	0.0833
fulltime	-0.0226 (0.57)	0.0628
term	-0.0226 (-1.30)	0.0174
limit	-0.0037 (-0.10)	0.0398
partisan	0.0792 (0.57)	0.1392
N	152	
Pseudo R-squared	0.0449	
<b>waterdistr</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	-0.0582 (-0.70)	0.0833
fulltime	-0.0226 (0.57)	0.0628
term	-0.0226 (-1.30)	0.0174
limit	-0.0037 (-0.10)	0.0398
partisan	0.0792 (0.57)	0.1392
N	152	
Pseudo R-squared	0.0449	
<b>emerg_medservice</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	-0.0864 (-0.78)	0.1107
fulltime	-0.0397 (-0.48)	0.0825
term	0.01	0.0352



	(0.29)	
limit	0.0081	0.0716
	(-0.11)	
partisan	0.0967	0.1625
	(0.59)	
N	123	
Pseudo R-squared	0.0242	
<b>animal_control</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	(-0.0067	0.0649
	(-0.10)	
fulltime	0.0073	0.0634
	(0.12)	
term	0.0042	-0.0189
	(0.22)	
limit	0.011	0.0487
	(0.23)	
partisan	(dropped)	
N	130	
Pseudo R-squared	0.0029	
<b>recreation_facilities</b>		
	<b>dy/dx</b>	<b>Standard Error</b>
fog	0.1123	0.0515
	(2.18*)	
fulltime	0.043	0.0981
	(0.44)	
term	0.0254	0.0256
	(0.99)	
limit	0.1217	0.0698
	(1.74)	
partisan	(dropped)	
N	157	
Pseudo R-squared	0.0614	

**FIGURES**



**Figure 1: Council-manager Form of Government**

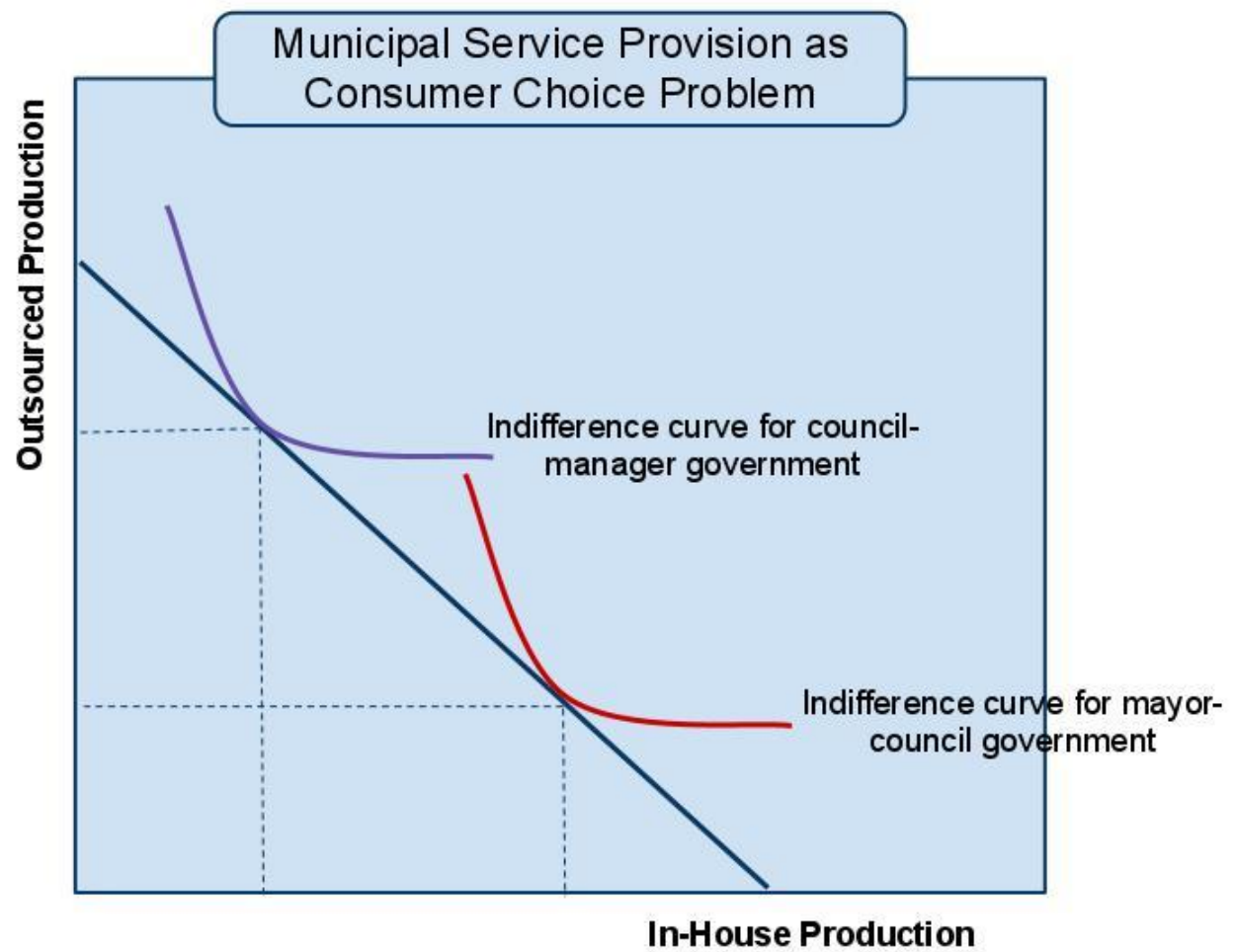


Figure 2: Consumer Choice Model