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**Regionalization of Cleveland's municipal services, 1950–1977:
The process and the politics**

Stavish, Mary Babcock, Ph.D.

Case Western Reserve University, 1994

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REGIONALIZATION OF CLEVELAND'S MUNICIPAL SERVICES,

1950-1977:

THE PROCESS AND THE POLITICS

by

MARY B. STAVISH

Submitted in partial fulfillment of the requirements

for the Degree of Doctor of Philosophy

Thesis Advisor: Dr. David C. Hammack

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CASE WESTERN RESERVE UNIVERSITY

May, 1994

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GRADUATE STUDIES

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THE REGIONALIZATION OF CLEVELAND'S MUNICIPAL
SERIVCES
1950 TO 1977:
THE PROCESS AND THE POLITICS

Abstract

by

MARY B. STAVISH

The exodus of the nation's urban populations from central cities to the suburbs accelerated dramatically after World War II, changing the balance of authority between the urban core and its satellite communities. At the same time, the postwar dispersion of the population was accompanied by an outward movement of economic activity to the growing suburban areas which enabled them to become independent of their declining central cities. Urban historians have been slow to acknowledge that this demographic shift made it difficult for central city governments formed during the 19th and early 20th century to maintain municipal functions whose service areas were rapidly expanding. They failed to see that enlarged service areas required a concomitant regionalization of governing authority to deliver these public functions effectively.

This phenomenon was present in the greater Cleveland area during the period 1950-1977 where expanded municipal responsibilities and a proliferation of suburban governments produced a complex network of political arrangements that required some form of

metropolitan oversight. To remedy this problem, a regional government movement was launched to expand Cuyahoga County's authority by giving it municipal powers. When the reorganization failed to receive voter approval, the regional concept was applied to Cleveland's water pollution control and transit systems in order to manage the pressures that inhibited efficient delivery of these services.

Using Cleveland as a case study, the regionalization process is analyzed to determine how the deconcentration of population and employment affected the city's ability to maintain its municipal services over an extended metropolitan area; how the region created new administrative structures for two key functions; and how the new administrative structures altered the political relationships among the city, the suburbs, and the county. This dissertation argues that the systems' functional regionalization established a new governing partnership among Cleveland, Cuyahoga County, and the suburbs, giving political legitimacy to the changed balance of metropolitan authority. In the larger context, it also confirmed the suburbs' economic and social independence from declining central cities nationwide, setting the stage for the growth of new multi-centered urban areas.

To the Honorable Carl Burton Stokes
whose mayoral papers and personal reflections on his
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Retired Professor of Political Science Maurice Klain very graciously gave me access to his valuable collection of interviews with the leading political figures in post World War II Cleveland. To the Honorable Carl Stokes, I can only say that the written record of your administration and your eloquent discussion of the municipal responsibilities you undertook as mayor added a new dimension to my research.

Of the many faculty members in the History Department I consulted, my advisor, David Hammack, was the most important in guiding my intellectual quest for a Ph.D. With great patience, he helped me learn how to think in the broad historical terms that are the coin of the profession. David Van Tassel, by employing me as coordinating editor of The Encyclopedia of Cleveland History, provided the historical setting which enabled me to consider pursuing my doctorate, and for that I am truly grateful. The other members of my dissertation committee, Carl Ubbelohde, Alex Lamis, and John Grabowski each offered insightful critiques which greatly improved the manuscript. Lastly, I am indebted to Michael Altschul whose inspiring tutorial on 17th and 18th century England forcefully reminded me what great teaching is all about and why I elected to major in history so long ago.

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CHAPTER ONE

INTRODUCTION

After World War II suburban migration permanently changed the demographic structure of the older industrial cities of the Northeast and Midwest. The decentralization was two-fold, the dispersion of population and businesses from the central cities to the suburbs and the exodus of manufacturing from the area entirely. This was matched by growing in-migration to the urban core, including blacks and appalachian whites, which altered the prevailing mix of its population and its social and economic structure. With a declining tax base, cities were hard pressed to meet the varied service needs of a more dependent population and to extend their regional municipal functions to the growing suburbs at the same time. These two circumstances increased the complexity of governing urban areas.

The pattern of governing in the suburbs also became more fragmented as new cities, towns and villages were organized, school districts were established, and a variety of ad hoc service arrangements were implemented. Analysis of the problem, however, varied. Most metropolitan reformers saw these proliferating governments as an obvious problem with the numerous, overlapping, and uncoordinated local units making government in the metropolitan areas confusing and needlessly expensive. Another view of the regional problem focused on deficiencies in regional municipal services and the central city's inability to remedy them; some social critics concerned about the quality of urban life saw the congested, noisy, dirty city and its lack of

space being replicated in the suburbs and considered that a major problem; and still others wanted an effective decision-making process as it applied to regional goals.¹ Civic reformers focused on inefficient governments and inadequate municipal services, reviving the concept of regional government to reduce the number of area governments and to improve the administration of municipal functions. To them, the logic was unassailable given the problems in coordinating public programs, the growing disparity between needs and resources within an area, and the obvious efficiencies available in metropolitan administration.² However, in discussing the logic and ideology of metropolitan reform, Lowdon Wingo pointed out that: "...reformers must ultimately confront the fact that radical changes in the institutions and processes of society imply extensive redistribution of societal goods--wealth, power, security, honor." He concluded that "it is hardly surprising that those asked to surrender what they consider to be disproportionate shares will resist such demands and develop a counter-logic to sanctify their resistance."³

In emphasizing structural reorganization through an orderly, efficient metropolitan government, reformers placed themselves in conflict with the tradition of local autonomy and independent grass-roots democracy. In his incisive analysis of metropolitan civic life, Scott Greer argued that the chief barrier to political change lay in the cultural norms of our society, norms that include the right to local self-government.⁴ Both the suburbs and the central cities sought to protect their independence--neither was sure that it could prevail in a reorganized county government. As a result, comparatively few

campaigns for comprehensive metropolitan reform attracted sufficient voter approval. Urban historian Jon Teaforde concluded pessimistically that:

"Americans preferred the autonomy of the social fragment to some unifying civic ideal preached by starry-eyed reformers. Thus Americans opted for the dissolution of the city and, with the aid of the automobile, created the dispersed and fragmented metropolitan world of the late twentieth century."⁵

Advocates of regional government argued in either/or terms--metropolitan government or continued fragmentation of the governing process. These mutually exclusive alternatives denied the existence of other solutions. In reality, lesser adjustments to government operations could be made--and were made--cumulatively to improve services as problems arose.⁶

Although these incremental adjustments were taking place during the post World War II period, urban historians were slow to acknowledge that city governments formed during the 19th and 20th centuries could no longer maintain municipal functions when expanded service areas made them, in effect, regional operations. Many historians, like other observers, failed to see that the widespread deconcentration of the urban population and economy required a concomitant regionalization of governing authority.

While much was written about the need for a more rational metropolitan government, no historian has emphasized the role of local particularism in shaping the reorganizations that actually took place.

This dissertation will examine that decision-making process as it related to regional municipal services in Cleveland, Ohio. The Cleveland case illuminates three major phenomena:

1. how dispersion of population and employment made it difficult for one city to maintain its services over the entire metropolitan area;
2. how the region created new administrative structures for two key functions;
3. how the new administrative structures altered political relationships among the city, the suburbs, and the county.

Although the trend toward decentralization away from the central city predated World War II, in Cleveland, as elsewhere, the dispersion accelerated and intensified during the postwar period, leaving the city financially vulnerable and demonstrating the need for metropolitan control of its municipally-owned sewage disposal and transit systems. As these two services declined under the city's aegis, the region slowly recognized the need for a broader financial and administrative system. In examining the process and its resolution, this dissertation argues:

- that the regionalization process redefined the political relationship among Cleveland, its suburbs and Cuyahoga County in the reallocation of authority over the sewage disposal and transit systems.
- that while state and federal policies contributed to the need for regionalization and their agencies actively encouraged it, the form of reorganization was determined by local government interests which in turn were influenced by the changing political relationships in the area.
- that the choice of an independent regional district to govern the sewage disposal and transit systems satisfied the

political, financial, administrative, and technological requirements needed to operate the two municipal functions.

In the larger context, this dissertation asserts that the regionalization process, as it occurred in Cleveland, also confirmed the suburbs' economic and social independence from a declining central city. Traditionally, most suburbs achieved political independence by incorporation while they were still dependent on the economic life of the urban core. The postwar redistribution of business and industry conferred additional stature on suburbia, a stature that was eventually, acknowledged by the inclusion of the suburbs in a regional partnership with other local governing entities.

The growing fragmentation of local government impeded the effective delivery of metropolitan municipal services. In the Cleveland area, however, two major municipal services were restructured between 1950 and 1977 in ways that provided an answer to the question who should provide area-wide municipal services and in what form. In tracing the process, this dissertation also examines: how the city's decline adversely affected the delivery of its municipal services; how the attempt to cope with needed changes in two of its major services revealed the limitations of a central city government; and how that government's inability to manage those two regional functions resulted in the dilution of its authority over them.

Cleveland's postwar history was replicated in the other industrial cities of the midwest. Typical of growing prosperous cities in the early 20th century, Cleveland had a large and diverse immigrant population. Since 1940, its nationality-based politics had produced a succession of

pro-forma Democratic mayors and like-minded city councils whose 33 members faithfully represented their constituent's varied local interests. At the beginning of the 1950s, Cleveland's economic boom years were past, although the industrial demands of the Korean war masked that reality. Cleveland was still the central city of the region in 1950 however, the dominant force in Cuyahoga County, and home to 65.8% of the county's population. Twenty years later, its percentage of the county's population had declined to 43.6%.

Population deconcentration and the proliferation of governing authorities form the background for the heart of the dissertation--an analysis of the unsuccessful metropolitan government movement to give Cuyahoga County home rule and then the process of regionalizing the ownership and operation of Cleveland's water, sewage disposal, and transit systems. Governing Cleveland was becoming more complex as the city increased the scope of its municipal services to meet the demands of its constituents and retain its eroding economic base. The city also needed to expand its regional services into the rapidly growing suburbs. Concurrently, the number of suburban governments with multiple service responsibilities was growing, and some were hard pressed to meet the demands of their inhabitants. These distinctive postwar themes of rapidly expanding suburbs coupled with the growing complexity of the governing process led metropolitan reformers to seek a regional solution to the problem of delivering area-wide municipal services.

Like their counterparts in other declining urban areas, greater Cleveland's civic reformers saw Cuyahoga County's fragmented

suburban governments as a major impediment to efficiency within the area. Between 1950 and 1977 they campaigned to create a two-tier political structure by reorganizing county government, giving it authority to administer some regional municipal services, including Cleveland's water, sewage, and transit systems. Neither city nor suburb, however, wished to give up any autonomy.

In 1950, Cleveland controlled the region's water, sewage, and transit systems, but in the following two decades that control was challenged by new environmental initiatives and by the accelerated dispersion of Cleveland's population. The city's population loss and economic decline during the period strained its ability to expand the water and sewage disposal systems, or to provide necessary transit subsidies. Consequently, when some type of regional authority became critical for the city-owned systems, proposals less drastic than comprehensive metropolitan government were investigated. The process of regionalizing the systems contained two necessary elements: a consensus on the need for metropolitan authority and local agreement on the appropriate administrative structure to carry it out.

The administrative histories of Cleveland's inter-related water and sewage disposal systems were characterized by contention over user rates and by the decisive influence of federal and state agencies in making a convincing case for regionalization. Water and sewer systems had been essential to the city's public health since the late 19th century, when the densely populated community depended on its ability to deliver fresh water and to collect contaminated wastewater in sewers

for disposal. However, the systems were expensive municipal enhancements that required outside capital to build and maintain. Urban historian Eric Monkkenon has noted that a city's corporate powers permit it to "borrow and lend, build and destroy, expand and contract, appear and disappear," giving it the ability to create an urban environment that will encourage economic growth.⁷ Cleveland's creditworthiness enabled it to borrow the money it needed through the issuance of municipal bonds; this was the benchmark of a growing city's vitality--a valuable package of improvements a city used to attract business and industry to the area.

Cleveland's municipal administrations supported their entrepreneurial ambitions by building water and sewage collection systems during the last half of the 19th and early 20th centuries. Once the structures were in place, they devised an efficient system for delivering untainted drinking water to their service areas. Prodded by Ohio's Department of Health which was concerned about local water pollution, in the 1920s the city also installed sewage treatment plants to remove contaminants from the city's wastewater before returning it to the lake. During the first half of the 20th century Cleveland's city governments assumed that their control of the two systems would always prevail.

After World War II, two circumstances challenged the city's ability to maintain these operations: the dispersion of its population to outlying areas and a revival of concern over the pollution of the Cuyahoga River and Lake Erie. In the postwar period, both suburban growth and increased regulation of water pollution were national

movements that intersected at the local level, affecting the process of regionalizing the sewage disposal function.

Cleveland's transit system also was adversely affected by the decentralization of Cleveland's population, and its deteriorating financial condition made it another candidate for metropolitan administration after World War II. The issue of municipal transit ownership dated back to the turn of the century when reform mayor Tom Johnson, who favored public ownership and a 3-cent fare, battled the private owners of the city's streetcar system. This dispute was resolved when the privately-owned Cleveland Railway Company was formed in 1910 to take control of the street cars but with substantial city oversight. The decreased patronage and revenue of the Depression years forced CRC to sell the system to the City of Cleveland in 1942. The city created a separate transit commission to operate the new Cleveland Transit System (CTS). During the postwar period CTS, like others in the nation, struggled to retain its viability as the central city's population departed for the suburbs, and urban mass transit found it more and more difficult to compete with private automobiles.

While this dissertation is concerned with the local ramifications of the metropolitan process, external pressure from state and federal agencies was crucial in promoting regional governance of the sewage and transit systems in Cleveland. Once these outside influences established the need, local authorities examined the metropolitan options that were available under Ohio law, and adopted a form of reorganization that was compatible with the area's political climate.

The state and federal governments played particularly important roles in the effort to control water pollution. The state of Ohio, through its Department of Health, had been concerned at the turn of the century about the pollutants that threatened the public health of Ohio's densely populated cities. Under the Health Department's watchful eye, Cleveland built three treatment plants in the 1920s to remove contaminants before wastewater returned to Lake Erie. After World War II, increased concern about sanitary and industrial pollution led Ohio to establish state water quality standards and to encourage local authorities to take action to abate pollution. Pollution-abatement programs throughout the nation were strengthened in the mid-1960s when the Federal government actively intervened in the fight against pollution as part of its the quest for a cleaner environment. While water-borne bacteria had long been a public health concern, the effort to remove industrial pollutants from the nation's waterways was new, and it required the imposition of more stringent water quality standards. The Federal Water Quality Act of 1965 and the Clean Water Restoration Act of 1966, which made federal funds available to improve local sewage disposal systems, was crucial in promoting metropolitan administration. The Federal Water Pollution Control Administration and later the Environmental Protection Agency worked with state authorities to set higher water quality standards and to monitor the progress of water pollution abatement. Implementation of those new standards required the building and upgrading of local sewage treatment facilities--significant local investments which required area-wide cooperation. This was the motivating force behind the

regionalization of those municipal sewage disposal systems that were still controlled by central cities.

The nation's urban mass transit systems, including the one in Cleveland, were severely weakened by federal funding of a national highway program and the postwar building of local freeways, both of which promoted use of the automobile. The federal government, did not acknowledge that declining mass transit systems were jeopardizing the welfare and vitality of urban areas until 1964 when the Urban Mass Transit Act (UMTA) provided financial assistance to local systems. The UMTA stimulated the formation of regional transit systems by requiring a metropolitan transit plan before federal funds could be released. Federal encouragement of metropolitan administration of area-wide services was founded on the belief that comprehensive, regional systems were necessary for the efficient use of funds. The government thus presented cities with a powerful rationale for regional action. Federal and state agencies, however, could only supply the arguments for regionalization and some key funds; local political forces had to work out the details. Together, national encouragement and local politics shaped the local metropolitan process. While Cleveland's two systems were administered differently and were of varying importance to the community as a whole, their regionalization provides an appropriate vehicle for the study of changing local political relationships brought about by their restructuring.

The regionalization process in greater Cleveland was part of a major national development in the post World War II period--the

evolution of suburbs from satellites of the central city to their collective economic independence. In the 1950s, suburbs were defined by William Dobriner as: "those urbanized residential communities which are outside the corporate limits of a large central city but which are culturally and economically dependent on the central city,"⁸ Their physical development, fueled by the general economic expansion, substantial in-migration, and increasing prosperity, was the most visible evidence of the changes taking place during the post World War II period. Compared with 19th and 20th century suburbs, segregated by class and economic function, the growing postwar suburbs displayed considerable diversity.

Observing the rapid development of the suburbs, some urban scholars, intent on preserving central city hegemony, focused on the disadvantages of suburban life. In criticizing the new suburban units, political scientist Robert Wood likened them in 1958 to older autonomous governments that resisted the forces of progress and modernity; in 1962 sociologist Scott Greer questioned the ability of these "small scale" municipal governments to solve suburban problems with the limited tax base available to them. Like many other urbanists, Wood and Greer doubted the capacity of suburban governments to provide adequate public services and decried their parochialism. However, they also doubted that it was possible to establish overarching regional governments that were capable of correcting the deficiencies.⁹ In reality, suburbs always had been far more flexible in dealing with their service problems than Wood and Greer indicated. Michael Ebner pointed this out in his study of Chicago's North Shore Communities,

some of whom "set aside the tradition of autonomy" to organize the much needed North Shore Sanitary District in 1914.¹⁰ During the post World War II period, other urban scholars were concerned about the suburban lifestyle. William Whyte charged that the suburban social ethic legitimized social pressure against the individual. He saw conformity in Park Forest, Illinois imposed by the adaptation of many of its residents to the corporate culture of large companies where they worked.¹¹ David Reisman questioned whether the low density suburbs could support the cultural diversity available in a central city where specialized cultures are made available to all.¹² Both Whyte and Reisman were concerned that the kind of individualism characteristic of the urban core might be lost.

Over time, growth of the suburbs as residential and economic centers established their permanent independence from the weakened central cities, and urban scholars noted this remarkable development in the 1960s and 1970s with mixed reactions. Kenneth Jackson, retaining dependency as a characteristic of suburban development, viewed it as,

"...the culmination of the earlier 19th and early 20th century tradition of an urban middle class elite following the advances in transportation technology outside the city limits to live and commute to the central business district."¹³

In 1985, Jackson predicted a slowdown in suburban growth due to rising energy prices, increased cost of land and interest rates, lagging technology in home building, and declining size of the average family.

Thus, he implied that suburban growth was finite, a unique phenomenon with a beginning and an end.¹³

Robert Fishman in Bourgeois Utopias proposed another model for suburban growth. To paraphrase Fishman, suburbs were dependencies of the central city whose population was restricted to a bourgeois elite until 1945 when suburbia ended as a discrete entity. Post World War II population deconcentration changed the basic nature of the suburb, creating an entirely new decentralized city with a middle class orientation. The suburban relationship with the central city shifted from dependence to increasing independence as its residential character was replaced a mix of housing, industry, and commercial development. Beyond suburban independence, Fishman envisioned more new cities growing on the periphery of an urban area creating multicentered regions tied together by super highways, generating "urban diversity without urban concentration."¹⁴

Acknowledging the changing status of the suburbs in the early 1970s, Anthony Downs expanded the operational definition of suburbs as follows:

"...Suburbs refers to all parts of all metropolitan areas outside of central cities. It therefore includes unincorporated areas as well as [18,000] suburban municipalities. Communities that are considered suburbs by this definition range in population from a few hundred to over 80,000, in land-use composition from entirely residential to almost entirely industrial with nearly all possible mixtures in between, and in distance from the central city from immediate adjacency to over a hundred miles away.¹⁵

Building on Downs expansive definition of suburbs, Peter Muller also placed suburban economic and cultural independence in the 1970s when multifunctional cores dotted the urban landscape, and the city's central business district was no longer the focal point of the region. He says,

"In the process, the term 'suburbs' itself has been rendered obsolete because such settlements are simply no longer 'sub' to the 'urb' in the traditional sense."¹⁶

Although urban historians may vary the date of suburban independence, it was a valid fault line in the evolution of suburban growth. The political recognition of suburbia's new status by other governing entities is the larger context in which the regionalization of Cleveland's sewage disposal and transit systems will be analyzed in this dissertation.

CHAPTER I
INTRODUCTION

Footnotes

¹John A. Rehfuss, "Metropolitan Government: Four Views," Urban Affairs Quarterly 4 June 1969, pp. 91-111 (quotation on p. 95).

²Believing in the logic of metropolitan government, Amos Hawley and Basil G. Zimmer surveyed public attitudes toward local government unification. They confirmed that suburban residents found significant service deficiencies in their communities but were strongly opposed to the resolution of those problems through a consolidation of their government. They also found that many suburbanites valued direct access to their local governments which would be lost through consolidation. Paradoxically, the same people appeared to be unwilling to participate in the local governing process which, according to Hawley and Zimmer, demonstrated the illogical, contradictory, and inconsistent attitudes of middle class suburban residents. Amos H. Hawley and Basil G. Zimmer, The Metropolitan Community: Its People and Government. (Beverly Hills, California, Sage Publications 1970). pp. 138-142.

³Lowdon Wingo, "Introduction: Logic and Ideology in Metropolitan Reform" in Reform of Metropolitan Governments, No. 1 in a series on The Governance of Metropolitan Regions, Lowdon Wingo, Series Editor. (Washington D.C., Resources for the Future, Inc. 1972) p. 1 (Quote)

⁴Scott Greer, Governing the Metropolis, (New York, John Wiley and Sons, Inc., 1962). pp. 124-125.

⁵Jon C. Teafor, The Twentieth-Century American City: Problem, Promise, and Reality, (Baltimore, The Johns Hopkins University Press, (1986), p. 156. (Quote)

⁶Wood said of New York that few citizens look to their local governments to "optimize or maximize" anything. Robert C Wood with Vladimir V. Almendinger, 1400 Governments: The Political economy of the New York Metropolitan Region, (Cambridge, Mass., Harvard University Press, 1961). pp 198-199.

⁷Eric H. Monkkonen, America Becomes Urban: The Development of U.S. Cities & Towns, 1780-1980, (Berkley Calif., University of California Press, 1988), Introduction, pp. 1-8.

⁸William B. Dobriner ed., The Suburban Community, (New York, G. P. Putnam's Sons, 1958) pp. vii-ix, xvi-xvii.

⁹Robert C. Wood Suburbia: Its People and Their Politics. (Boston, Houghton Mifflin Co., 1958) p. 9-10.; Scott Greer, The Emerging City: Myth and Reality, (New York, Free Press of Glencoe, A Division of The Macmillan Co., 1962) pp. 143-144.

¹⁰When the North Shore suburbs in Lake County were specifically excluded from the Sanitary District of Chicago in 1911, the communities from Highland Park to Waukegan found a metropolitan solution to their drainage problems by organizing the North Shore Sanitary District in 1914. Michael H. Ebner, Creating Chicago's North Shore: A Suburban History, (Chicago, University of Chicago Press, 1988). pp. 192-193.

¹¹William H. White, The Organization Man, (New York, Simon and Schuster, 1956). p. 3-8.

¹²David Reisman, "The Suburban Sadness," in William A. Dobriner ed. The Suburban Community, (New York, G. P. Putnam's Sons, 1958)

¹³Kenneth T. Jackson Crabgrass Frontier: The Suburbanization of the United States. (New York, Oxford University Press, 1985). p. 4-11, 297.

¹⁴Robert Fishman, Bourgeois Utopias: The Rise and Fall of Suburbia, (New York, Basic Books, Inc., 1987) pp. 12-17, pp. 182-185 (Quote p. 184).

¹⁵Anthony Downs, Opening up the Suburbs: An Urban Strategy for America, (New Haven: Yale University Press, 1973). p. viii.

¹⁶Peter O. Muller, Contemporary Suburban America, (Englewood Cliffs, N.J., Prentice-Hall, 1981). pp. 179-180.

CHAPTER TWO

THE REGIONAL GOVERNMENT MOVEMENT IN CLEVELAND

I. Introduction

Early in the 20th century central cities were challenged when the movement of urban populations outside the urban core forced existing governments to reassess their roles. Suburban development and a growing immigrant political constituency in the city caused metropolitan reformers to consider a regional government for the area's decentralizing population. After World War II, the need for regional government gained further credibility with the wholesale deconcentration of the population and the concurrent increase in the complexity of local governing.

Cleveland experienced the same demographic and economic shifts that were shaping other postwar American cities as its governing structures expanded to meet the increasing demand for more and better municipal services. With the exodus of its white middle class population to the suburbs, the prevailing mix of the city's population changed. The economic and social needs of its poorer immigrants, unfamiliar with the urban environment, needed to be addressed at the same time the city administration was expanding its regional functions to the suburban areas. Cleveland established offices such as Hispanic Liason, Aging, and Consumer Affairs to meet the needs of its citizens as well as new departments of Economic Development and Community Development in an effort to arrest the

city's decline. Meanwhile, the proliferating suburban governments outside the city strained to meet the service demands of their population, and intermunicipal agreements or city-suburban contracts were undertaken to solve immediate fiscal or service crises.¹ Although many suburbs provided a substantial share of their own municipal services, almost all contracted with Cleveland for water and sewage service.

The number of special function districts also was growing. Cleveland had pioneered in district government, organizing the Cleveland Metropolitan Park district in 1917 and the Cuyahoga Metropolitan Housing Authority in 1935 among others. Between 1947 and 1975, however, the number of special districts, with autonomous responsibilities in such fields as conservation, education, and health, doubled. Regional Council of Governments (COG) was a new flexible form of institutionalized cooperation in the metropolis to deal with common problems. COGs were organized in the Greater Cleveland area to collect municipal income taxes, to coordinate criminal justice planning, and to establish cooperative suburban law enforcement, among others.

The growing complexity of these governing arrangements prompted local metropolitan reformers to examine area-wide government as a way to administer regional functions serving the greater Cleveland community. In Cleveland a comprehensive reorganization of Cuyahoga County appeared to be the optimum solution to the service delivery problem and the growing fragmentation of local government generally. In contrast, the governments which

managed municipal functions sought a consensus on regional alternatives that maintained local political relationships. Although the comprehensive reform of Cuyahoga County failed to obtain voter approval, the need for alternative metropolitan structures remained. Within the framework of the declining city, the growing suburbs, and the increased service demands, greater Cleveland's regional government movement will be analyzed, and regional alternatives for individual municipal functions will be considered. This chapter sets the stage for the regionalization process that led to metropolitan sewage disposal and transit systems in the Cleveland area.

Background

The American city was changing as large segments of the cities' populations moved to the suburbs. Between 1950 and 1960, the population of metropolitan areas in the United States climbed by 23.6 million persons or 26 percent. In the 20 largest metropolitan areas the percentage of the population living in the central cities declined from 58% to 49%. Retail business followed the outward migration and within the same decade, the shopping mall became a suburban way of life, meanwhile, numerous manufacturing, warehouse, and wholesale firms also moved to suburbia. By the early 1960s, new businesses were springing up, providing thousands of jobs and millions of dollars in tax revenue for outlying municipalities, siphoning off a significant share of the central city's wealth.²

The post World War II redistribution of the urban population led metropolitan reformers to look at consolidation and federative

government as options to correct the pressing contemporary needs as they saw them. City-county consolidation was the most inclusive change--an option that was feasible when the county lacked the authority to change its operation and when it lacked sufficient taxing ability to implement necessary improvements. A less drastic reform was a federative metropolitan government in which a two-tier system was established by reorganizing county government so that it could manage municipal services with regional service areas.

Many reformers saw the problem as the physical redistribution of the population and the resulting development of multiple suburban governments. In their view, metropolitan government was needed to reduce these overlapping and uncoordinated units, which made local administration confusing, expensive, and inefficient. Nationwide, metropolitan surveys, including one in Cleveland, focused on the severity of the problem and encouraged corrective action. Most regional advocates sought to lessen the influence of fragmented municipalities by concentrating on restructuring existing county government through the use of a home rule charter which gave counties greater authority to respond to the interests and needs of all their citizens.

The movement to establish county home rule dated back to the 19th century Dillon law of the 1870 which established the state's unqualified authority over counties. According to the law, counties possessed only powers derived from the state constitutions or its legislation. Adverse reaction to this ruling produced the home rule movement designed to give counties all powers not specifically

prohibited by the state. Although 19th century response to home rule reform was sparse, its usefulness became clearer as the 20th century progressed.³

Both city-county consolidation and county reorganization by home rule charter were debated in urban areas, but their implementation met with limited success. Well-over 100 local government surveys were conducted during the 1950s, and approximately 45 proposals calling for a substantial degree of government integration were submitted to the voters. Less than one in four won acceptance, and most of those victories came in smaller relatively homogeneous urban areas.⁴ Between 1960 and 1979, however, in the number of major county reorganizations increased. The figures for 1960, 1970 and 1979 in the table below represent totals-to-date for each type of reorganization.

AMERICAN COUNTY REORGANIZATION TREND

<u>Type Of Reorganization</u>	<u>1960</u>	<u>1970</u>	<u>1979</u>
Consolidated City-Counties*	11	19	25
Charter County-Type Areas**	27	59	95
Elected Executive Counties	8	34	253
Appointed Administrator Counties	<u>75</u>	<u>203</u>	<u>513</u>
	120	314	885

*the figures include mergers by legislative action and referendum

**Home rule charters giving counties municipal powers

SOURCE: Government Research Institute, Reorganizing Our Counties: A Catalog of County Government Reorganization Experience in America. (Citizens League, Cleveland Ohio, 1980) p.12,36.

Although these reorganizations increased in number, the local political consensus needed to approve so fundamental a change was

difficult to achieve. Three-quarters of American counties in 1979 still retained the traditional elected commission-form, which usually contained independently elected county officials who shared policy and administrative responsibilities with the elected county commissioners.⁵ While the framework itself was difficult to change, the trend during the period was towards more county local control and independence from the state.

II. The Home Rule Option in Cuyahoga County

Cuyahoga County home rule was a regional option giving it the authority to administer municipal functions, and as Cleveland's growth extended beyond its territorial boundaries, metropolitan reformers saw it as a viable solution to the local service delivery problem. Under Ohio law, Cuyahoga County government has always provided a middle level of governance between the state of Ohio and its citizens. With 3 elected County commissioners in charge, it was authorized to function as the state's administrative arm in 1802. Ohio's new constitution of 1851 expanded the number of independent elected county officers to carry out specific functions, and in 1857, the Ohio Supreme Court differentiated between counties and cities by designating the city as a municipal corporation created for the convenience of a given locality and the county as a quasi-municipal corporation created to administer the policy of the state.⁶ Cuyahoga County retained its original form of government, however, in the decades following World War I, its internal structure was greatly

modified to meet increased responsibilities brought on by a growing population.

Cleveland was already Cuyahoga County's most populous city in the early 19th century, and as it continued to grow, adjacent communities petitioned for annexation in order to obtain Cleveland's superior municipal services.⁷ The development of electric streetcar lines, beginning in the 1880s, extended the commuting distance to the central business district. As a result, residential areas developed along their routes which established an urbanized link between the central city and the outlying rural areas. The "streetcar" suburbs of East Cleveland, Cleveland Heights, and Lakewood eschewed annexation, preferring to distance themselves from the city's burgeoning immigrant population, its machine politics, and pollution from its growing industries. The new suburbs established most of their own municipal services but contracted with the city for their water supply. By 1930 Cleveland was entirely surrounded by independent suburbs, permanently restricting its growth.⁸

As Cleveland's territorial growth slowed after the turn of the century, a movement was launched by the Civic League (later the Citizen's League) to install county-wide metropolitan government "while 85% of the area's population still live in Cleveland and before the problems of urban growth engulf us," as the League put it in 1917.⁹ Local reformers believed that the conflicting interests of the city's diverse population encouraged political separatism and created a corrupt, inefficient government controlled by political bosses. They argued that "consolidating numerous jurisdictions under a

metropolitan government would produce better municipal services and lower taxes. They failed to add that their proposal would materially change the legal and political relationships among Cleveland, the municipalities outside Cleveland, and Cuyahoga County.

The Movement to Legalize County Home Rule in Ohio

In order to reorganize county government in Ohio, a constitutional amendment was needed to permit a home rule charter. Such a charter would vest Cuyahoga County with the same general grant of powers available to Ohio cities, (defined as having 5,000 people or more), including the right to pass ordinances, and the expanded right to incur a higher level of debt and to raise additional revenue for operating purposes.¹⁰ In the 1920s, the Citizens League, dominated by suburban reformers, led a campaign for dual-level metropolitan rule. It advocated a state constitutional amendment which would allow a federative two-tier system of government which preserved individual municipalities but reorganized Cuyahoga County government, giving it authority to administer regional functions. Although reorganized by a home rule charter, Cuyahoga county would still administer state law within its boundaries, and local citizens would still solve local problems. The county's expanded field of action, however, would redefine the balance of power between local autonomy and state sovereignty which would, in turn, alter the relative access of groups to local policy-making and the existing political relationships among the county's governing units.

A coalition of local and state-wide reformers could not persuade Ohio's General Assembly to approve a constitutional amendment permitting county home rule. When amendment was turned down by the legislature in 1931, reformers launched a successful petition drive to place it on the Nov. 1933 ballot for approval by the general electorate. The amendment was ratified with support mainly from the state's central cities and wealthy suburbs.¹¹ The home rule amendment, available to all counties, required that a home rule charter be approved by four separate concurrent voter majorities: by a majority of the voters in the county's largest municipality; a majority in the area outside the largest municipality; a majority in the county as a whole; and a majority of the voters in a majority of all the governmental units within the county. The latter, known as the fourth hurdle, was needed if the charter called for the transfer of municipal functions. Ostensibly designed to ensure a broad consensus of voters if the central city was to lose any of its municipal functions, the fourth hurdle also permitted a minority of the county voters living in the outlying communities to defeat a home rule charter and frustrate the will of the majority. The application of this formidable barrier was quite satisfactory to the rural-dominated Ohio legislature, a majority of whom were unwilling to open the door for a mega government on the shores of Lake Erie.¹²

The Cuyahoga County Home Rule Charters of 1935 and 1950

Metropolitan home rule in Cuyahoga County was a durable issue; voters had six opportunities approve a county reorganization between 1935 and 1980. In order to write a charter, a commission was selected

by referendum to draft it. The completed home rule charter was then submitted to the voters for approval. The first Charter Commission elected in 1934, was chaired by Republican Harold H. Burton who also was a candidate for Mayor. Mindful of the restrictive 4th hurdle, the commission wrote a charter limiting the reorganized county to those functions it already performed.¹³ The carefully-worded document abolished the elected county commissioners and administrative officials in favor of a new 9-member county council elected at large with the authority to appoint county executive director and pass ordinances; otherwise, it appeared to confine itself to powers the county already possessed. In 1935, 54% of Cleveland voters approved the charter and 52.9% of all county voters as well.¹⁴ The majority vote probably reflected the popularity of Commissioner Burton who was elected Mayor at the same time. It also is possible that the city majority hoped the broader taxing base of a reorganized county could generate additional poor relief funds which were desperately needed.¹⁵ However, with only a majority in the City and a majority in the county, the charter did not meet the requirements of the 4th hurdle, and its implementation without the 4th majority did not survive a court challenge. The Ohio Supreme Court ruled that four majorities were necessary since the charter was not a simple restructuring but one that did vest municipal powers in the reorganized county.¹⁶ The fourth majority was unattainable in this instance, since 47 of the 59 municipalities outside Cleveland had turned it down.¹⁷

County home rule was revived in 1948, following the World War II moratorium on governmental reorganization. Cleveland had

recovered from the worst effects of depression during the war, and there was no crisis atmosphere in 1949 when voters approved the formation of a 15-member Home Rule Charter commission. In the postwar euphoria, a new county home rule charter was viewed as another projected improvement in municipal life: an improvement comparable to the construction of a downtown airport; the expansion of Cleveland's public transportation system; and the creation of integrated freeways. In addition, Cleveland's water and sewage disposal systems were beginning to expand their service areas, making them prime candidates for regional administration. In reality, their regionalization could be accomplished without a home rule charter. Both systems could be transferred to the county or a water and sewer district could be established under the aegis of the Common Pleas court. The second option, was available under a State law passed in 1949 at the urging of the Cuyhoga County Regional Planning Commission. The Commission produced a regional master plan, but without Cleveland's support, it was never implemented.¹⁸

County home rule supporters dismissed the district plan, arguing that a streamlined county government could move expeditiously and efficiently to improve the delivery of municipal services, and the 61.4% approval to form a charter commission in 1949 convinced reformers that voters wanted modernization.¹⁹ However, substantial voter consent to form a commission did not necessarily translate into acceptance of a specific charter.

The 1949 commission was made up of 7 members from the Citizen's League slate of candidates, 7 from the Democratic Party slate,

and James M. Carney, whose name appeared on both slates. The reform-minded Citizen League allies included former City Council President A. L. "Sonny" DeMaioribus who represented the Cuyahoga County Republican Party. Although the charter writing was peppered by conflict as the commission considered four different proposals, they did not question the inclusion of the water, sewage disposal and transit systems in the charter as candidates for regionalization.²⁰ The 1949-50 commission invited input from a variety of local interest groups, but it rejected the advice of Democratic Mayor Thomas Burke and the county commissioners both of whom counseled that a charter with the least possible interference in the present machinery of county government stood the best chance of securing voter approval.²¹ A small group within the commission led by DeMaioribus, chairman of the "Powers of the County Government" Committee shaped the charter provisions, reflecting civic improvement groups' desire for a strong charter and the Republican party's longing to reverse its political decline by participating in a reorganized county government.²² As one Cleveland official put it in 1958: "there was no feeling about the good of the community then (1949-50), it was either kill the idea or find some way to control it."²³

Nine of the 15 commission members (including 2 disaffected Democrats) approved a comprehensive charter designed to dilute Cleveland's political dominance by taking over some major municipal functions whose regional management would be vastly improved, according to them. The commission majority also sought to isolate the

city's ward politics from the elective process and utilize the suburban republican vote by instituting at-large elections for both the County Administrator, who would appoint department directors, and a 9-person county commission, which would function as the legislature. Under home rule, the three county commissioners and most of the county elective offices would be abolished, the county would be given exclusive authority over the intermunicipal interceptor sewers and water mains, public hospitals, charitable and correctional institutions, airports, and by referendum, local transit systems.²⁴ Most importantly, it would have the right to take over these municipal functions by eminent domain and to decide what constituted a fair compensation to the former owners.²⁵

The metropolitan newspapers, the business community, and many of the major civic organizations actively supported the charter, with opposition coming from elected officials who wanted to keep their jobs, and a Citizens Committee Against the Charter headed by Mayor William Van Aken of Shaker Heights.²⁶ Unlike the situation in 1935 when the charter reflected the influence of Mayor-elect Burton who promoted it, the 1950 charter's wide-ranging provisions contravened the "go slow" advice by Cleveland and county officials. The charter received 47.1% approval in Cleveland and 48.7% approval in the suburbs.²⁷ Neither city nor suburban voters were persuaded that more efficient and responsible government would result from county home rule. Instead, they feared that any significant changes in the area's settled political arrangements would, in the long run, reduce their own political access to government. An analysis of the voting record by

political scientists Richard A. Watson and John H. Romani showed that Cuyahoga County voters with a high level of income and educational attainment tended to favor the charter while those with lower incomes and levels of education and employment in blue collar occupations tended to oppose it.²⁸

The Revival of County Home Rule and the Charter of 1959

Between 1950 and 1959, most of the county's population increase settled in suburban areas, multiplying the number of local government entities. Advocates of metropolitan government assumed the total number of local governments was the problem and that simplifying the maze of governing units would ensure efficient rule, area-wide planning, and "cure the ills of urban America."²⁹ To them, analyses of existing governmental structures was urgent in order to confront these changes. Nationally, 79 metropolitan surveys were initiated between 1947 and 1957 to provide a rationale for establishing effective regional government.³⁰

After the failure of the 1950 charter, local reformers followed the national trend by organizing The Cleveland Metropolitan Services Commission (METRO) in November 1955 to survey local government needs in Greater Cleveland. Its mission was to explore methods of administering municipal services in a more efficient and financially responsible manner and to recommend a governmental structure that would provide regional leadership.³¹ Expectations were high among METRO participants that survey results would contribute substantially toward formulating an effective metropolitan government for the area

and solving the metropolitan problems as they saw them. METRO's work, however, was co-opted in the spring of 1958 by a move led by Seth Taft and Estal Sparlin, Director of the Citizens League, both members of METRO's Study Group of Government Organization. They believed it tactically wise to begin campaigning for a County home rule quickly in order to capitalize on the interest generated by the Commission studies. Through the influence of a relatively small group of supporters, the question of electing a new Charter Commission was placed on the November 1958 ballot.³² Since METRO's model charter, the basis for future home rule efforts, had not been finalized, the premature move for home rule shifted the county reorganization question back to the political arena which reduced the impact of the Commission's decision-making.³³

Those pushing for a new charter commission were encouraged by the removal of the fourth hurdle approved by the voters the previous November which improved the chances of charter endorsement. Advocates of immediate charter preparation also sought to head off a proposed constitutional amendment to appear on the 1958 ballot which authorized municipalities within a county to federate in order to solve their common problems.³⁴ The urgency to proceed without delay was also rooted in concern for the future of county home rule. It was believed that voter approval for reorganizing Cuyahoga County would become more difficult as Cleveland's growing black minority would view it a device to reduce their political influence.³⁵

Others in favor of a reorganized county government privately indicated that it might serve to limit future black authority over the city's major service responsibilities. In fact, the only organized opposition to the question of forming a charter commission in 1958 came from black groups concerned that Cleveland would lose its municipal functions to suburban control.³⁶ In the November 1958 election, the constitutional amendment allowing inter-municipal agreements lost statewide, but received 52% of the Cuyahoga County vote. The local proposal to form a new charter commission was ratified by 65% of the voters.³⁷

The 1959 Charter Commission majority was a coalition of good government advocates from both parties but excluded suburban political constituencies, "cosmopolitan" Democratic factions of the city administration (a term referring to southern and eastern European ethnic groups), and Black representation--all important elements of the metropolitan political system.³⁸ Although most Democratic commission members opposed the 1950 charter with its Republican tilt, those on the 1959 commission saw the political possibilities of a strong charter with an elected executive to carry out a wholesale reorganization of the county offices. Such a metropolitan charter could enhance their political control at the expense of the Cleveland's mayors whose solid political base among the city's nationality groups ensured their reelection.³⁹ In 1959, the commission produced a strong federative charter which contained most of its predecessor's disadvantages--a legislative assembly whose membership was structured to assure suburban dominance in the future; an extensive

list of municipal functions to be transferred, and a complex procedure for deciding the crucial issue of compensation, which ultimately rested with elected officials unaffiliated with the municipality involved.⁴⁰ Although there were perfunctory negotiations with Mayor Anthony Celebrezze regarding the charter provisions just before it was finalized, no significant changes emerged.⁴¹

The 1959 charter campaigners emphasized the need for organized power with the authority to get things done, and sought to control the debate by limiting their arguments to the efficiencies and savings that would result once people discarded their preoccupation with local concerns and recognized their common interests. However, the urgent need for change was never made manifest. While Mayor Celebrezze, who was running for re-election, did not speak out publicly against the charter, members of his cabinet actively campaigned against it effectively utilizing the threat of increased taxes and utility rates that county reorganization posed. The city administration did not publicly reject the idea of County home rule, instead, it promoted the idea of a simple county reorganization.⁴²

The charter was defeated--only 42.4% of city voters and 46.7% of the suburban voters approved. The cause, in part, was due to the anti-charter campaign by city officials.⁴³ As Utilities Director Bronis Klementowicz said in retrospect: "The people wanted a simple county homerule charter, not a supergovernment which rips up the assets of our community."⁴⁴ The charter failure also highlighted a significant change in the city's black vote. With increasing political strength in the city, they were less inclined to favor a transfer of city authority to the

county according to Political Scientists Richard A. Watson and John H. Romani.⁴⁵

An Alternate Form of Metropolitan Government

The Ohio constitution and its laws determined the options available to reorganize county government. While no more comprehensive charters were submitted to the voters between 1959 and 1980, the Ohio passed a law in 1961 allowing an alternate restructuring of county government which could be implemented by a simple majority vote. It was available for use in 1968, after surviving a legal challenge to its constitutionality.⁴⁶ This alternative form simply changed county government by establishing a county executive--either elected or appointed--and reconstituting the commissioners as an elective legislative assembly. The county, once it had legislative power, would share the same municipal right to perform any function not prohibited by Ohio law, provided its ordinances did not conflict with those of the state, the municipalities or the townships.

While it clearly separated the executive and legislative branches of county government as the home rule charters did, legislative authority was circumscribed by local law on the one hand and state law on the other. County authority to enact ordinances, however, gave it more control over its own affairs. For example, it could establish a separate law department apart from the county prosecutor to deal with legal issues as they arose in conjunction with urban problems. The alternate

form specifically provide for the acquisition of any municipal functions.

In 1969 and 1970, a coalition made up of the Greater Cleveland Growth Association, the Citizens League, and the League of Women Voters actively campaigned for an alternate elective form of county reorganization which expanded the number of commissioners from 3 to 7. Voters would chose four commissioners from districts and 3 at-large to serve as the county legislature as well as the county administrator. In 1969, the measure lost in a close vote with about 49% voter approval. Another effort was made in 1970 to pass the same alternate form, but this time only 46.2% of the voters approved with both city and suburbs turning it down.⁴⁷

An Ohio constitutional amendment permitting a county charter by initiative petition was adopted in 1978, and Summit County, using this new option, was the first in Ohio to get county home rule in 1979. Emboldened by its success, Cleveland's civic improvement groups active in 1969 and 1970 launched a petition drive for a new home rule charter in Cuyahoga County. Discarding the comprehensive charters of 1950 and 1959 they took a conservative course, proposing only a simple reorganization. (Article X of the Ohio constitution, however, allowed home rule charters greater latitude e.g., they could exercise both concurrent as well as exclusive powers and could assume municipal functions.) The petitioners secured enough signatures to submit a charter to the voters in 1980 which provided for an elected executive and replacement of the 3 commissioners with 9 legislative assemblymen elected from districts; all other county officials retained

their offices. Like the other two campaigns, this one was low key, but again the voters were not listening. The results showed 56.3% against and 43.7% in favor of the charter. Opposition to these last three attempts at county restructuring was led by Cleveland's nationality groups and the black community, whose leaders feared these simple changes would lead to the metropolitan-type government rejected in 1950 and 1959. The growing black community in particular was not willing to have its recently acquired political power diluted by the growing influence of the broader-based county government.⁴⁸

Across the U.S. elites sponsored county reorganization efforts that came from the desires of a few interested groups whose campaigns failed to reach large numbers of people. This was true in Greater Cleveland where metropolitan reform was initiated and supported by members of organizations such as the Citizens League, the League of Women Voters, the Greater Cleveland Growth Association, and local political figures who hoped to play a larger part on the metropolitan stage should their proposals be accepted. Although the dual form of metropolitan government balanced the benefits of regionalization with the continued independence of Cleveland and suburban governments, the county's new responsibility for major municipal functions would alter the existing balance of political power in the area.

The 1950 and 1959 commissions eschewed substantive negotiations with the city's ethnic administrations, and did not appease the political sensibilities of County voters. The charters were presented as faits accomplis--metropolitan solutions imposed by the originators on non-participating groups in the community. This maneuvering was

characteristic of the progressive spirit that activated earlier Cleveland reform measures, and remained the fundamental weakness of those who did not consider the diverse interests of its population. Ultimately, acceptable forms of governing regional municipal services would be determined within the parameters of failed county reorganization on the one hand and the status quo on the other.

III. Regional Alternatives

Comprehensive county reorganization was not the only solution to improving the delivery of regional municipal services. Alternative answers to the question of who should provide urban services and in what form existed. This section will focus on joint agreements and special districts; the municipal functions reviewed here will include welfare, hospitals, and juvenile correction institutions. Early examples of special districts in Cuyahoga County were the Cleveland Metropolitan Park district established in 1917 and the Cuyahoga Metropolitan Housing Authority formed in 1935; between 1942 and 1972 their use doubled. In the United States during the same 30-year period the number of special districts jumped from 8,299 to 23,885.⁴⁹

Transfer of Cleveland's Municipal Services to Cuyahoga County by Joint Agreement

When county reorganization charters were being debated in the 1950s, Cleveland was already making contractual arrangements to

shift the administration of its general relief funds to Cuyahoga County--a move which was completed in 1953. Between 1952 and 1956, Cleveland and 8 suburbs entered into these agreements consolidating the responsibility for the allocation of relief payments in the county welfare department.⁵⁰ The city also transferred to the county some of its aging public facilities in Warrensville Township which had been built during the Tom L. Johnson mayoral administration (1901-1909). The city sold Sunny Acres Tuberculosis Sanatorium to Cuyahoga County in 1942 for \$791,253, the amount needed by Cleveland to pay off the principal and interest on bonds issued for sanatorium improvements. Cleveland also gave the land and buildings of its old Warrensville Infirmary and Chronic Hospital to the county without payment in 1952 in order to facilitate the county construction of a new Highland View hospital there for chronically ill. Highland View was the nucleus of the new quasi-independent Cuyahoga County Hospital System organized by the County Commissioners; hospital operation was governed by an independent 10-member board of trustees while its finances remained under the county commissioners' control.⁵¹

A major regionalization of Cleveland's health responsibilities was consummated Jan. 1, 1958 when the city also gave City Hospital to the county, together with two juvenile correction institutions, Cleveland Boy's School in Hudson, and Blossom School for girls. In the early 1950s, City Hospital, which provided health care for the indigent, was a \$6 million operation plagued with rising deficits, inadequate city financing, and lack of long-range planning.⁵² The county, however, refused to take it over until a 1 mill levy was approved by the voters to

defray the added expense. When the increased millage was voted in Nov. 1957, the county assumed the operating costs of the hospital; the costs of caring for the indigent; and made City Hospital the centerpiece of its new county hospital system. The city continued to pay the principal and interest of all outstanding bonds and notes for the hospital and the two schools.⁵³ The regionalization of these facilities made fiscal sense; Cuyahoga County acquired additional tax money to operate its semi-independent health system; and Cleveland, according to Mayor Anthony Celebrezze, saved \$6.6 million in 1957-58 fiscal year alone.⁵⁴ Cleveland was not giving up valued municipal functions, it was saving money on the operation of aging city institutions, and that was sufficient justification for the shifts.

With these transfers, Cleveland applied practical politics to its regionalization problem by negotiating mutually beneficial agreements to free itself from three long-standing obligations which it was unwilling to maintain. All municipal functions, however, were not of equal value to their owners--the transfer of water, sewage disposal and transit systems so avidly sought by the charter-makers of 1950 and 1959 was quite a different matter. Unlike the recently transferred medical and correctional establishments, each of these three functions was self-supporting by 1950; each generated its own revenue from user charges; and only the sewage disposal system needed partial funding of its debt service from the city. These were assets Cleveland would not part with so long as they were solvent, and even then, would do so only if the city received substantial compensation for its past investment in their operation.

Both formal and informal intergovernmental agreements to perform municipal functions were used to benefit improve services. In 1958, a proposed amendment to the Ohio constitution would permit contiguous municipalities to federate for the delivery of services. Although it was approved by a majority of Cuyahoga County voters, it lost in the state-wide vote and was not implemented.

The Special District--a Regional Alternative for Municipal Functions

Another alternative, which gained popularity was the use of a function-specific district to administer regional services. A special district was defined as, "...an organized, limited purpose local governmental entity with substantial administrative and fiscal autonomy, not subject to direct control by the electorate"⁵⁵

The single-function district was distinctive in the amount of independence it had from the governments it served. It had more authority than an entity delivering a municipal service under a joint agreement because the latter was directly answerable to the participating municipalities. Limited to specific services, a special district was less comprehensive than a city-county consolidation or a county reorganization, and state law determined the district format . In Ohio, a special district was governed by a Board of Trustees, usually appointed by the communities it served, but its operation was not usually subject to review by the governments that created it. Ohio's district law was amended several times from 1949 to 1977, to allow

more flexibility in establishing district boundaries and providing a broader range of financial options--an important improvement, since a district was expected to carry out its function without taxing the communities it served. Divorced from "politics," it also could recruit professional personnel and utilize efficient management practices. Thus, the existing political structure in the area was not threatened with the wide-ranging change inherent in county home rule. Districts were usually subject to indirect rather than direct control by the electorate when they were established, because elected officials, not the voters, appointed the members of their boards.

While districts were a satisfying compromise to the competing interests involved in a specific service problem, special districts did not address the larger issues of comprehensive metropolitan management. Coordination of multiple single function districts could eventually create problems in the absence of an overarching authority which had the capacity to deal with their complex interrelationships or to mediate their competing needs for tax revenue.⁵⁶ In spite of the potential drawbacks, however, their use alleviated some of the most pressing service needs resulting from rapid urban development.⁵⁷

Sewage and Transit Systems--two candidates for regional authority

Sewage disposal and transit systems were typical concerns that were addressed through the organization of a single function district. Sewage and transit districts were allowed in Ohio and could be tailored to the specific needs of individual service areas. Each arrangement was different--based on a combination of service needs and local

political considerations. Nationally, suburban growth led to the expansion and improvement of existing sewage disposal systems to accommodate the increased sewage flow. The proportion of the U.S. population served by sewers rose from just 52% in 1949 to 71% by 1968.⁵⁸ To administer sewers and sewage disposal systems, sanitary authorities with varying degrees of independence could be established either by joint agreement or by organizing a special district. Joint contractual arrangements formed the Milwaukee Metropolitan Sewerage Commission and the Minneapolis St. Paul Joint Sanitary District. Examples of special sewer districts were The Allegheny County Sanitation Authority serving the Pittsburgh area, and the Metropolitan St. Louis Sewer District.⁵⁹

In contrast to the problems of sewer expansion in the suburbs, urban mass transit operations, including the one in Cleveland, were directly threatened by the wholesale flight of population away from the central city after World War II and by competition from the automobile, so well adapted to the new highways reaching out beyond the urban core. Collectively, the financial health of the nation's transit systems deteriorated rapidly beginning in the 1950s, declining from a total annual profit of \$20 million in 1962 to a total annual loss of \$332 billion in 1970.⁶⁰ With their ridership plunging, transit operators sought federal, state, and local funds to enlarge their systems in order to recapture lost patronage, and a number of area-wide mass transit authorities were created to carry out their plans. For example, the San Francisco Bay Area Rapid Transit District began in 1962 and the Five-county Atlanta Metropolitan Transit Authority was formed in 1965.⁶¹

Cleveland's Metropolitan Problem: The Exodus to the Suburbs and the
Impact on the Delivery of Its Municipal Services

Cleveland's municipal functions with metropolitan service areas were hard put to keep up with the postwar growth of the suburban population. Cleveland experienced the same white flight that other major cities were undergoing; yet in 1950, it appeared prosperous on the surface. Forty-two percent of Cleveland's workforce had relatively high-paying manufacturing jobs in 1950. In 1952 for example, over 100 new manufacturing concerns were established and many existing industries were upgraded under the stimulus of the Korean War.⁶² Anticipating the opening of the St. Lawrence Seaway and more prosperity, county voters willingly approved an \$8 million Seaway bond issue to improve port facilities. The slight 4.2% decline in Cleveland's population between 1950 and 1960 seemed to be a temporary cloud on the horizon, even a relief from wartime overcrowding. However, the continuing decline in Cleveland's population took on a more permanent aspect in the decade from 1960 to 1970 when it accelerated to 14.3%, followed by a further decline of 23.6% during the 1970s. The population in the area outside Cleveland's boundaries grew by 67.2% in the 1950s, 42.7% in the 1960s, and it was plain that the suburbs were growing at Cleveland's expense in 1970, when Cleveland's share of the county's population dipped to 44%.⁶³ For example, between 1950 and 1970, Parma became Cuyahoga County's largest suburb, increasing its population 346 percent, from 28,897 in 1950 to 100,216 in 1970.⁶⁴

As Cleveland's white population departed, the city suffered economically as its business and industry also left for the suburbs and

beyond. Cleveland lost 22.1 percent of its manufacturing jobs between 1963 and 1972, and large companies such as White Consolidated Industries, Harris Corp, Euclid Road Machinery, and Addressograph-Multigraph left the area altogether.⁶⁵ The population shifts also confirmed the city's decline as a center for retail sales as stores followed the population to the suburbs and flourished there as shopping malls were built with ample parking. Between 1954 and 1967 Cleveland's share of the county-wide retail employment fell from 77% to 50.1% and by 1982 the city's share was just 29% of the retail jobs in the county.⁶⁶ In the 1950s and 1960s exodus and decline characterized the city--no new office buildings had been built in the downtown area since the Terminal Tower complex opened in 1930; downtown commercial hotels were closing; and retail sales in the central business district lagged.⁶⁷ Governing Cleveland, however, became more complex as urban renewal, neighborhood maintenance, economic redevelopment, and help for the city's aging population became major concerns.

As suburban living became feasible for large numbers of city residents, Cleveland's transit, water, and sewage disposal systems faced difficult new challenges. The loss of jobs and retail sales in the central city produced a continuing loss in ridership for the Cleveland Transit System, which depended on farebox revenues for its operation. When the system's deficit reached alarming proportions, regionalization was seriously considered. Suburban growth also taxed Cleveland's ability to expand its water and sewage disposal systems into rapidly developing areas. The upgrading of Cleveland's sewage

disposal plants to handle increased sewage flow from the suburbs fell behind schedule, and untreated sewage was dumped into the rivers and offshore lake waters.

In the 1950s, officials of the affected suburbs favored regional ownership of both the water and sewage system under a plan developed by the Cuyahoga County Regional Planning Commission, however, they were dubious of Cleveland's willingness to give up control of the 2 systems and did not pursue the matter.⁶⁸ Clearly, there was a growing need for some type of metropolitan management here in spite of the failed attempts to restructure county government. Although there were less comprehensive regional alternatives to County reorganization, Cleveland had no incentive to share ownership of systems until service delivery was threatened. At that time, the merits of regionally operated municipal functions in Cleveland had to be addressed.

IV. Conclusion

The metropolitan reformers had viewed the population's move to the suburbs as a political problem caused by too many independent inefficient governments beyond the core city. Their solution, built on a narrow consensus, was incompatible with the diversity of interests represented in the greater Cleveland area, and attempts to reorganize Cuyahoga County were turned down by the voters. Although the voters made it clear what was unacceptable, during the period 1950-1977 it became increasingly apparent that the status quo was untenable as

well. Although some municipal responsibilities were regionalized, the problem remained--who should provide area-wide municipal services and in what form.

CHAPTER TWO

REGIONAL GOVERNMENT MOVEMENT IN CLEVELAND

Footnotes

¹Steven P. Erie, John J. Kirlin, and Francine F. Rabinovitz, "Can Something Be Done? Propositions on the Performance of Metropolitan Institutions." in Reform of Metropolitan Governments, No. 1 in a Series on The Governance of Metropolitan Regions, Lowdon Wingo Series Editor. (Washington D.C., Resources for the Future, Inc. 1972). pp. 12-13, 16.

²Jon C. Teafor, The Twentieth-Century American City: Problem, Promise, and Reality. (Baltimore, MD, The Johns Hopkins University Press, 1986). p. 97-98.

³By 1933, the constitutions of California, Maryland, Texas, and Ohio granted home rule authority. New County, U.S.A. Center From America's Counties Today 1973, (Washington, D.C., National Association of Counties, 1973) p. 52.

⁴John C. Bollens and Henry J. Schmandt, The Metropolis: Its People, Politics, and Economic Life, 3rd ed., (New York: Harper & Row, 1975), p. 314.

⁵Government Research Institute, Reorganizing Our Counties: A Catalog of County Government Reorganization Experience in America. (Cleveland, Ohio, The Citizens League, September, 1980). Case Western Reserve University Libraries, Cleveland, Ohio. pp. 12.

⁶After several changes, Cuyahoga County's boundaries were set in 1843. Samuel P. Orth, A History of Cleveland, Ohio, Vol 1. (Cleveland Ohio: S. J. Clark Publishing Co., 1910), pp. 40, 788-89.

⁷Orth, Table IV "Development of Cleveland." p. 770.

⁸East Cleveland rejected merger with Cleveland in 1910 and 1916 citing "fear of saloons." Lakewood twice rejected annexation in 1910 and again in 1922 because it already had adequate municipal services. West Park, however, agreed to annexation in 1922 in order to secure better schools and the extension of the streetcar lines west of Lorain and W. 117 St. Encyclopedia of Cleveland History, David Van Tassel and John Grabowski, eds. Indiana University Press, Bloomington, Ind. (1987), s.v. "Suburbs," by James Borchert.

⁹Governmental Research, "A Brief History of the Efforts to Reorganize the Cuyahoga County Government" (Cleveland, Ohio, the Citizens League, May 1970). Cuyahoga Mayors and City Managers Association Files, Brecksville, Ohio

¹⁰In 1912, Ohio gave its cities authority to write home rule charters to meet local needs and differences.

¹¹Use of the petition alternative to bring the constitutional amendment to the electorate was permitted under Ohio law, provided at least 10% of the state's voters signed petitions for the referendum. Cleveland's Citizen's League and other groups such as the League of Women Voters, the Committee on Cooperative Metropolitan Government of Cleveland's Chamber of Commerce, The Regional Government Committee of 400, made up of business and civic organizations, promoted the idea locally. Information sources for this campaign include: James F. Richardson, "Political Reform in Cleveland," in David D. Van Tassel and John J. Grabowski (eds.) Cleveland: A Tradition of Reform. (Kent, Ohio, The Kent State University Press, (1986). p. 164-68; Jon C. Teafor, City and Suburb: The Political Fragmentation of Metropolitan America, 1850-1970. (Baltimore: The Johns Hopkins University Press, 1979), pp. 127-133; Encyclopedia of Cleveland History, s.v. "The Regional Movement," by Mary B. Stavish.

¹²The four hurdles were part of the original 1931 amendment to obtain support from the Grange and the Farm Bureau but failed to influence the rural vote in the Ohio Legislature. Teafor, pp. 128-129.

¹³The vote was 9 to 4. Cuyahoga County Charter Commission, Cleveland Ohio. "Proposed Charter for the County of Cuyahoga, 1934-1935 To be voted upon at the general election to be held November 5, 1935." in "Journal of the First County Charter Commission of Cuyahoga County, 1934-35." (Typescript), n.p. (CWRU Libraries.)

¹⁴Ibid. Article IV, Powers of the County Council Sec. 21-23; Cleveland Metropolitan Services Commission "Prologue to Progress," "Table of County Voting on Metropolitan Issues," (Cleveland, METRO, 1959) p. 17.

¹⁵The 1935 charter campaign coincided with the efforts of state and local governments to organize job-producing WPA projects to secure federal funds. According to C. Dennis Dunfee who studied Cleveland's WPA program, the area had been promised 50,000 jobs in 1935 by the federal government. Anticipating their availability, the Federal Relief Administration (FERA) laid off 7,000 Cleveland workers in July 1935. By November 1st, 4 days before the election, only 6,000 WPA jobs had materialized--scarcely 1/8th of the promised quota. Some voters probably hoped that a stronger county government might alleviate the dire economic circumstances that existed at that time. Fortunately, by Dec. 6, some 42,000 persons were employed in WPA projects county-wide. C. Dennis Dunfee, "Harold H. Burton, Mayor of Cleveland: The WPA Program, 1935-1937.)Ph.D. Dissertation, CWRU, 1975), pp. 9-17, 55;

The County Home Rule Charter also was opposed by local unions who saw the expanded police authority given to the county sheriff as a threat to labor's right to bargain and conduct lawful picketing. "Letter to 3 Cleveland Newspapers" n.d. MSS 4466 International Association of Machinists, District 54, Records 1903-1965. Box 4, Folder 75 Western Reserve Historical Society.

¹⁶The Election Board refused to certify the charter vote on the advice of County Prosecutor Frank T. Cullitan who maintained that the charter did vest municipal powers in the county and therefore required the fourth majority. Paul Howland, a leader of the charter campaign,

petitioned the court to compel the Cleveland Board of Elections to certify the passage of the County Home Rule Charter. Plain Dealer 2/27/36, pp. 1,5.; The court cited the formation of a county council to pass laws, and the organization of a police department authorized to send police officers into every municipality as two examples of new county authority. The State, ex rel. Howland v. Krause et. al., Board of Elections of Cuyahoga County. Case No. 25732, Decided February 26, 1936, p.459-60 in 130 O.S., January Term, 1936.

¹⁷"Journal of the First County Charter Commission of Cuyahoga County, 1934-35."

¹⁸The long-range plan for water usage was completed in 1953, but the sanitary sewer and storm drainage plan was not finished until 1957. Regional Planning Commission, "The Sewer and Water Problems: a Solution" (Cleveland, Ohio, March 1953, CWRU Libraries) pp. 1-23; 51-66; Ibid. "Sewer and Water Plan: Water Supply and Distribution," A Report prepared by Havens & Emerson Consulting Engineers, Cleveland, August 1953 pp. a-m.; Ibid. "Sewer and Water Plan: Sanitary Sewerage and Storm Drainage," Report prepared by Albert & Friel, Inc. Philadelphia, Dec. 30, 1957, pp. a-t.

¹⁹"Prologue to Progress," Table, p. 17.

²⁰Commissioner Ray T. Miller, Chairman of the County Democratic Party, proposed a City-County Consolidation with far-reaching changes in the distribution of powers. The proposal from commissioners Carney and A. I. Davey favored the least change: retaining the 3 elected county commissioners as a legislature and electing a county mayor for a 4-year term. The Citizen's League proposal and the proposal from commissioners Charles White and Kenneth Sims conferred relatively limited power but provided for substantial reorganization of the County government. "Journal of the Charter Commission (1950)," Board of County Commissioners 1959 Charter Commission Office Files. Cuyahoga County Archives, Cleveland Ohio.;

Matthew Holden, Jr. "Decision-Making on a Metropolitan Government Proposition: The Case of Cuyahoga County, Ohio, 1958-59" (Ph.D. dissertation, Northwestern University, (1961) p. 77-80.

²¹Mayor Burke advised the charter commission to retain the present County Commissioners, giving them legislative authority, and made it clear that the city expected reimbursement for any municipal systems taken over by a reorganized county. Journal of the Charter Commission, March 7, 1950. Board of County Commissioners 1959 Charter Commission Office Files. Cuyahoga County Archives.

²²Ibid.

²³The Maurice Klain Research Papers: Cleveland Area Leadership Studies. MSS 4219, Box 7, WRHS.

²⁴Opposition to the charter within the commission came mainly from Democratic office holders: Robert J. Bulkley, former Congressman and Senator; Samuel R. Gerber, County Coroner; Ray T. Miller, Chairman of the Cuyhoga County Democratic Party; Joseph Sawicki, lawyer and former judge; Joseph Sweeney, Cuyahoga County Sheriff. Commissioner James Carney was out of the country and did not vote. Elected officials to be replaced under the charter were the County Auditor, Treasurer, Sheriff, Recorder, Engineer, Coroner, and the three Commissioners. In their place, the Departments of Law, Finance, Public Works, Welfare, Public Health, Medical Examination, and Records were established. "Proposed Charter for the County of Cuyahoga Submitted by the Cuyahoga County Charter Commission to the electors of the county to be voted upon at a General Election to be held November 7, 1950." p. 8. MSS 4, Cuyahoga County Archives.

²⁵Ibid. p. 2.

²⁶The charter received majorities in East Cleveland,, Euclid, Cleveland Heights, University Heights, and Shaker Heights--in spite of

Mayor Van Aken's opposition. Cleveland Press 15 Nov. 1950 "Tally Revealed Charter Failed all 4 Hurdles, p. A5..

²⁷"Prologue to Progress," "Table of Voting on Metropolitan Issues," p. 17.

²⁸Richard A. Watson and John H. Romani, "Metropolitan Government for Metropolitan Cleveland: An Analysis of the Voting Record, Midwest Journal of Political Science 5 (Nov. 1961): 365:9

²⁹John A. Rehfuss, "Metropolitan Government: Four Views," Urban Affairs Quarterly 4 (June 1969), p. 97

³⁰James A. Norton, The Metro Experience. (Cleveland, Ohio The Press of Western Reserve University, 1963) p.1-4.

³¹"Prologue to Progress," p. 2.

³²Seth Taft's memo of 4/16/58 to the METRO study group outlined the pros and cons on drafting the charter at this time rather than at a later date. According to Matthew Holden, the METRO staff were particularly concerned that any model charter produced by the study group would be seen as seconding the charter commission's work, which implied that the study group had not adequately explored other solutions to the metropolitan problem. Holden, Decision-Making, p. 91-97.

³³James Norton, critical of the impatience of those METRO participants who pushed for a new charter before the Study Group's work was done, argued that the studies were not complete; the public had no time to absorb METRO's findings; and METRO's Executive Committee had not established its position on key issues. Norton, p. 36-38.

³⁴Plain Dealer 6 Nov. 1957, p. 20; PD 2 Nov. 1958, p. 4B; PD 3 Nov. 1958, p. 21.

³⁵Holden, p. 93.

³⁶Klain Research Papers, MSS 4219, Box 2, 7, 12.; PD 2 Nov. 1958, p. 24.

³⁷PD 6 Nov. 1958, p. 10.; "Prologue to Progress," "Table of Voting on Metropolitan Issues," p. 17.

³⁸Holden, Decision-Making, Appendix IV, "Candidates for Cuyahoga County Charter Commission, 1958: Slate and Vote (Rank order).; Holden, Decision-Making p. 285-86.

³⁹Holden describes Democratic involvement in the decision to choose candidates for the Charter Commission. Decision-Making, p. 95-102.; Scott Greer, Metropolitics: A Study of Political Culture (New York, John Wiley and Sons, Inc.1963) p. 39

⁴⁰In the proposed charter, legislative District 2 contained 11 of Cleveland's 33 wards, with the remaining 22 wards were paired with adjacent suburbs to make 4 districts. Thus, the growing suburban population would gain political influence at the expense of the city in the future. The final decision on the amount, manner or form of the compensation for the transfer of municipal functions was made by either the County Assembly or an adjustment panel which contained a majority of 3 judges. "Cuyahoga County Charter Commission, 1959 Proposed Home Rule Charter for Cuyahoga County, Ohio to be Submitted to the Electors of Cuyahoga Count at the General Election on Tuesday, November 3, 1959." Cuyahoga County Archives.

⁴¹Holden maintains that Commission members Albert Porter (Cuyahoga County Engineer) Thad Fusco (Clerk of City Council) and Joseph Bartunek were considered hostile to Mayor Celebrezze. Holden, Decision-Making, pp. 247 & 251.

⁴²Mayor Celebrezze interpreted county home rule as a simple reorganization according to Matthew Holden, Decision Makers, p. 97.

⁴³Watson & Romani, p. 375 Table 1, "Percentage of Positive Vote Case by Central City and Suburban Residents of Cuyahoga County on Metropolitan Issues, 1933-1959.

⁴⁴PD 4 Nov. 1959, p. 1, p. 13.

⁴⁵The positive vote on the county home rule charters declined from 64.8% in 1950 to 29.3% in 1959. Watson and Romani, pp. 377-78.

⁴⁶The Alternate Form law was challenged in the Case of Blacker v. Weithe, 16 OS(2d) 65, 242 NE(2d) 655 (1968). The plaintiffs maintained that the commissioner's right to legislate on matters not specifically prohibited by general law was unconstitutional because they would have unlimited power. Although 2 lower courts agreed with the plaintiffs, the Ohio Supreme court reversed their decision on the grounds that the commissioner's power was already limited because it could not conflict with municipal or township ordinances. Baldwin's Ohio Revised Code, Annotated, Alternate form of County Government, Section 302.13, Specific Powers of the Board; PD 12/12/68, pp. 1,9.

⁴⁷The only difference between the two proposals was the amount paid to the legislators--\$18,000 in 1969; \$12,500 in 1970. Campaign and election information is contained in Cleveland Press, 30 May 1969, p. A-7; CP 31 May 1969, p. A-8 (ed.); PD 5 Nov. 1969, p. 6A; PD 5 Nov. 1970, p. 10A; CP 20 Nov. 1969, p. A-11; The Sun Press, 19 Feb. 1970 p. A-6;

In the 1969 alternate form vote, the suburban plurality of almost 52% in favor of the proposal was offset by a 44.5% favorable vote in the city. In 1970 the favorable suburban vote was reduced to 49.1% and the city vote dropped to 40.2%. Board of Elections, Special Elections in Cuyahoga County, Books 1 and 3, Cuyahoga County Archives.

The 1970 decrease in approval was probably due to opposition to the transfer of Cleveland's sewage disposal system to the county, which was publicly discussed in the Spring of 1970.

⁴⁸PD 11 Aug.1980 p. 3-A; PD 12 Oct. 1980 p. 26A.

⁴⁹Governmental Research Institute. "The Inconspicuous Governments: An Inventory of Special Governmental Agencies in Cuyahoga County" (Cleveland, Ohio: Citizens League, 1976). p. 5

⁵⁰Bay Village, Brooklyn, Fairview Park, Lyndhurst, Mayfield Heights, North Olmsted, South Euclid, University Heights also contracted with the county to administer their relief funds. Joseph E. Baldwin, Richard M. Brown, Harry Sternberg. "A Study of Public Welfare Administration in the Cleveland Metropolitan Area: Report of Consultant Team to the Public Welfare Study Group of the Cleveland Metropolitan Services Commission" ca. 1958. Typescript CWRU Libraries, pp. 30-31.

⁵¹The trustees were appointed jointly by the county commissioners and the senior judges of the probate and common pleas courts. The system itself had no power to levy taxes or to issue bonds or notes. "The Inconspicuous Govts," p. 46.

⁵²According to the City Hospital Study Committee report, "Increasing the Effectiveness of a Public Institution," Feb. 1957, City Hospital should be transferred to the county, due to the decline in paying patients and deficits of \$1,736,000 in 1954, \$1,657,000 in 1955 for which the city was responsible, and a projected shortfall of \$1,768,000 for 1956. MSS 4046, Anthony Celebrezze Papers, Series II, Box 8. (WRHS); City of Cleveland, Mayor's Estimates 1948-1957.

⁵³Baldwin, Brown & Sternberg, pp. 31-32.

⁵⁴City of Cleveland, Annual Report to the People of Cleveland, 1957-58, p. 5.

⁵⁵"Inconspicuous Govts." p. 5.

⁵⁶John A. Rehfuss, "Metropolitan Government: Four Views," Urban Affairs Quarterly 4 (June 1969), pp. 94-96.

⁵⁷According to Bollens, metropolitan district governments were "the mildest version of the two-level approach which came into use during the period after World War I. One of their most attractive features was the flexible provisions available under state law to authorize their formation. This attribute was an important consideration in devising a suitable metropolitan structure in the Cleveland case. John C. Bollens and Henry J. Schmandt, The Metropolis: Its People, Politics, and Economic Life, 3rd ed., (New York: Harper & Row, 1975), pp. 264-267

⁵⁸U.S. Department of the Interior, Federal Water Quality Administration, "Statistical Summary, 1968 Inventory, Municipal Waste Facilities in the United States," 1970, "Table 17, Development of Sewer Systems in the United States," p. 34.

⁵⁹The material on the organization of sewage disposal systems was taken from a 3-part series on "Metropolitan Sewerage Pacts" which appeared in The American City, October, November, and December 1960. Part 1 "Inter City Agreements," October, pp. 87-89; Part 2, "The Special Intermunicipal District," November, pp. 169-176; Part 3, "The Intermunicipal Sewerage Authority and a 'Metro' Plan," pp. 143-147. This series amply demonstrated the wide range of organization devices used by the major metropolitan sewage disposal systems.

⁶⁰"Troubles of Mass Transit," U.S. News & World Report, 26 Apr. 1971. (Reprint) Ralph Perk Papers, MSS 4456. WRHS.

⁶¹"Georgia Governor Signs Mass-Transit Bill," The American City, June 1965. p. 66.; "Ten-Year Transit Development Program" prepared for The Urban Transportation Task Force 5-County Transit Study. by Alan M. Voorhees & Associates, Inc., Cleveland, OH August 1974. pp. 32-33. (CWRU Libraries.)

⁶²Encyclopedia of Cleveland History, s.v. "Korean War," by David D. Van Tassel.

⁶³U. S., Department of Commerce, Bureau of the Census, Vol.1, Population of County Subdivisions for 1950, 1960; and 1970.

⁶⁴Ibid.

⁶⁵Humphrey, Peterson and Wilson, The Future of Cleveland's Capital Plant, p. 4.

⁶⁶Encyclopedia of Cleveland History, s.v. "Business, Retail," by Kenneth Rose.

⁶⁷Ibid. "Cleveland: An Historical Overview," pp.xlix-l.; Ibid. "Hotels" by Eric Johannesen.

⁶⁸"Greater Cleveland Can Have an Adequate Water & Sewer System...The NEWS Says so!" A compendium of articles by the Cleveland News about suburban problems with the city owned water and sewage disposal systems located in the Public Administration Library at City Hall. This series was published as a result of problems in the delivery of water to the developing suburban areas which occurred during the summer of 1953. The series dealt extensively with the 1949 law permitting the formation of an independent regional sewer and water district under one authority that would permit the suburbs to share control within the district. It also investigated many of the water-sewer problems that ultimately were addressed in the late 1960s and early 1970s.;

The idea of a metropolitan water and sewage district dated back to the 1930s when one could be organized under the Conservancy Act of Ohio, Sections 6828-1 et seq. General Code. At that time, however, such a district was governed by the Common Pleas Court which appointed the district's directors and oversaw its operation. City Record, 12/7/38,

File No. 2087-38, Resolution; Letter of 1/5/39 from Charles Carran, President, Cuyahoga County Mayor's Association to suburban Mayors.;

The concept of a regional water and sewer district was further expanded in 1949 under the aegis of the Regional Planning Commission, Cleveland-Cuyahoga County, which prepared legislation permitting municipalities or counties to finance or operate water and sewage disposal facilities by organizing a political subdivision created for that special purpose. The Law was passed in 1949 and became O.C. 6781 et seq. (in) Regional Planning Commission, The Sewer and Water Problem--A Solution, March 1953.

CHAPTER THREE

THE ADMINISTRATIVE HISTORY OF CLEVELAND'S WATER AND SEWER SYSTEMS 1950 to 1966

I. Introduction

The postwar deconcentration of Cleveland's urban population to the suburbs taxed the ability of the city's water and sewage disposal systems to meet the growing demand for their services. The systems' managers were faced with the problem of enlarging and improving their facilities in order to deliver fresh water to a growing customer base and to return the wastewater to disposal plants for treatment. The capital needed for these betterments was obtained by issuing bonds, and the new financial obligations required increases in customer rates to pay the added debt service (interest and principal) to the bondholders. Water and sewage rate increases were decided by Cleveland's mayor and city council who focused on maintaining low rates for their own residential and industrial users, levying higher rates on their suburban customers to make up the difference. The rate differential between city and suburb produced an ongoing conflict, and their mutual animosity surfaced periodically during Cleveland's history as a result of the city's politically inspired user rate policies.

Although the city had owned and operated the water and sewage disposal systems from their inception in the mid-19th century, their continued control was seriously challenged in the 1950s and 1960s by

the growing need to abate water pollution. This chapter will examine how these systems were originally organized and financed, how Cleveland's water and sewage disposal systems strained to meet expanding postwar needs of the Greater Cleveland community, and how the city's policy on utility rate increases to defray the cost of improvements adversely affected their administration.

Background

The early history of Cleveland's water and sewage disposal systems demonstrated their importance as major municipal functions and their value as a symbol of the growing city in the mid-19th and early 20th centuries. In the 1850s possession of these capital-intensive functions reflected a growing concern for Cleveland's public health, and also showed that the city was prosperous enough to finance their construction beyond its current revenues. The financial health needed to install these systems, however, was governed by the rules for taxing and borrowing established by the Ohio state legislature.¹

Cleveland's relationship with the state of Ohio was formalized in the General Municipal Corporation Act passed in 1852 which gave cities the power to construct waterworks and the right to levy special assessments. Cleveland began a program of public works in the 1850s after the cholera epidemics of 1832, 1849, and 1854 demonstrated the dangers of unsanitary conditions. Although its municipal revenues were inadequate to pay for such long-term investments, the city's existence as a corporation allowed it to issue municipal bonds for the systems' construction. Blessed with a large volume of fresh water

from Lake Erie, Cleveland had the ability to protect public health, provide fire protection for the city, and make a constant volume of water readily available for business and industrial needs. In effect, the city underwrote its own economic expansion by providing these public services. As an activist municipality, its bonds were easily sold to investors, secured by the promise of future prosperity and the increasing property values on which repayment would be based.²

The city's first major undertaking was the construction of a water system financed by \$500,000 in waterworks bonds issued with the state's permission in the mid-1850s--a financial obligation that represented 78% of the city's total debt at that time.³ In Sept. 1856, the waterworks was operational, and Cleveland began supplying fresh water to its inhabitants, "an occasion of great jollification." Two years later, the city began building its first rudimentary sewer system consisting of open drains conveying the wastewater downhill toward the Cuyahoga River and Lake Erie.⁴

Cleveland obtained a state law in 1860 permitting it to build a sewer collection system, to authorize special assessments to be levied on the benefitting properties, to borrow money for construction of the main (interceptor) sewers necessary to return wastewater to Lake Erie. The city was divided into sewer districts which levied taxes to pay for district improvements; at that time five districts within the city were defined for sewer construction.⁵ Fifty-one miles of sewers had been built by 1873, and the city's special debt as well as its general debt was growing to pay for the expansion of its municipal services.⁶

In 1873, Mayor Charles Otis, aware that improvements were

needed to enhance the city's industrial base, warned that curbs on the extravagance responsible for Cleveland's growing indebtedness were also necessary. Cleveland continued to accumulate municipal debt in the 1870s and by 1875, the city's interest payments alone were estimated to be \$1,000 per day according to the Cleveland Leader.⁷ Cleveland was not alone. In 1874, Ohio legislators, alarmed at the rising trend, moved to limit the amount of debt its cities could incur to 5% of the tax valuation, restricting Cleveland's ability to continue its borrowing.⁸ Cleveland's water quality, however, needed immediate attention; the volume of sewage entering the lake was polluting the city's water supply, evidenced by the city's steadily rising death rate from typhoid fever.⁹ Construction of water intakes farther from the polluted shoreline yielded only temporary improvement. However imperfectly they might work, Cleveland's waterworks and sewer system were benchmarks of its stature as a growing city.

In 1896, both Cleveland and the state of Ohio recognized that growing water pollution was a public health menace, but further improvements were impossible until the state raised the city debt limit. Mayor Robert McKesson and a citizens committee persuaded the state legislature to raise the municipal debt limit to 7%, arguing that the new limit would not hinder Cleveland's ability to attract capital. McKesson also secured state authorization to issue \$750,000 in bonds to build an interceptor sewer long enough to flush contaminated water into the lake outside the city.¹⁰ With the borrowing limit raised, the city commissioned the Engineering firm of Hering-Benzenberg-Fitzgerald to recommend changes in in both water and sewage systems in order to

reduce pollution and improve the quality of the city's drinking water.¹¹ The engineers' report called for a new 4-mile long water intake to be built out into the lake as far as possible from the projected sewage outfall outside the city limits. The water tunnel, which took 8 years to build, began supplying fresh water to a newly-built pumping station at Kirtland (E. 49th) St. in 1904. The interceptor sewer was completed a year later along the lakefront east of the Cuyahoga River to collect the sewage from the local mains and carry it to an outfall in the village of East Cleveland (now E. 140 St) where lake action purified the wastewater by natural means.¹² Water quality was improved further in 1911 when chlorine was first added at the pumping station to remove water-borne bacteria, reducing the incidence of typhoid fever. The city's drinking water was made more palatable by filtration when the Division Ave. filtration plant opened in 1917, and when the Baldwin filtration plant began operation in 1925.¹³

Improved water quality was expensive, and the water system's debt grew from \$1,775,000 in 1886, to \$4,266,000 in 1906, and reached \$27 million in 1930.¹⁴ As a municipal industry, the waterworks was expected to be self-supporting, and charges were levied on water users in the form of a semi-annual flat fee paid by the owner of each dwelling or building connected to the waterworks. Widespread criticism of the poor water quality and the inadequate service slowed customer growth until after the turn of the century when both the quality and delivery of water improved, attracting more users.¹⁵ With the universal introduction of water meters into dwellings by 1908, the amount of water could be gauged more accurately, producing more equitable

customer charges.¹⁶ With improvements in the waterworks operation and a large customer base, the growing water debt from these endeavors was easily amortized.

Unlike the water system which collected fees from its users, sewer construction was paid for by assessments on the benefitting property using the front foot method, and in addition, taxes were levied on each sewer district to support municipal bonds the city issued to construct and improve main sewers.¹⁷ The city's 26 sewer districts were abolished in 1902, and the sewer levies were phased out as bonds issued by the sewer districts matured. The following year, a 3-member Board of Public Services took over responsibility for both the water and sewer systems and the assessments associated with them.¹⁸ Since collection of sewage was deemed an essential municipal service, the district levies were replaced by uniform taxes on all city property to pay the cost of bonds issued for future main (or interceptor) sewer construction. Cleveland's sewer expenditures of \$1,099,689 in 1904 ranked it fifth among the major cities of the U.S., but the city had no facilities to treat sewage and merely returned untreated wastewater to the lake about 7 miles east of the city.¹⁹ Forty percent of the city's sanitary sewage flowed into the Cuyahoga river. Added to that, large quantities of industrial wastes from oil refineries, chemical works, breweries, tanneries, and slaughter houses were dumped into the river and the lake.²⁰ Since natural lake action could not disperse the growing volume of pollution, it was clear that contaminants had to be removed before returning the wastewater to the lake.

Water pollution was both a state and national concern as urban populations grew in numbers and density and cities continued to attract polluting industries. They began investigating various methods of removing contaminants from urban wastewater at the turn of the century as public health workers effectively demonstrated the importance of disease control. The treatment of sewage was mandated by Ohio when the State Board of Health ordered the city to abate pollution of the Cuyahoga River and Lake Erie in 1912 and 1915 respectively. Cleveland set up experimental stations along the lake to study treatment of sanitary sewage. Cleveland's industrial pollution, however, was not seriously addressed until after World War II when the heavily industrial lower Cuyahoga river valley was finally sewered. During the 1910s the city connected the city's sewer collection systems to large interceptors which conveyed the wastewater to one of three selected sewage outfall points located at W. 58th and E. 140th at the lake shore, and at Canal Rd. and E. 71st St. on the Cuyahoga River.²¹ The city built wastewater treatment plants at each of those points: the Westerly plant on W. 58th began treating sewage in 1922; the Easterly plant on E. 140th in 1925; and the Southerly plant on Canal Rd. in 1928.²² Working closely with the State Department of health to ameliorate lake pollution, Cleveland successfully treated the city's sanitary sewage for the first time in the 1920s.

Cleveland's corporate status and its growing tax base had enabled it to make the financial investment necessary to build its water and sewage disposal systems' infrastructure and thus remain in economic competition with the other growing urban areas in the country. With

the public health of the city protected and the quality of its drinking water improved, the functioning of the water and sewage disposal systems became routine, and Cleveland's leaders took it for granted the city would always control them. Ownership of these vital municipal services helped define a growing city to itself as well as to others.

II. The Organization of the Water and Sewer Systems

Although the water and sewage disposal functions were interrelated, the two systems were administered by separate departments of city government after Cleveland wrote its first home rule charter in 1912. The Water Division became part of the Department of Public Utilities because it supported itself through charges levied directly on the system's users. Cleveland's sewer collection system, consisting of the small sewers connected directly to the users, the main or interceptor sewers, and later the treatment plants, were administered by the city's Department of Service, whose funds came from Cleveland's general revenues and from special assessments. When the three treatment plants were transferred to the Public Utilities Department in 1937 and were reorganized as the Sewage Disposal Division, additional sewage charges were imposed directly on all water users for their maintenance and improvements. Cleveland's sewer collection network and the interceptors remained with the Service Department.

When the suburbs began their accelerated growth in 1950, Cleveland's Department of Utilities consisted of three operating

divisions--Water and Heat, Sewage Disposal, and Light and Power-- along with two administrative Divisions, Fiscal Control, which handled the operating division billing, and Utilities Engineering which resolved the technical problems related to departmental operation.²³

The Water and Heat Division consisted of four lake intake tunnels, two filtration plants (Division and Baldwin); three major pumping stations (Kirtland, Fairmount, and Division) and 2,835 miles of mains providing water to city and suburban communities.²⁴ Four "master meter" suburbs (Bedford, Cleveland Heights, East Cleveland, and Lakewood) bought water wholesale from the city and constructed their own distribution mains and house service connections. They maintained their own water departments for servicing their systems, provided for reading of the water meters, and collected revenue from their own consumers. The only other municipally-owned water systems in Cuyahoga county were operated by Berea and Chagrin Falls.

The Sewage Disposal Division of the Department of Utilities, purified the wastewater flowing into the Easterly, Westerly, and Southerly wastewater treatment plants and returning it to Lake Erie as pollution-free as possible. In 1950, the Public Service Department still retained control of Cleveland's local sewer distribution network and maintenance and construction of the large intercepting sewers (20" or more diameter) leading to the treatment plants. Each suburb owned and maintained its own sewer distribution network which had to be connected to a state-approved sewage disposal plant. Many suburban sewer-collection systems were connected to one of Cleveland's three

plants which together, processed over 87.5% of the county's total sewage flow. Other suburban sewer collection systems, such as those in Euclid and Lakewood, had their own treatment facilities.²⁵ There were still other small systems under county control.²⁶ As the county became more densely populated, the number of county-operated systems declined, and communities either chose to join Cleveland's system or to operate their own disposal plants.

III. Expansion of the Water and Sewer Systems to 1966

Introduction

Accelerated migration of people and businesses to the suburbs taxed the capacity of Cleveland's Water and Sewage Disposal systems to service the rapidly growing communities outside the city. In order to assure orderly development, Cleveland tied the issuance of water permits to the existence of acceptable sewer lines connected to an approved sewage disposal plant.²⁷ Initially, the water and the sewage disposal divisions financed their service growth by issuing bonds to pay for the expansion and improvement of their operations. As a result, water and sewage disposal rates escalated sharply to pay for them, and Cleveland's rate-setting decisions were actively contested by the suburbs who paid higher water and sewage rates than did the city.

Administrative regionalization of both systems was a distinct possibility in postwar Cleveland, and a transfer to Cuyahoga County was contemplated by those promoting the county home rule charter movement in 1950 and again in 1959. Another metropolitan plan for a

separate water and sewer district was prepared by Cleveland-Cuyahoga County Regional Planning Commission in 1953, but while the suburbs were interested in the plan, Cleveland opposed it. However by 1965, the city's water and sewage disposal systems were truly regional in scope, consisting of county-wide networks of water and sewer mains, delivering water to users and returning it to the lake after treatment.

The Water and Heat Division Expansion²⁸

Cleveland owned and operated the entire water system which served Cuyahoga County and contracted with each community outside the city boundaries for the delivery of water to its own area. In the 1950s and 1960s the water system expanded its facilities throughout Cuyahoga County, building two new filtration plants to purify water-- the \$21 million Nottingham plant on Cleveland's east side and the \$19 million Crown plant in 1958 on the west side.²⁹ In addition, it constructed a network of water mains, pumping stations, reservoirs, and storage tanks in order to deliver water to the higher elevations of the county and to parts of Lake, Summit, Medina, and Lorain counties. The system was hard pressed to complete this infrastructure, particularly in the high service areas where there were numerous water shortages.³⁰

The Water Division's revenue increased further when it discovered there were more than 25,000 non-paying water customers in Cleveland. Actually, there were over 14,000 dwellings had no running water and an undetermined number of water users with broken water meters were paying underestimated bills. A successful meter

installation and repair program between 1954 and 1958 added between \$250,000 and \$300,000 to water revenue annually..³¹ By 1966, Cleveland's water system served approximately 1,800,000 people in five counties; between 1951 and 1956, water consumption grew by half and water sales revenue more than doubled.³²

The Sewage Disposal Division Expansion

Cleveland's sewer collection systems linked residents and businesses to the main or interceptor sewers. These in turn were connected with one of the three sewage treatment plants. While all of these were owned by the city, only the treatment plants were administered by the Sewage Disposal Division in 1950. Individual communities outside the city each owned and maintained their own sewer collection systems, and most were linked to Cleveland-owned interceptor sewers leading to one of Cleveland's three treatment plants.

In the 1950 and 1960s, the self-supporting Division expanded its administrative duties by consolidating all the city's sewage disposal responsibilities under its control. The Division also improved its sewage treatment facilities in order to accommodate the increasing volume of wastewater coming from the suburbs.

As water pollution became a growing concern during the period, the Division gained control of sewer functions previously located in the tax-supported service and urban renewal departments. This restructuring centralized all aspects of sewage treatment in a Division that had its own source of revenue from customer charges, which allowed pollution abatement problems to be addressed without recourse

to the city's General Fund. In 1963, the Sewage Disposal Division took over maintenance of the large interceptor sewers connecting city and suburban sewer networks to the disposal plants from the city's Service Department, assuming responsibility for about \$1 million in maintenance expenses. The Service Department remained in charge of interceptor construction and Cleveland's sewer collection network.³³ In 1965, Stream pollution, formerly part of the Air and Stream Pollution Division of the Urban Renewal Department, was added to the Division which was renamed (more accurately) the Water Pollution Control Division. A year later, an Industrial Waste and Water Quality Surveillance Unit was added to monitor water quality. With these organizational changes, the Water Pollution Control Division was able to control Cleveland's efforts to restore a clean water environment to the Greater Cleveland area.

While the Water Pollution Control Division was reorganizing its administration for the future, areas where septic tanks had been sufficient now needed sewers; and overburdened sewage treatment plants had to be enlarged or rebuilt.³⁴ These 1920s-era treatment facilities were rapidly becoming obsolete. The Southerly and the Easterly plant facilities had primary treatment to remove solids from the wastewater and chemical and biological secondary treatment to neutralize up to 90% of the contaminants. The Westerly plant, servicing a small but highly industrial area of Cleveland, provided only primary treatment.³⁵ The growth of suburban population and business, strained the treatment plants' ability to dispose of sanitary

sewage, and it was necessary to expand their capacity and improve their level of treatment.³⁶ The cost of rehabilitation was estimated at \$10 million, with the Southerly plant given the priority in the 1950s.³⁷ By 1963, however, the increased sewage flow forced all three treatment plants to operate so close to their maximum capacity that Ohio's water pollution control board ordered them to increase their degree of wastewater treatment before releasing the effluent into Lake Erie.³⁸

In addition, Cleveland's own sewer collection system was not complete. The heavily industrial Cuyahoga Valley Low Level District between E. 37th St. and the lake had never been sewered, and untreated sanitary and industrial wastes from the valley were dumped directly into the Cuyahoga River. Without sewers or connections with the city's treatment plants, industries there were not subject to sewage disposal charges and had little incentive to treat their own waste with the river close at hand.³⁹ The valley sewerage, first ordered by the State Board of Health in 1912, was still being planned in 1941.⁴⁰ After World War II, further delay was caused by the reluctance of city administrations to commit adequate funds for sewer construction in the valley, which was the responsibility of the city-supported Service Department. To complete the work, the Celebrezze administration used sewage-disposal bond money from the Public Utilities Department, which was targeted specifically for suburban sewage improvements. Since sewage user fees were used to pay for those bond funds, their proceeds were not to be used outside the Water Pollution Control Division; the valley project was Cleveland's financial responsibility.⁴¹

When the sewerage project was complete in 1966, sanitary wastes and non-hazardous industrial wastes were safely processed in the treatment plants. It was essential, however, that the major polluting industries along the Cuyahoga build facilities to effectively treat or dispose of those hazardous wastes which, under no circumstances, could be accepted in the city's plants for treatment.⁴²

IV. Financing the Water and Sewage Disposal Systems' Expansion to 1966--The City v. the Suburbs

Introduction

Cleveland's water system supplied almost all the drinking water in the county and the city's disposal plants treated the bulk of the sewage; during the 1950s and 1960s these regional services required substantial outside capital to pay for the systems' expansion and improvements.⁴³ Capital funds for these major projects were acquired through the sale of municipal bonds in which the city guaranteed payment of the principal and interest to the bondholders by pledging its full faith and credit. Once sold, the city made regular annual payments on both interest and principal (debt service) until the bonds matured or were called.⁴⁴

In Ohio it was assumed that publicly-owned utilities were productive undertakings whose user rates would be adequate to cover all their expenses including debt service.⁴⁵ When a utility had sufficient net income to pay the annual debt service on bonds issued for its own improvements, the bonds were considered self-supporting

although the city guaranteed the payments if the utility income fell short. A utility with consistently high net earnings could pay for its own improvements by issuing mortgage revenue bonds, using its net income as the sole collateral for repayment; this relieved the city of all financial obligation for the debt. The size of those net earnings determined the aggregate amount of mortgage revenue bonds that could be issued. Both self-supporting and mortgage revenue bonds were advantageous to a municipality's finances because they were excluded from the statutory debt limit imposed on cities by the State.⁴⁶

Cleveland's water system had been considered self-supporting since 1930, although Cleveland continued to guarantee bond payments. However, neither Water nor Sewage Disposal Divisions of the Public Utilities Department generated enough revenue to issue mortgage revenue bonds independent of Cleveland's full faith and credit before World War II. Cleveland's postwar financial policy aimed to make all public utility borrowing independent of city credit and outside the municipal debt limit. The policy was carried out when the water and electric light systems sold their first mortgage revenue bonds and the Sewage Disposal Division issued self-supporting bonds for the first time. By 1953, the city had accomplished its goal of making all postwar utility debt at least self-supporting.⁴⁷ With these moves, 38% of the city's total outstanding debt was outside its statutory debt limit.⁴⁸ The result was that user charges levied by the self-supporting utilities had to cover all their expenses, including the annual debt service payments on capital improvement bonds. Water and sewage charges were raised several times to finance postwar suburban expansion in the 1950s.

Cleveland's mayors and City Councils approved all rate increases and found it politically desirable to maintain low public utility rates in the city, making up the difference from higher suburban charges. The higher suburban water rates also subsidized the free water given to Cleveland's non-profit institutions, particularly public schools and hospitals, and suburban sewage charges made up for the rate exemptions enjoyed by Newburgh Heights and Cuyahoga Heights.⁴⁹ The exemptions had been given by the city in 1916 to secure the land for construction of Southerly wastewater treatment plant. In the 1950s, the Celebrezze administration shifted significant utility costs from city residents to suburban residents partly to pay for area-wide water improvements and control of industrial pollution. While these moves conserved money and minimized city water and sewage rate increases for its residents, it is not surprising that the suburbs challenged Cleveland's utility rate policies as unfair and discriminatory.

Water System--Debt and Customer Charges

DEBT. The postwar expansion of the water systems was the second time in the century that the system acquired substantial debts. Its expansion in the 1920s caused its debt reached a record \$27,035,500 in 1930 to pay for the facilities to deliver wholly chlorinated and filtered water to its growing service area.⁵⁰ When water revenues declined during the Depression capital expenditures were curtailed as the mayor and city council were reluctant to use the system's revenues to pay on existing bonds or to issue new ones.⁵¹ Division finances,

however, improved when wartime industrial and residential demands increased its annual water revenue in the 1940s.⁵² Able to pay off most of its outstanding debt by 1947, the system issued mortgage revenue bonds for the first time to finance its anticipated postwar expansion.⁵³ By 1956, the water system had sold \$55 million in revenue bonds to obtain the capital needed to extend its service into the growing suburbs, and added another \$17.4 million in the next 10 years.⁵⁴ In order to protect the bondholder's interest, the revenue bonds were secured by a first mortgage on the Division's property, plant, and equipment. The mortgage indenture terms budgeted the water system's income to ensure sufficient reserves would be maintained to meet the annual debt service payments.⁵⁵ As the system's income increased, more bonds were sold and additional indenture reserves were set aside to cover the added expenses incurred by expansion.

CUSTOMER CHARGES. With its entire operation mortgaged to the bond holders, the water system required substantial user charges to pay Division's expenses and the principal and interest on its debt. The water customer charges were structured to maintain high suburban rates and keep city customer charges low. Rates were dictated by the irregular topography of the Greater Cleveland area in part and the physical equipment necessary to service its customers. The sharp rise in ground elevation from the lake level required larger reservoirs and additional pumping stations to deliver water to the higher plateaus. For rate-making, Cleveland divided its water service area

outside the city into districts first, according to the height above lake level, secondly, according to the distance from the city. City water rates were uniform and suburban rates were determined by whether their community was in the low and first high, the second high, or the third high water service district.⁵⁶ An additional increment was added to the service district charges as the suburban share of the city's monetary investment in its water system. Suburbs were further subdivided into those communities directly served and billed by the water system and those whose governments contracted with the city for water sent through a master meter before distribution through the suburban mains. The older master meter suburbs paid a wholesale rate (about 80% of the direct service rate) to Cleveland, and in turn billed and collected for water usage from their residents.

The water system also levied a minimum quarterly user charge for having the system available whether or not they used any water. The rate structure allowed Cleveland the flexibility to assign rates that produced the income it needed and also keep the city's uniform water rates low.⁵⁷ In 1951 the water rates were structured as follows:

Cleveland--\$1.50 minimum charge on city customers which included the first 1,000 cubic feet (cu. ft.) of water use. From 1,000 cu. ft. to 25,000 cu. ft. of use, the rate was \$0.73 per 1,000 cu. ft. (MCF). The bulk rate beyond 25,000 cu. ft. of use was \$0.65 MCF, benefitting the large industrial water users.

Direct Service Suburbs--\$1.50 minimum charge which included the first 500 cu. ft. of water use. The suburban rates beyond 500 cu. ft. were: low and first high water service district (outside the city of Cleveland), \$1.18 MCF;

second high water service district, \$1.84 MCF;	
third high water service district, \$2.45 MCF. ⁵⁸	
Master Meter suburbs--no minimum rate.	
Lakewood, East Cleveland	\$0.675 MCF
Cleveland Heights	\$1.067 MCF
Bedford	\$1.28 MCF ⁵⁹

The rapid escalation of the water system debt in the early 1950s and the additional reserve funds to support it required substantial rate increases, and between 1951 and 1958 Cleveland raised suburban water rates three times to pay for the expansion. The 32% water rate increase proposed by the city in 1951 included future costs, but the increase was reduced to 18% when the County Mayors and City Managers Association representing the suburbs insisted on a pay-as-you-go rate policy anchored to present financial obligations.⁶⁰ Some suburban mayors, discontented with the differentials built into the system, demanded a flat rate for the water districts outside Cleveland in 1954, however there was no agreement among suburban officials on the merits of the proposal.⁶¹ In 1954 the city levied the remaining 18% increase asked for in 1951 and also increased the suburban minimums for its direct service customers by \$0.30.⁶²

When net earnings fell during the 1957-1958 recession, the Water Division needed a third rate increase to build up its indenture reserves and to market more revenue bonds.⁶³ The resulting \$0.14 across-the-board increase of 1958 was accepted by the suburbs with more equanimity because it included a raise in Cleveland's water rate to \$0.87 MCF.⁶⁴ With these three increases, the suburbs became the financial mainstay of the water system--in 1952 suburbs provided 40.9%

of the division's user revenue but by 1966, they provided 62.0%.⁶⁵ These new water rates operated the system and maintained the indenture reserves until 1970. After the 1958 increase, yearly bills for average home use of 12,000 cu. ft. of water in Greater Cleveland showed:

Cleveland	\$ 12.96
Suburbs--1st high	22.80
Suburbs--2nd high	30.68
Suburbs--3rd high	38.00.

Comparing greater Cleveland's yearly bills with comparable water payments in other Ohio cities at the time showed: Akron \$20, Lorain \$17, Toledo \$20.76, and Sandusky \$21.12. There was a wide variation in yearly charges nationally, some examples were: \$19.80 in Niagara Falls; \$20.80 in Philadelphia; \$28.80 in Nashville, Tenn.; \$28.96 in District of Columbia; \$36.84 in Pittsburgh; and \$85.84 in Johnstown Penna.⁶⁶

Higher suburban charges had been used to subsidize Cleveland's water system as early as 1929 when they protested water rate increases levied to pay for the system's expansion in the 1920s.⁶⁷ In the post World War II period, the suburbs acknowledged that a rate differential was needed to provide water service beyond the city limits and in the higher elevations, but questioned the growing disparity between city and suburban charges which resulted from Cleveland's rate-making.⁶⁸ Particularly irritating to them was the public affirmation by city mayors and councilmen that its water rates were the lowest of any major city in the nation--a stance that had instant political appeal

to city residents--but one sustainable only through the suburban rate differential.⁶⁹ Although the suburbs protested, they had little leverage to negotiate lower rates with the city since Cleveland had full control of the water system.

Sewage Disposal--Debt and Customer Charges

DEBT. Sewage debt and customer charges were not directly related to each other until the treatment plants were transferred to the Utilities Department in 1937. Before that time, the sewage disposal debt had been financed by the city's general obligation bonds amortized from property tax revenue, and its operation and maintenance expenses were paid from the city's General Fund.⁷⁰ During 1937, responsibility for the treatment plants was transferred to the Public Utilities Department where a Sewage Disposal Division was organized to defray the cost of sewage plant improvements made during the 1930s.⁷¹ The upgrade, which improved contaminant removal from about 30% to 78%, was made with the help of grants and loans from Public Works Administration (PWA).⁷² Like the Water and Heat Division, the new Division was expected to support itself by establishing user charges needed to pay for the improved facilities. Adding a new utility charge for sewage disposal service during the Depression was difficult to accomplish, and between 1938 and 1950, Sewage Disposal revenues were insufficient to cover operation expenses and payments on the Division's treatment plant debt which they were expected to support. Cleveland made the debt payments until 1950 when the city continued the self-supporting process by transferring principal and interest payments

(debt service) on \$1,447,000 worth of sewage disposal bonds to the Division.⁷³ At the same time, \$22.5 million in sewage disposal bonds for postwar improvements backed by Cleveland's full faith and credit were issued between 1950 and 1966. The sewage disposal system was not truly self supporting until about 1967 when its annual revenues covered its operating costs and the debt service payment due on its bonds.⁷⁴ In spite of that, all sewage disposal bond issues issued after 1949 were listed as self-supporting in the city accounts in order to keep them outside the city's statutory debt limit.⁷⁵ Although the division acquired more sewer functions during the 1950s and 1960s, it still was only about one quarter the size of the water system.⁷⁶

CUSTOMER CHARGES. When the Sewage Disposal Division levied user charges for the first time in 1938, when city was still feeling the effects of the Depression. There was much opposition to paying for the \$20 million in capital costs and the higher operating expenses associated with treatment plant improvements, even though contaminant removal had been vastly improved. The amount of the new charges provoked a two-year battle between the city and the suburbs. Under the rate schedule, charges were levied on all city and suburban water customers connected with Cleveland's treatment plants based on their water consumption, and the charge was added to the quarterly water bills they were already receiving . In 1938, City Council approved a Cleveland sewage charge based on 40% of a user's water consumption and a suburban charge of \$0.75 per 1000 cubic feet of water consumption. The difference in computation masked

the significant differential between city and suburb; Cleveland's charge was equivalent to roughly \$0.32 MCF.⁷⁷ Suburbs charged the city with discrimination and refused to pay the new charges, and when rate negotiations between city and suburb reached the point of open hostility, the Division commissioned the engineering firm of Hoffman, Requardt, and Gascoigne to recommend equitable sewage rates.⁷⁸

In determining fair sewage rates for Cleveland and its suburbs, the engineers assumed that all of the intercepting sewers and treatment works were a unit benefitting the entire metropolitan population, and that total system costs for operations and maintenance should be allocated to all users in proportion to their water consumption. Since Cleveland was still paying the debt service on the treatment facilities from the proceeds of property taxes, the engineers based the city rate on rate operations and maintenance costs only. The higher suburban rates included a share of the capital costs as well.⁷⁹ Hoffman, Requardt, and Gascoigne's 1939 report established a suburban sewage rate of \$0.46 per 1,000 cubic feet (MCF) of water use which was approved by City Council; they also recommended a Cleveland rate of \$0.22 MCF of water use which council voted down several times before accepting a rate of \$0.18 MCF in 1940.⁸⁰ Although the depression was responsible for City Council's effort to reduce the engineers' initial recommendation, both council and succeeding city administrations continued to maintain artificially low sewage rates for Cleveland users. As a result, disputes between city and suburb grew more acrimonious from 1950 to 1971, exacerbating the relations between them.

Despite wartime inflation sewage rates remained constant between 1940 and 1950 when the city raised its own rate from \$0.18 per 1000 cu. ft. of water used (MCF) to \$0.25 MCF--producing a slightly smaller city-suburban rate differential than the one recommended by Hoffman, Requardt, and Gascoigne in 1939.⁸¹ The Sewage Disposal Division was made officially self-supporting at that time, and the additional revenue helped pay its operating costs. The prewar suburban rate of \$0.46 MCF was left intact until 1958. Both Cleveland and suburban sewage rates lagged behind those of all other major cities in Ohio which were also improving their operations. The following is a Table of Annual Sewer Rental Charges in 1957 for Cities over 100,000 Population for Domestic Users Discharging 15,000 Cubic Feet of Waste per Year. (per 1000 cu. ft. for water used (MCF)).⁸²

Cleveland--City	\$ 3.75	Suburban	\$ 6.90
Akron--City	16.50	Suburban	18.15
Canton--City	12.60	Suburban	19.70
Cincinnati--City	12.00	Suburban	12.00
Columbus--City	20.25	Suburban	33.75
Dayton--City	8.40	Suburban	10.50
Toledo--City	12.90	Suburban	18.15
Youngstown--City	41.70	Suburban	52.80

Regional Planning Commission, Cleveland-Cuyahoga County. Sewer and Water Plan: Sanitary Sewerage and Storm Drainage., prepared by Albright & Friel, Inc. Consulting Engineers Philadelphia, Pennsylvania (1957) (CWRU Libraries) Summary, 1957 p. "r".

In 1958 suburban sewage rates were increased to restore the Division's profitability after losses in 1956 and 1957, and a new suburban rate of \$1.15 MCF was proposed. The rate, derived from a 1957 Albright & Friel engineering report on sanitary sewerage, had

actually been calculated for a hypothetical regional authority that might be established in the future.⁸³ The city, however, used the report to justify a substantial suburban sewage increase, dropping it only to \$1.12 MCF before Cleveland City Council approved it over strong suburban objections.⁸⁴ The suburbs disputed the city's eccentric interpretation of the engineers' report and argued that a charge, over four times higher than Cleveland's rate (unchanged at \$0.25 MCF) was unreasonable.⁸⁵

As soon as the new rate went into effect, the suburbs filed a lawsuit against Cleveland in Common Pleas Court, charging that the \$1.12 MCF rate, when coupled with the city rate of \$0.25 MCF, constituted discrimination.⁸⁶ They alleged that Cleveland did not pay its fair share of the wastewater treatment plants' operation and maintenance, and that suburban revenues supported the Division's entire debt service on its bonds, including bonds whose proceeds had been diverted to sewer the city's Cuyahoga valley. Cleveland argued that the Court had no jurisdiction over its utility rate-setting, knowing it would lose the case otherwise, since the suburban allegations were true. City officials had used suburban sewage revenue on projects not associated with suburban sewer needs in order to avoid increasing city rates.⁸⁷

As a result of the lawsuit, a professional study of equitable sewage rates was prepared in 1959, using a new basis for determining what the rates should be. Instead of distributing the aggregate costs of the entire system between city and suburbs, which had been done since 1939, suburban rates were based only those costs associated with facilities

jointly used between them and the city. It was pointed out that when the 1939 sewage rate recommendations had been made, costs were stable; interest rates were low; a large construction program had just been completed; and a relatively small amount of suburban sewage was being treated. The 1961 basis for computing suburban rates reflected a new set of circumstances: direct service suburbs were growing at a rate not seen before; costs were climbing; interest rates were higher; a large construction program was in progress; and an increasing volume of suburban sewage was being treated.⁸⁸ It was also true that Cleveland rates would rise dramatically if the current cost of suburban expansion was allocated among all the area users as it had been since 1939.

The case was settled in 1961 when the Court determined that Cleveland's spurious use of the Albert & Friel recommendations to justify the 1958 suburban sewage rate increase was unreasonable and discriminatory. Under court order, direct service suburban rates decreased from \$1.12 MCF to \$0.80 MCF for 5 years and Cleveland's sewage charges increased from \$0.25 MCF to \$0.35 MCF.⁸⁹ With the suburban sewage rate locked in until July 1966, the city had to raise its sewerage charge to \$0.45 MCF in 1963 when the Division took over the Bureau of Sewer Maintenance.⁹⁰ The settlement of the suburban lawsuit served notice on Cleveland that future sewage rate increases needed to be more equitably divided between city and suburb.

In 1966, sewage rates increased again for both city and suburb. The new rates--\$0.65MCF for Cleveland users, and \$1.12 MCF for the direct service suburbs--were still the lowest in Ohio, however the rate differential that had incensed the suburbs was reduced.⁹¹ The

increase generated enough revenue for the Sewage Disposal Division to assume full responsibility for its debt service.⁹²

This detailed analysis of the water and sewer rate negotiations documents the contentious atmosphere that surrounded efforts to increase charges, and 1961 the court decision confirmed the widely held suburban belief that its residents were unfairly subsidizing the city's wastewater treatment operation. Even though the 1961 rate case resulted in a more equitable basis for computing suburban rates, the increasingly populous suburbs continued to argue that Cleveland officials manipulated utility rates for their own advantage. Nevertheless water and sewer rates remained under Cleveland's control--tangible evidence of its continuing authority over the thriving communities beyond its borders. Many suburban leaders believed they could ensure fair treatment for their constituents only if they gained a share of the authority to set both water and sewer rates for the entire region, including the central city. Self-supporting water and sewage disposal systems, however, were valuable financial assets to Cleveland, which had controlled them since their inception. The city obviously was unwilling to give them up to a regional authority.

V. Ohio's Water Pollution Control Program, 1950 to 1966

Post World War II anxiety about increasing water pollution of the nation's waterways was not new. The same concerns had been voiced

at the turn of the century when municipal and industrial pollution was evident, and efforts were made by state and local authorities to improve the water quality. Ohio shared that concern as its large cities became more industrialized and densely populated. The extensive pollution of the Cuyahoga River and Lake Erie caused the state Board of Health to issue its first cease and desist orders in 1912 and 1915 at a time when the technology needed to effectively treat contaminated wastewater was being developed in Cleveland. The city's early capital investment in three primary sewage treatment plants and its installation of more advanced secondary treatment at the easterly plant in the 1930s put it in the forefront of wastewater purification at that time. After World War II, the renewed interest in pollution abatement led the Federal government to establish programs to help the states clean up their own waterways.⁹³

In response to the federal initiative, Ohio passed water pollution control legislation in 1949 making it unlawful to discharge sewage or industrial wastes into any of the state's public waters, and two years later it established the five-member Ohio Water Pollution Control Board (OWPCB) invested with the authority to halt illegal dumping of raw sewage and industrial wastes and to require local construction of and improvement of sewage disposal plants.⁹⁴ To enforce the law, the Board issued temporary state permits to those dumping pollutants into the rivers and lakes of the state, and made permit renewal contingent on compliance with Board orders to improve their abatement programs. Cleveland received its first permit in August 1952.⁹⁵ OWPCB policy during the 1950s and early 1960s was to educate and

cooperate with the offending cities and industries in order to keep their anti-pollution programs moving particularly in the smaller communities. The OWPCB scrutinized Cleveland's pollution program more closely in 1963 when the volume of wastewater entering the sewage treatment plants approached their capacity, and then ordered the city to institute a higher degree of treatment to ensure sufficient contaminant removal.⁹⁶

By 1964, growing national concern about the environment and Federal interest in the need for clean water focused on Lake Erie's serious pollution problems and its major polluters. This new sense of urgency prompted the Ohio Water Pollution Control Board to recommend first, a comprehensive study of the Cleveland's sewage collection system's shortcomings, and secondly, a significant increase in Cleveland's sewage rate. Mayor Ralph Locher agreed to fund the study but balked at committing further local funds to combat pollution.⁹⁷ Dismissing the city's claim of poverty regarding the sewage rate increase, the Board refused to renew Cleveland's annual permit to discharge wastes in December 1964.⁹⁸ Mayor Locher tried to appease both the Board and his constituents by proposing a sewage rate increase to \$0.65 MCF in January 1966, describing it as evidence Cleveland was "accepting the challenge to provide responsible leadership in fighting water pollution" while reassuring city residents that their rate still would be the lowest in the state.⁹⁹

Although the Board made clear the proposed increase was not adequate, the city administration was determined to hold the line sewage charges.¹⁰⁰ The rates also served the interests of Cleveland's

industries who were connected with system, since they paid the same charges as other Cleveland users, with no increment for the relative strength of the contaminants they discharged.¹⁰¹ In order to avoid controversy, City Council held sewage rate hearings without advanced public notice and then approved the \$0.20 increase in February 1966 raising the city sewerage rate from \$0.45 MCF to \$0.65 MCF.¹⁰² After Mayor Locher produced a preliminary \$66 million pollution abatement program, in the spring of 1966, the Ohio Water Pollution Control Board renewed Cleveland's annual waste discharge permit, ordering the city to prepare a time table for its abatement program and the plans for three new interceptor sewers before the next permit renewal.¹⁰³

Deflecting the pollution controversy away from Cleveland's low sewage rates, Mayor Locher blamed the city's slow progress on lack of financial support from state and federal governments, faulting the state for its failure to provide Cleveland with any of the federal sewage construction funds Ohio administered on behalf of the national government. His point was well taken, but, as the state-wide enforcement agency, the OWPCB also knew that other major Ohio cities were well ahead of Cleveland in providing an adequate financial base to upgrade their treatment facilities.¹⁰⁴ At an average of \$7.80 per year, Cleveland's annual sewage charge was less than half the rate in Akron, Cincinnati and Columbus and lower than Toledo's.¹⁰⁵ The "lowest in the State" rate that the Mayor used to ensure acceptance of the 1966 rate increase was interpreted by the Ohio Board as unwillingness by the city to act on its own pollution problem. The parochial attachment of Cleveland's political leadership to minimal

city sewage charges put it on a collision course with the OWPCB and the growing national effort to improve water quality. Federal and state agencies judged the city's politically-inspired low sewage rates inadequate to meet the rising concern for the environment.

VI. The Politics of Frugality

Cleveland's consistent policy of low water and sewage rates was indicative of the frugality that characterized most post-depression city administrations. The utility charges that served their political aims, however, dated back to Mayor Tom Johnson, who believed that city-owned public utilities should be operated at cost in order to provide affordable water rates for the community. Johnson's waterworks Superintendent, Dr. Edward Bemis, provided good quality water for the time and reduced local water rates.¹⁰⁶ However, water rate increases were needed in the 1920s when demands for improved water quality required costly expansion of the system. The water rates levied in 1931 to pay for the expansion had to be lowered during the 1930s in order to minimize delinquent bill payments; when sewage rates were first introduced in 1938, the same low rate policy for the city prevailed.¹⁰⁷

Four post World War II mayors, Frank Lausche, Thomas Burke, Anthony Celebrezze, and Ralph Locher and their city councils believed that depression-born frugality should be maintained as the financial framework for governing postwar Cleveland. They were confident that thrifty administrations could accommodate the requirements of more

prosperous times and ensure their re-election. To them, low utility rates were second only to low taxes as the hallmarks of fiscal conservatism, and their election campaigns reflected this. Appealing to the nationality groups that formed their political base, they emphasized their administrative frugality; how they lived within the city's income; the low taxes and utility rates they maintained. At the same time they tried to project the image of a vigorous forward-looking city. To demonstrate their independence, they railed against the machine politics of the Cuyahoga County Democratic party and the defecting suburbanites who "did not give two hoots for what happens in Cleveland."¹⁰⁸ In 1953 consultant Harry A. Gillis outlined a campaign strategy for Anthony Celebrezze designed to appeal to economy-minded voters:

"point out the extravagant promises of your opponent, say that you realize not everything can be done at once; that you consider certain projects urgent enough to receive your immediate attention; that you are against sin; that you intend to conserve the taxpayers money; and that if the voters react favorably to bond issues, you will press them to completion. This line of reasoning still permits you to be in favor of God, family, country, and the constitution. It will enable you to be a man of vision and at the same time obtain a long tenure of office in which to do the many good things you favor."¹⁰⁹

The voters responded by re-electing all of them. Running as independent Democrats, Lausche served two terms, Burke, four terms, Celebrezze, five terms, and Locher two terms.

Once in office, mayors worked in concert with city councils that shared the belief that substantial utility rate increases would "kill you"

politically according to one councilman.¹¹⁰ Heavily influenced by ward opposition--particularly in the ethnic wards--councilmen voted for minimum rate increases in order to ensure their own reelection every two years. Their white constituents, increasingly made up of older residents on fixed incomes who worried about inflation, were aware of the city's changing population mix, but they wanted caretaker regimes that would permit them to conserve their lifestyles without change. These constituents used their continued access to the political process through their councilmen to ensure their concerns were addressed.¹¹¹ The broad-based representation, which served the city's ethnic enclaves, however, also allowed Cleveland's segregated black minority to elect councilmen at a rate close to its rising share of the city's population.¹¹²

Politics and constituent interests overshadowed attention to the growing problems of Cleveland as a whole, and municipal leadership was not listening to the changes occurring in the common interest of the city.¹¹³ This was evident in 1965 when Mayor Ralph Locher won re-election with only 37% of the total vote. His razor-thin margin over State Representative Carl B. Stokes, who ran as an independent, demonstrated that the majority of Clevelanders did not believe they were being served effectively. A Plain Dealer post mortem on the 1965 election addressed the deficiencies in mayoral imagination, drive, and leadership. The city's largest daily paper added that: "economy in government certainly is a virtue. But if carried too far, it results in false economy with too many necessary things missing." "Nothing sparkles, nothing snaps, crackles or pops at Cleveland's City Hall."¹¹⁴

Although Locher promised to revamp his administration, two years later Carl Stokes defeated him in the Democratic primary--the ethnic political hegemony established by a succession of Cleveland mayors, was weakened.

Mayors Lausche, Burke, Celebrezze and Locher and their city councils converted the municipal thrift imposed by the Depression to a political virtue during the early years of post-World War II prosperity. They understood the concerns of their white constituents too well and were content to chose policies that fit within their self-imposed financial constraints. While limiting policy initiatives in the name of frugality, Cleveland's political leadership sought to create the illusion that they were truly dealing with the changes the city was undergoing at the time.

VII. Conclusion

The water and sewage disposal systems were lifelines of the city, essential to the protection the population from disease and fire and to the operation of business and industry. The city built and maintained them from their inception, and during the post World War II period, they remained a symbol of Cleveland's stature as a major urban city. The area's postwar suburban expansion required the systems to enlarge and improve their facilities in order to meet new service demands, and the self-supporting systems had to issue bonds to obtain the capital needed for their programs. Additional revenue from higher water and sewage rates also was needed to pay for the expansions,

including debt service on the bonds. Cleveland's policy of maintaining suburban rates high enough to make up for the politically popular low rates it maintained for its own constituents was continued until suburban officials challenged the city's sewage rate increases in court. Although the court rolled back the suburban increases, the city's authority to set utility rates remained undisturbed, and many suburban officials believed the only solution was to metropolitanize the rate-setting for the entire service area. The suburbs made their position clear when the regionalization of the city's water and sewage disposal systems was discussed in 1970. These self-supporting water and sewage disposal systems, however, were valuable municipal services which Cleveland had owned since the mid-19th century; the city would not relinquish control of them easily even with the growing national interest in water pollution abatement.

Cleveland's inadequate sewage rates also put it on a collision course with the Ohio Water Pollution Control Board, which was increasing its enforcement activities against the state's major polluters. The Board deplored the city's unwillingness to raise sewage rates or to commit significant funds to improve its abatement program. Nevertheless, the low utility rates Cleveland insisted on was part of the administrative frugality that characterized most of Cleveland's postwar city administrations. Although municipal thrift was popular with the voters who responded by reelecting the office holders, Cleveland's leadership needs were not addressed by its caretaker governments.

CHAPTER THREE

THE ADMINISTRATIVE HISTORY OF CLEVELAND'S WATER AND SEWER SYSTEMS 1950 to 1966

Footnotes

¹Charles C. Williamson, The Finances of Cleveland, Studies in History, Economics and Public Law Edited by the Faculty of Political Science of Columbia University, Volume XXV , Number 3, (New York, Columbia University Press, 1907). pp. 77-78, 208.

²Monkkonen concentrates on the way urban areas have shaped themselves as organizations and actively promoted their own growth rather than remain passive and be acted on by the choices of others. In order to accomplish this, municipalities have used their corporate status and their ability to lend and borrow money to participate in their own growth. Eric Monkkonen, America Becomes Urban: The Development of U.S. Cities and Towns, 1780-1980, (Berkeley, University of California Press, 1988). pp. 136-143; The influence of business and industry on water supply is in Stuart Galishoff, "Triumph and Failure: The American Response to the Urban Water Supply Problem, 1860-1923," in Martin V. Melosi, Ed., Pollution and Reform in American Cities, 1870-1930. (Austin, University of Texas Press, (1980). pp. 35-54.

³Williamson, Appendix D, "Debt and Sinking Funds," p. 256.

⁴In 1858 \$481.90 was spent to build culverts and a sewer from the central market to the nearest source of water. City of Cleveland Annual Reports, 1858-1859. (Western Reserve Historical Society).; Samuel Orth, A History of Cleveland, Ohio, Vol 1, (Chicago-Cleveland, The S. J. Clarke Publishing Co., 1910.). p. 137;

⁵Although the 1852 Municipal Corporation Act permitted special assessments,. Cleveland was unable to find the statutory authority

for raising funds to construct sewers and appealed to the Legislature for a special law. Williamson, p. 77, pp. 142-43.

⁶Cleveland's 'special debt' consisting of bonds issued for local improvements increased more than fourfold from 1870 to 1875, amounting to nearly three million dollars. Cleveland's general debt increased 5-fold between 1856 and 1870 and had increased again by 56% in 1874. Williamson, Ibid, pp. 204-205, Appendix D, 256-58.

⁷Cleveland Leader, 17 April 1873, p. 2 (ed).; Cleveland Leader 6 March 1875, p. 8.

⁸Williamson, p. 208.

⁹Although the typhoid death rate varied from year to year, over time it increased from 46 in 1879 to 180 in 1890, and 205 in 1900 see Daniel D. Jackson, "Report on the Sanitary Condition of the Cleveland Water Supply on the Probable Effect of the proposed Changes in Sewage Disposal on the Various Sources of Typhoid Fever in Cleveland," Report, May 25, 1912, pp 48-49.

¹⁰Orth, Vol 1, p. 130.; Williamson, pp. 209-210.

¹¹Havens and Emerson, Preliminary Report on Rates for Cleveland Sewerage Service to the Metropolitan Area, ca. 1960, "History of Present Sewerage System," Cleveland Public Library, Cleveland, Ohio pp. 3-4.

¹²There is no single source for the history of the sewage disposal system. The histories attached to the reports of consulting engineers are the most comprehensive, but their coverage is limited to the particular subject of the report and assume a general knowledge of sewer technology. Havens and Emerson, "Preliminary Report on Rates for Cleveland Sewerage Service to Metropolitan Area" ca 1960, p. 3-4.; Havens and Emerson, "Sewage Rate Study, Preliminary Findings, 9 June 1969," Carl B. Stokes Papers, MSS 4370, Western Reserve Historical Society.; Orth, Vol 1, Ibid., p.130; Encyclopedia of

Cleveland History, 1st ed., s.v. "Water System," by Willis E. Sibley; Hoffman, Robert; Gustav Requardt, and George Gascoigne. Report on Sewage Charges, 1/10/40 (in) Harold H. Burton Papers, MSS 3584, Box 22, WRHS. p. 3-4.

¹³Jackson, p. 9, 14-17, 43-46, Tables 2 and 3, pp. 48-49.; Havens and Emerson Preliminary Report, ca 1960, p. 4.

¹⁴The 1886 and 1906 figures are from Williamson, Appendix D, pp. 258-49. The 1930 figure is from City of Cleveland Financial Report for Year Ending Dec. 31, 1949, "City of Cleveland Gross Bonded Debt, Jan 1, 1930 to Jan. 1, 1950," (Case Western Reserve University Libraries).

¹⁵Orth, Vol I. pp. 140-147.

¹⁶In 1908, Cleveland levied a uniform charge of \$0.40 per thousand cubic feet (MCF) of water consumption, with a minimum quarterly payment of \$1.25 which in effect of reduced water payments to about 73% of what had been paid under assessment. Orth Vol I, 142-147; Encyclopedia of Cleveland History, s.v. "Edward Bemis,"; Williamson, p. 194.

¹⁷Williamson, p. 143.

¹⁸Ohio enacted the federal plan of government in 1891 which allowed cities more administrative control over city functions, allowing Cleveland to write a municipal charter. When the plan was declared unconstitutional by the Ohio Supreme Court, the Municipal Code of 1902 was enacted by the state re-establishing the control of various boards and commissions who had been responsible for the operation of city functions prior to 1891.;

Under the 1902 Municipal Code, the chief administrative group was the Board of Public Service. It supervised and improved streets and sidewalks; controlled lighting, bridges and sewers; and was in charge of the water system. Williamson, p. 31-32. This was modified by

the 1908 Paine Law which returned the administrative responsibility to a Director who was appointed by the Mayor.

¹⁹New York, Boston, Chicago and New Orleans were ahead of Cleveland in expenditures, but all spent more than \$1 million in 1904. Williamson, p. 145 and Table "Total Expenditures for Sewers, 1904."

²⁰Daniel D. Jackson, Report, p. 23.

²¹The city built large interceptor sewers connecting the sewer distribution systems to these discharge points where wastewater treatment plants were built in the 1920s. Havens and Emerson, Preliminary Report, ca. 1960, p. 3-4.

²²Information in this paragraph came from Havens and Emerson, "Preliminary Report," ca. 1960, pp. 3-8.; City of Cleveland, Department of Public Utilities, "Description of Cleveland sewage Facilities," ca. 1958. p. 2-4.; MSS 996, Greater Cleveland Growth Association. Cleveland, O. Records, Box 125. (WRHS).

²³City of Cleveland, "Activities Report to the People of Cleveland from the Mayor and Council," (Cleveland, 1950) (CWRU Libraries).

²⁴Ibid.; Encyclopedia of Cleveland History, s.v. "Water System" by Willis Sibley.

²⁵Other municipally owned plants were in Berea, Bedford, Bedford Heights, Brookpark, Maple Heights, North Olmsted, and Chagrin Falls. Regional Planning Commission Cleveland-Cuyahoga County, "Lakefront Study, Summary, Findings, and Suggestions, July 1962," p. 6, Table 23 "Sewage Treatment Plants-Cuyahoga County, 1962" p. 93. (CWRU Libraries).

²⁶In 1919, Cuyahoga County had been authorized to establish and administer sewer districts in less developed areas where it was the principal mechanism for planning, coordinating, constructing and

operating sewer systems and sewage treatment facilities. Governmental Research Institute, "The Inconspicuous Governments, An Inventory of Special Governmental Agencies In Cuyahoga County." (Cleveland, Ohio, The Citizens League, 1976), p. 90.; The county-supervised Rocky River treatment plant processed sewage from Fairview Park and Bay Village. Plants were in Middleburgh Heights, Walton Hills, Brecksville, and Oakwood Village. "Lakefront Study, Summary," p. 6 and Table 23 p. 93.

²⁷Statement of "No Sewer, No Water Policy" dated 8/10/56, Greater Cleveland Growth Assn Papers, MSS 996, Box 125 (WRHS); Plain Dealer 26 Jan. 1956, "No Sewers, No Water, City to Tell Polluters," p. 40.

²⁸The Division also sold steam heat to a small group of Cleveland water users. It represented about 2% or less of the system's income and had been phased out by 1969. City of Cleveland Annual Financial Reports, Water and Heat Division, Statement of Income and Surplus, 1950-1966, 1969. Cleveland Public Library

²⁹Memo of 5/8/58, Emil J. Crown, Director of the Department of Public Utilities to Mayor Anthony J. Celebrezze. Anthony J. Celebrezze Papers, Mss 3884, Box 3. (WRHS), Cleveland, Ohio.

³⁰Cleveland Press 23 June 1954, "Flat" Mayors Seek Better Service," p. 44; PD 25 Mar. 1956, "First 100 years of City's Water are the Hardest," pp. 1&2B. CP 10 July 1964, "Cleveland Will Spend 2 million on Water Mains to Suburbs," p. B-8.

³¹City of Cleveland, Annual Reports to the People, 1954-1958 CWRU Libraries; Memo of 5/7/52 from Emil Crown, Director of Public Utilities to S. A. Ryan, Commissioner of Fiscal Control, Thomas Burke Papers MSS 4035, Box 3.; CP 16 Jan. 1953 "Water Bills Too Low." p.19.; CP 20 Jan. 1953, "Council Probes Water Waste in Estimated Bills." p. 6.

³²Between 1951 and 1966, the total metered consumption of water grew by 54.8% and water sales revenue increased 133%; City of Cleveland, Department of Public Utilities, Water and Heat Division 1966

Financial Report, (Cleveland Public Library) p. XIV Table of Water Sales in million cubic feet (MCF), 1951-1966, p. XIV.;

City of Cleveland, Financial Reports, Department of Public Utilities, Division of Water and Heat, Statement of Income and surplus, 1951-1966, Cleveland Public Library.

³³PD 11 Oct. 1962, "Centralized Fight on Pollution is Urged," p. 49.;

The City of Cleveland Annual Reports to the People, 1952-1972, (Cleveland Public Library).; City of Cleveland, Cleveland Little Hoover Commission, Project #11, "Report on the Division of Water Pollution Control," (Cleveland, Ohio, 1967) CWRU Libraries.

³⁴Regional Planning Commission, Cleveland-Cuyahoga County, Ohio "Sewer and Water Plan, Sanitary Sewerage and Storm Drainage," report prepared by Albright & Friel, Inc. Consulting Engineers, (Cuyahoga County, Dec. 30, 1957) CWRU Libraries.

³⁵Complete sewage treatment was achieved when at least 85% of the Biochemical Oxygen Demand (B.O.D.) and suspended solids were removed from sewage. "Lakefront Study, Summary," Cuyahoga County, Ohio July 1962); New York Times, 15 Aug. 1965 "Lake Erie States Favor a Cleanup," p. 15; City of Cleveland, Dept. of Public Utilities, Office of the Commissioner, "Description of Cleveland Sewage Facilities, ca 1958. Greater Cleveland Growth Assoc. Papers, Box 125.

³⁶The Sewage Disposal Division's service area covered only part of Cuyahoga county since other disposal systems were operated by individual suburbs and by the County Commissioners.

³⁷City of Cleveland, Annual Report to the People, 1954-55, p. 43; Ibid. 1962, p. 48; Southerly Plant Expansion Opening Program, 20 Oct. 1955. Anthony Celebrezze Papers, MSS 4046 Box 7;

It was estimated that an additional 30 million gallons of wastewater daily would need to be treated at Southerly. "Lakefront study, Summary," p. 81 & Table 25 "Present & Estimated Future

Capacities-City of Cleveland," 1960, p. 95.; Havens and Emerson Preliminary Report, c. 1960, p. 103.

³⁸City of Cleveland Annual Report to the People, 1963-64, p. 66; Ibid. 1964-65, p. 54.

³⁹ The city was asked to restrain Sherwin-Williams, International Milling Co., Republic Steel and U.S. Steel from polluting the Cuyahoga River. CP 9 Apr. 1965, "City Faces Pollution Suit," p. 1A.

⁴⁰City of Cleveland, Division of Engineering & Construction, "Report to Miles E. Evans, Director of Public Service," June 28, 1941. Harold Burton/Edward Blythin papers, MSS 3828 Box 6. WRHS.

⁴¹City Officials had always maintained that the interceptor sewer system (main and Interceptor sewers) were not properties of the Division of Sewage Disposal. These sewers were the responsibility of the Service Dept. of the City of Cleveland, with their entire cost paid from taxes levied on real estate within the areas serviced. In spite of the city's policy, proceeds from a \$1 million Sewage Disposal bond issue were used for the city sewer distribution system--a responsibility of the Service Dept--which should be financed from taxpayer-supported funds. Letter of 4/30/58 from R. F. Gabele, Partner, Peat, Marwick, Mitchell & Co. to E. C. Knuth, Director of Finance, City of Cleveland. Anthony J. Celebrezze Papers, MSS 4046, Box 7 Cleveland, Ohio, WRHS.

⁴²Of the estimated 40 to 50 millions of gallons daily (MGD) of untreated sewage and industrial wastes discharged in the river, only 10 MGD could be treated in the city's sewage treatment plants or would be treated at the source. Removing contaminants from an estimated 16 to 22 Million Gallons Daily (MGD) of pickling liquor and acid wastes were complex pollution problems since treatment for them was economically questionable or unknown. Regional Planning Commission, Cleveland, Cuyahoga County. "Lake Front Study-First Report, January 1959, Greater Cleveland Growth Assn MSS 996, Box 125; The presence of iron and oils in quantity in wastewater caused difficulty in the treatment plants' operation and maintenance

according to the report prepared by George E. Barnes and Leon W. Weinberger, Dept. of Civil Engineering and Engineering Mechanics, Case Institute of Technology, Cleveland, Ohio 1958. "Study of Industrial Wastes in the Cleveland Area," p. 16. (Cleveland Public Library); "Lakefront Study, Summary Report, July 1962," p. 97, Table 28 "Inventory of Untreated Industrial Wastes Discharged from Cleveland's Cuyahoga River Valley Low Level District-Cuyahoga County, 1960.

⁴³Ibid. Table 23, p. 93. Cleveland's three disposal plants accounted for 85.72% of the treatment capacity in the county.

⁴⁴Traditionally municipal bonds have carried a lower interest rate because they are free of federal and sometimes state taxes.

⁴⁵Orth, Vol 1, p. 257.; Williamson, p. 187.

⁴⁶In 1952, the statutory limitation on voter-approved General Obligation bonds was 5% of the tax duplicate. "How to Get Sewage Treatment Works in Ohio," Ohio Dept of Health and Ohio River Valley Water Sanitation Commission, (Cincinnati, Ohio 1952) in Thomas Burke Papers, MSS 4035, Box 3. Cleveland, Ohio WRHS.

⁴⁷Sewage Disposal Division financial statement, p. 62, City of Cleveland, Ohio, Financial Report by the Department of Finance of the City of Cleveland, Year Ending Dec. 31, 1949, (CWRU Library)

⁴⁸With 38% of the city's outstanding debt outside the statutory debt limit, the Celebrezze administration had leeway to issue tax-supported general obligation bonds to improve the city's non-revenue producing services such as parks, streets, and recreation. City of Cleveland Financial Report, 1953. Transmittal Letter of 2/16/54 from F. R. Hanrahan, Director of Finance to Mayor Anthony Celebrezze, and Table of Gross Bonded Debt, p. 65.

⁴⁹In 1950 the city's public schools and private hospitals were the largest users of free water except for city Departments. Other users

included cemeteries, churches, colleges, and the Cleveland Transit system. CP 12 June 1951 "City's "Free Water List is Huge," p. 17.; In 1970 the city gave away \$750,000 in water. The biggest user that year was Case Western Reserve University. CP 8 July 1971, p. A1, A4.

⁵⁰The 1930 figure is from City of Cleveland Financial Report for Year Ending Dec. 31, 1949, "City of Cleveland Gross Bonded Debt, Jan 1, 1930 to Jan. 1, 1950. (CWRU Libraries)

⁵¹C. Dennis Dunfee, "Harold H. Burton, Mayor of Cleveland: The WPA Program, 1935-1937, Ph.D. Dissertation, Department of History, Western Reserve University, May 20, 1975. p. 127.

⁵²City of Cleveland, "Official Statement Relating to the Sale of \$8 million Waterworks Extension First Mortgage Revenue Bonds, July 7, 1947," Table-Record of Operation, 1915-1946. Cleveland Public Library.

⁵³Ibid.; City of Cleveland, Financial Reports, 1949-56, Gross Bonded Debt Tables, and Tables of annual bond sales.

⁵⁴Ibid. 1955, Gross Bonded Debt Table to January 1, 1956, p. 65; City of Cleveland Financial Reports, 1949-1966, Tables of Annual Bond Sales. (1949-1955 reports in CWRU Libraries)

⁵⁵Financial Report of the City of Cleveland, 1949, Gross Bonded Debt Table, p. 52.; All Water Division revenues were deposited in a Waterworks System General Income fund from which all operation and maintenance funds were paid and a specified amount set aside for the annual debt service on the bonds. It was necessary to keep substantial reserves to cover all future debt service payments.; Ibid. Notes to the Water and Heat Division financial Statement, p. 60;

The only limit on the sale of mortgage revenue bonds was the amount of money the system could set aside as debt service reserves. If a default on revenue bonds occurred, the bondholders would take over the system. (these regulations applied to all utility services with user income.). "How to Get Sewage Treatment Works in Ohio," p. 18-19.

⁵⁶The service districts were: Low Service, lake level to 120 ft; First High Service, 120 to 250 ft.; Second High Service, 250-500 ft.; Third High Service, 500-810 ft.

⁵⁷The pre World War II minimum charge in the city was \$1.25 quarterly, including the first 750 cu. ft. of use; the city rate to 24,500 cu. ft. was \$0.75 MCF; and the bulk rate beyond was \$0.672 MCF. City of Cleveland, The City Record, March 19, 1941, p. 598, Ordinance No. 2046-C-40. Cleveland Public Library. The City Record, June 27, 1951 p. 1271, Ordinance No. 1240-41.

⁵⁸The City Record, June 27, 1951, p. 1271, Ordinance No. 1240-51, city and Direct Service suburban rates.

⁵⁹The City Record, March 7, 1951, Ordinance No. 246-51, Master Meter rates.

⁶⁰Memo of 7/23/53 from Emil J. Crown, Director, Department of Public Utilities to Mayor Thomas A. Burke and Letter of 7/16/53 from Emil Crown, Director of the Department of Public Utilities to Paul Lilley of the Cleveland Press. in Thomas Burke Papers MCC 4035, Box 3, Cleveland, Ohio (WRHS).

⁶¹According to one suburban mayor, The suburbs were divided on this. Mayors from the master meter suburbs, intent on keeping the differential on their wholesale rate which was slightly lower than the direct service suburbs, opposed the so called "flat rate" mayors. The intra-suburban dispute in 1954 almost broke up the Cuyahoga County Mayors and City Manager Association. The Maurice Klain Research Papers: Cleveland Area Leadership Studies. MSS 4219, Box 12. (WRHS)

⁶²The City Record, 7/7/54 p. 1557-1558, Ordinance 1467-54. Direct Service rates ranged from \$1.42 MCF to \$2.94 MCF depending on the service area, and master meter rates from \$0.80 to \$1.51 MCF, there was no minimum charge for master meters.; The third high district paid about four times the city rate.; PD 23 June 1954, "Council Unit's OK Assures Percentage Water Rate Hike," p. 3.; PD 28 June 1954,

"Votes Tonight on Water Rate Hike," p. 29; PD 29 June 1954, "City Council Passed Suburban Rate Hike by a Unanimous Vote," pp. 1, 9.

⁶³ In 1957 there was a cash deficit of \$1,632,772; in 1958 it was \$365,666. Havens and Emerson Report, "Proposed Water Rate Increases," 1970, Carl B. Stokes Papers, MSS 4370, Box 86. Cleveland, Ohio WRHS.

As each new bond issue was sold, it became increasingly difficult to finance additional borrowings because of the restrictions contained in the mortgage indenture. These restrictions required that the annual net income be maintained at high levels in order that the earnings ratio of 1-1/2 times the highest annual bond servicing requirements for both principal and interest were exceeded. If the earnings failed to meet these requirements, no additional bonds could be sold. The Water Division was able to sell only a portion of their 1956 bond issue and none in 1957 or 1958. City of Cleveland, Department of Public Utilities, Division of Water & Heat, 1956 Financial Report, Transmittal Letter of 3/20/57 to Stephen Suhajcik, Commissioner of Utilities Fiscal Control, Cleveland Public Library

⁶⁴Statement by Mayor Wilson G. Stapleton of Shaker Height on the Sewer and Water Rates to be Presented at the Cleveland City Council Committee Hearing Scheduled for 9:30 A.M., Thursday, June 5, 1958. Papers of Anthony J. Celebrezze, MSS 4046, Box 7 (WRHS).

New city water rate was \$0.87 mcf; direct service suburbs ranged from \$1.56 to \$3.08; and master meter suburbs: East Cleveland and Lakewood, \$0.94, Cleveland Heights \$1.40, Bedford \$1.65, and Eastlake \$1.20. The City Record, July 9, 1958, pp. 1554-1555. Ordinance 1227-58.

⁶⁵City of Cleveland, Department of Public Utilities, Water and Heat Division Financial Report, 1966 p. XIV, Sales in MCF 1951-1966. Ibid., Financial Reports 1952-1966. Public Administration Library, City Hall, Cleveland, Ohio; Letter 7/16/53 Crown to Lilley.

*% of Metered Consumption:	<u>Cleveland</u>	<u>Direct Service</u>	<u>Master Meter</u>
1952	71.0%	19.0%	10.0%
1955	63.9%	27.0%	9.1%
1960	61.0%	30.0%	9.0%
1963	57.0%	33.8%	9.2%
1966	55.1%	36.2%	8.7%

*Computed from Water and Heat Div. Financial Report, 1966.

Water Revenue:	<u>Cleveland</u>	<u>Percent</u>	<u>Suburbs (All)</u>	<u>Percent</u>	<u>Total</u>
1952	\$ 5,490,000	59.1	\$ 3,800,000	40.9	\$ 9,290,000
1955	6,067,475	47.0	6,845,714	53.0	12,913,189
1960	6,656,098	44.9	8,164,702	55.1	14,820,800
1963	6,701,368	40.3	9,919,611	59.7	16,620,979
1966	6,955,705	38.0	11,349,035	62.0	18,304,740

⁶⁶Letter of 5/8/58 from Emil Crown to Mayor Anthony Celebrezze, p. 2, Pittsburgh rate.; Differences in the rate structure, source of water and topography affected the accuracy of the comparative city rates;

Of the larger cities, Cleveland's rate appears to be the lowest. The American City, "Modern Water Rates" a 12 part series, January 1959 December 1959.

⁶⁷The suburbs protested the water rate differential in 1928, and the city's Utilities Director confirmed that the water system was using the profits generated from suburban revenue to cover losses from its city operations. This information was furnished to a disbelieving City Council who assumed that the city was subsidizing the suburban service. CP 5 Feb. 1929, "Waterworks Losses Laid to City Users," p. 1.

⁶⁸Statement by Mayor Wilson G. Stapleton of Shaker Heights on the Sewer and Water Rates to be Presented at the Cleveland City Council Committee Hearing Scheduled for 9:30 A.M., Thursday, June 5, 1958. Papers of Anthony J. Celebrezze, MSS 4046, Box 7 (WRHS).

⁶⁹Cleveland's water rates were reported as the lowest in the nation, Ibid. Annual Reports to the People; Water and Heat Division Financial Reports 1961-1966.

Members of the Cuyahoga County Mayors Assoc. believed that the higher rates they had paid for many years had helped amortized the city's investment in the system, something which was not credited in the rate calculations. PD 23 July 1953, p. 19; In protesting their 1940 water rate increase, master meter suburbs made the same point. They contended that in determining the city's water system investment to be recovered from them, the book value of the system should be reduced by its depreciated value as of December 31, 1939, and continue to be reduced in future years. The city maintained that if this reduction continued at the same rate, the entire investment would be wiped out in 1965, and the city would no longer be entitled to a return on its investment. Memo of 7/25/1940 on water rates recommended for the Master Meter suburbs by the Board of Engineers of the City of Cleveland. Harold H. Burton Papers, MSS 3584, Box 22. Cleveland Ohio (WRHS).

⁷⁰The General Fund supported the city's non-revenue producing administrative departments; Havens and Emerson Report, "Sewage Rate Study Preliminary Findings 6/9/69." Carl B. Stokes Papers, MSS 4370 Box 85. Cleveland, Ohio (WRHS) pp. 1-2.

⁷¹The city temporarily defaulted on its debt and had to renegotiate its PWA loan for sewage treatment plant expansion in 1934. The PWA refused to release its \$8,229,000 loan and grant secured by sewage disposal bonds until Cleveland successfully marketed \$4 million in deficiency bonds. It then released the funds on condition that the city must enact a sewer use tax and give the PWA a mortgage on the entire sewage disposal system if it defaulted on the government loan. PD 13 Mar. 1934, "Halt Sewage Job, City Default," p. 4; PD 19 Apr. 1934, "Fear Sewer Rent must back bonds," p. 13; PD 26 June 1934, "City Sells \$4 million in Deficiency Bonds to Cure Its Default," p. 14; PD 10 July 1934, pp. 1&4. "City Votes PWA Jobs for 1,500," pp. 1&4.

⁷² The major project was construction of a new Easterly plant to provide secondary treatment of sewage with a pollution removal range of 92% to 95%--the result of experiments in sewage treatment conducted at an earlier installation at that location. Hoffman, Requardt,

Gascoigne, Report, p. 10-12.; City of Cleveland, Department of Public Utilities, Description of Cleveland Sewage Facilities, Greater Cleveland Growth Assoc. Papers, WRHS.

⁷³Havens and Emerson, "Master Plan for Pollution Abatement, Part I, Narrative Report, June 1968," Carl B. Stokes Papers, Box 91, Cleveland, Ohio WRHS. pp. 139-140.

⁷⁴City of Cleveland Financial Reports, 1949-1966, Table of Gross Bonded Indebtedness. The Division's self-supporting debt was still backed by the city's full faith and credit; City of Cleveland Financial Reports 1949-1966. Tables of Annual Debt Service Payments for Self-Supporting Sewage Disposal Bonds and the payments made by Division of Sewage Disposal according to their Statement of Income and Accumulated Deficit from Operations were used to determine how much of the total annual debt service the Division accounted for. City funds paid the annual principal due up to about 1968.

⁷⁵City of Cleveland Financial Reports, 1950-1966, Table of Bonds issued annually, gross bonded indebtedness, 1967, p. 65. Cleveland Little Hoover Commission Report, Jan. 25, 1967. pp. 11-19.

⁷⁶The following is a rough comparison of Sewerage and Water revenue.

	<u>Sewage Revenue</u>	<u>Water Sales Revenue</u>
1952	\$ 1,988,980	\$ 9,056,133
1955	2,336,160	12,588,427
1960	3,720,598	14,673,404
1963	4,908,301	16,618,723
1966	6,553,636	18,291,464

City of Cleveland Financial Reports, Ibid., 1952, 1955, 1960, 1963, 1966, gross figures from Statements of Income and Surplus.

The estimated relative size of the water and sewage disposal systems is based on a comparison of their assets, long-term debt and operating revenue in the balance sheets and the statements of Income and surplus during the period.

⁷⁷Councilman Ernest Bohn and Utilities Director Wallene tried to convince councilmen that 57 other municipalities had approved a sewage charge and no councilman had lost his job over it. PD 14 May 1938, "Council Revolt on Sewers Brews," p. 10; PD 20 May 1938, "Wars on 'Bogey' in Sewer Rent Issue," p. 9.; PD 7 June 1938, "Vote 40 Percent. City Sewer Use Charge," p. 1&5.

⁷⁸ Prior to 1938, the bases for suburban charges under their agreements with the city varied widely e.g., free service in return for sewer rights-of-way, lump sum payments, quantity or per capita charges. Havens and Emerson, "Preliminary Sewer Rate Study, June 1969." Carl B. Stokes Papers MSS 4370, Box 91 Cleveland, Ohio, WRHS; Havens and Emerson, "Master Plan for Pollution Abatement, June 1968," Ibid. Box 85.; Suburban sewage charges owed to Cleveland by the suburbs as of 11/30/39 were: East Cleveland \$84,000; Shaker Heights, \$56,000; Cleveland Heights, \$65,900; Bedford, \$26,500; Fairview \$26,800; South Euclid \$23,877; Parma Heights \$19,400; Bay Village \$19,000; Beachwood, \$12,000; Cuyahoga County \$10,294. Total of all owned charges \$391,222.04. "Memo of Questions Submitted to Utilities Department by Councilman Edward Pucel, 11/28/39. Answers dated 1/15/40 from J. W. Ellms and F. L. Fisher to Director of Utilities F. O. Wallene," Harold H. Burton Papers, MSS 3584, Box 22.

⁷⁹"Capital costs were also known as "fixed charges", they "were taken as the sum of interest on the initial investment in intercepting sewers and treatment plants and the theoretical yearly sinking fund deposit required to accumulate this initial investment at 2% interest over the estimated useful life of the facilities."Ibid. Havens and Emerson Cleveland Sewage Rate Study, Preliminary Findings dated 6/9/69.

⁸⁰Hoffman, Requard, Gascoigne Report. pp. V -IX;
The City Record, 12/26/40, Ordinance 2014-40, p. 2142, Cleveland Heights charge; Ordinance 2045-40, p. 2152, East Cleveland charge. The recommended master meter charge of \$0.44 was negotiated down to \$0.34 MCF. Cleveland Heights and East Cleveland were the only master meter suburbs connected to Cleveland's disposal plants.

The City Record, April 17, 1940, p. 709. Suburban charge; The City Record, December 24, 1941, p. 2322. City Charge; Cleveland News, 22 Dec. 1939, "Sewage System Will Plunge Into Red Jan. 17 if Repeal of City Charge is Upheld." p. 9; Acting Mayor Edward Blythin ordered the treatment plants shut down until council approved the engineers' original recommendation. As the shutdown began, newspaper articles advised mothers to boil water for their pre-school children. Common Pleas Court Judge Frank Day canceled the shutdown, branding Blythin's actions as "one of the most stupid, monstrous acts in history." With the plants' reopening, a majority of City Council approved \$0.18 MCF rate-- \$0.04 less than the engineers recommended. CP 20 Feb. 1941, p. 1; CP 21 Feb. 1941, pp. 1,4 (Quote); CP 25 Feb. 1941, pp. 1,4.

⁸¹The City Record, December 21, 1949, p. 2009. Ordinance No. 1977-49, passed December 12, 1949. New sewage rate was effective January 22, 1950; The \$0.25 MCF rate remained low because general tax money was still used in 1949 to finance bonds. Memo of 1/13/61 from Bronis Klementowicz, Director of Department of Public Utilities to Mayor Anthony J. Celebrezze, [Letters Concerning Sewage Rates] 1956-1961, Cleveland Public Library.; Utilities Director Emil Crown apparently was upset when City Council passed a rate lower than the \$0.35 MCF he recommended. The Maurice Klain Research Papers, MSS 4219, Box 7.;

Comparable sewage rates in other cities in 1949 at the time of the city increase were: Philadelphia, \$0.814 MCF; Buffalo, \$0.45 MCF; Pittsburgh, \$1.35 MCF; and Detroit, \$0.13 MCF. Memo of 12/5/49 from H. N. Hobart to Mayor Thomas A. Burke, Thomas Burke Papers, MSS 4035, (WRHS).

⁸²The use of a yearly bill is more accurate, since the basis for computation varies from municipality to municipality.; Comparable rates for other cities: Philadelphia, Pa., \$27.66; Little Rock, Ark., \$27.72; Camden, N. J., \$33.68; Jersey City, N.J., \$32.30; Chattanooga, Tenn., \$14.04, Suburban, \$21.36; Knoxville, Tenn., \$22.20, Suburban, \$33.60. Regional Planning Commission, Cleveland-Cuyahoga County. "Sewer and Water Plan: Sanitary Sewerage and Storm Drainage,

Summary." prepared by Albright & Friel, Inc. Consulting Engineers 1957; In a moment of candor, one member of city government admitted that Cleveland's sewage rate was too low. Klain Research papers, MSS 4219, Box 7.

⁸³Letter of 5/8/58 From Emil Crown to Mayor Anthony Celebrezze. Anthony J. Celebrezze Papers, MSS 3884, Box 3. WRHS; Letter of 2/6/61 from B. J. Klementowicz to Mayor Anthony J. Celebrezze; [Letters Concerning Sewage Rates] 1956-1961, Cleveland Public Library; City of Cleveland, Department of Public Utilities-Division of Sewage Disposal, Statements of Income and Accumulated Deficit from Operations, 1956-1958, show losses;

The controversial rate was contained in the Albert & Friel Report, Ibid. Summary, p. "m" and "n".

⁸⁴The City Record, July 9, 1958, p. 1554. Ordinance No. 1227-58.

⁸⁵Wilson Stapleton argued that Albright and Friel in their Report on Sanitary Sewerage and Storm Drainage of 1958, had calculated a possible future rate of \$1.15 MCF for a hypothetical Regional Authority, not an actual suburban increase. He insisted Albright and Friel's suggested suburban rates for the current system were \$0.52 MCF and \$0.69 MCF for the suburbs combined with a city rate of \$0.48 (See letter of report transmittal dated December 30 1957 from Albert & Friel, Inc. to Proctor Noyes, Director of the Regional Planning Commission.). "Supplementary Statement on Sewer and Water Rates to be presented to Cleveland City Council hearing 6/10/58," Celebrezze Papers, MSS 4046, WRHS, pp. 1-2.;

Department of Public Utilities, Division of Sewage Disposal, Table of Tax Levy and Service Charge Revenues, 1947-1959, attached to Letter of 2/8/61 from Walter Gerdel, Commissioner of Sewage Disposal to Bronis Klementowicz, Director of Public Utilities. [Letters Concerning Sewage Rates] 1956-1961, Cleveland Public Library. The percentages are for 1958. Suburban sewage revenue surpassed the city's for the first time in 1959.

⁸⁶Klain Research Papers, MSS 4219, Box 12; The Common Pleas Court in cause of John F. Curry et. al. v. The City of Cleveland, Case No. 712003. in The City Record, July 5, 1962; The county commissioners, whose county-run sewer districts were subject to the same sewage rate increase joined in the lawsuit. City Council Archives, File No. 1596-58, Cleveland, Ohio, Bd. of County Commissioners Resolution of June 16, 1958 In the Matter of Sewage Rate Increase for County Sewer Districts.

⁸⁷All bond financing costs supported by the division for 1958, 1959 and 1960 were paid entirely from suburban monies in addition to their fair share of operation, maintenance and administrative costs. Most of the bond money on which the suburbs were paying was used to finance construction of sewerage facilities in the Cuyahoga Valley low level area--Cleveland's responsibility. Letter of 4/30/58 from R. F. Gabele, Partner, Peat, Marwick, Mitchell and Co. to E. C. Knuth, Director of Finance, Celebrezze Papers.; In an exchange of memos from 1956-1961 justifying the 1958 suburban increase no mention was made of raising Cleveland's sewage rate. With the deficits in 1955, 1956 and one contemplated in 1957, it was necessary to double suburban rates. immediately. Apparently Cleveland used suburban revenue as it wished. Memos of 8/2/56 and 10/7/57 from Emil J. Crown, Director to Mayor Celebrezze; Letter of 1/13/61 from Bronis J. Klementowicz, Director to Mayor Celebrezze; Letter of 2/6/61 Klementowicz to Celebrezze; Letter of 2/8/61 from W. E. Gerdel, Commissioner, Division of Sewage Disposal to Bronis J. Klementowicz. [Letters Concerning Sewage Rates] 1956-1961, Cleveland Public Library, Cleveland, Ohio; Report, "The Proposed Sewerage Service Rate of \$1.15 to the Cleveland Suburbs," dated 6/12/58, Letter of 5/8/58 from Emil Crown to Mayor Celebrezze Re: Water and Sewage Rate Increases, both in Celebrezze Papers Box 3.

⁸⁸Havens and Emerson, Sewage Rate Study Preliminary Findings, June 1969, Ibid. p. 3-5.

⁸⁹The sewage rates agreed on in the settlement of the suburban lawsuit, (John F. Curry et al. vs The City of Cleveland, No. 712003) are

contained in the City Record, July 5, 1961, pp. 645-646, Ordinances 1340-61. and 1341-61.

⁹⁰The City Record December 19, 1962, p. 2253, Ordinance 2221-62, 1963 city rate increase.; According to Havens and Emerson, the proper cost of sewerage service for Cleveland City contributors to the system is \$0.6347 per MCF of water consumed. Havens & Emerson Preliminary Report on Rates for Cleveland Sewerage Service to Metropolitan Area. ca. 1960, p. 106.

⁹¹The City Record, Feb. 23, 1966, p. 438. Ordinance 289-66, passed Feb. 14, 1966, effective Feb. 16, 1966. City rates.; The City Record, August 3, 1966 p. 1447, Ordinance No. 1724-66 Sewage service rates outside the corporate limits of the city of Cleveland.; PD 27 Jan. 1966, "Sewage Rate Hike sought by Locher," p. 61. At \$0.65 MCF, Cleveland still had the lowest rate of all major Ohio cities.

⁹²City of Cleveland Financial Report, Department of Public Utilities, Division of Water Pollution Control. Statements of Income and Surplus 1966-69 and Debt Service Payments, Self-Supporting Sewage Disposal Bonds, 1966-69. Sewage disposal operating revenues jumped from \$4.9 million in 1965 to \$6.6 million in 1966, but it appears they were not entirely self-supporting until about 1967 (see financial reports).

The continuing financial dependence of the Sewage Disposal Division allowed the city to mix sewage disposal funds in with General Fund tax monies. Water revenue could not be used since the Division's funds were segregated by the Mortgage Indenture.

⁹³The federal government passed its first Water Pollution Control Act in 1948. Its programs offered construction loans for local sewage disposal plant improvements, grants for research and planning, and if requested by a state, legal action against its polluters. The 1948 Act gave the Surgeon General responsibility for the federal water pollution program. U. S. Government, Public Law 845-80th Congress, 2nd Session, passed June 30, 1948.

⁹⁴Section 1240-4 of the State Code, quoted in the Memo of 12/5/49 from H. N. Hobart, Mayor's Executive Assistant to Mayor Thomas Burke In Re: Sewage Disposal costs.; CP 28 June 1951, "Lausche Signs Pollution Bill," p. 1; PD 30 June 1951, "Ohio Speeds Pollution Battle: Won't Delay for New Law," p. 3; CP 28 Sept. 1951, "Pollution Law Gives Violators Year of Grace," p. 4.

⁹⁵Cleveland had four conditions for permit renewal: 1. Continue satisfactory operation of Easterly. 2. Progress with expansion underway and plan additional expansion at Southerly. 3. Prepare plans for enlargement and higher degree of treatment at Westerly. 4. Proceed with the sewerage of the flats. CP 19 Aug. 1952, "Permit City to Dump Sewage in Lake," p. 32.

⁹⁶The daily average of the three plants was 202.5 million gallons. City of Cleveland, Annual Report to the People, 1964-65, p. 54. The Ohio Water Pollution Control Board ordered the city to step up facilities and treatment at the Westerly Plant and an engineering study was started. Annual Report to the People 1963-64.

⁹⁷CP 24 Oct. 1964, "City Defends Its sewer Program Along Cuyahoga," p. A-16.

⁹⁸CP 18 Sept. 1964, "Showdown Fight Near on Pollution," pp. A1&A4.; CP 29 Nov. 1964, "City Plans Sewer Study for a Cleaner Lakefront," p. A2; CP 8 Dec. 1964 "City Pollution Plans Demanded by State," p. A1; PD 13 Jan. 1965, "City to Spend \$6.7 Million on Pollution," p. 1; CP 13 Jan. 1965, "Ohio Aide Raps City on Sewers," p. A2.; CP 8 Feb. 1965, "City's Pollution Plans Are Called Inadequate," p. C5;

Cleveland was ordered to spend \$10 to \$12 million to upgrade the inadequate Westerly Sewage Treatment Plant, PD 16 Sept. 1965 "Step Toward a Cleaner Lake," p. 12.

⁹⁹CP 26 Jan. 1966 "City to Seek Increase in Sewer Rate." p. A1 & A4. by way of comparison, he quoted the sewage rates of other major Ohio cities.; PD 27 Jan. 1966, "Sewage Rate Hike Sought by Locher," p. 61; PD 28 Jan. 1966, "City Sewage Hike Too Small, Ohio Says," p. 35.

¹⁰⁰CP 7 Feb. 1966, "City Sewer Rate Said 'Way Under-Priced,'" p. A8.; CP 16 Feb. 1966, "Sewer Rate Hike Not Enough to Fight Pollution, Says Sinkiewicz," p. C12; CP 11 Feb. 1966, "Council Will Set Hearings for Big Attack on Pollution," p. A6.

¹⁰¹Those industries which used great quantities of water not returned through the sewers, had special meters installed which recorded only the water entering the sewer system.

¹⁰²CP 10 Feb. 1966, ed. "Paying the Pollution Bill," p. B6; CP 8 Feb. 1966, "Collision Course Seen on City Sewer Rates," p. A3. The City Record, Feb. 23, 1966, p. 438; City of Cleveland, City Record, Ordinance 289-66. Passed Feb. 14, 1966, effective February 16, 1966.

¹⁰³The Havens & Emerson Report was a "Preliminary Survey of Water Pollution," part of the comprehensive study the city agreed to initiate in 1964.; CP 11 Mar. 1966, pp. A1 & A13. "Mayor Offers \$66 million Plan for Major Assault on Pollution," pp. A1, A13; CP 10 May 1966, "City to Obtain Pollution Permit, Tied to Sewer Expansion," p. A4.

¹⁰⁴CP 10 Feb. 1966 "Rhodes Urges Crash Research at Save-Lake-Erie-Now Seminar," p. A1,A2; PD 28 Jan. 1966, "50 Cents? Locher Boils, City Sewage Rate Too Small, Ohio Says," p. 35.; CP 4 Aug. 1965 "Locher Charges State Won't Give City Any U.S. Pollution Funds," p. B8.; CP 5 Aug. 1965, "Asks 90% U.S. Aid for Pollution Fight," pp. A1 & A4.

¹⁰⁵Based on 12,000cu. ft./yr, the 1966 sewage bills would be Cleveland \$7.80; Cincinnati \$17.00 and \$18.00; Columbus \$20.40; Akron \$29.00; and Toledo \$15.23. Ohio Department of Health Memo of 7/11/66 from George H. Eagle to Dr. W. Arnold, Director Ohio Department of Health, Water Pollution Control Board Records, Series 1800, Administrative Files, Box 24. Ohio Historical Society, Columbus, Ohio.

¹⁰⁶Williamson, p. 185, 186.

¹⁰⁷PD 1 Feb. 1933, "Refuses Water Cut to the Suburbs," p. 5; PD 26 Feb. 1933 ed., "For Cheaper Water," p. 10; In 1934 total delinquency in water bill payments was estimated between \$1.35 and \$1.4 million. PD 16 Jan. 1935 "Holds City Can't Cut Suburb's Water Rate," p. 12.

¹⁰⁸Examples of political use of frugality in campaigns. Cleveland has: the lowest water rates in the country; a utilities department whose debt was completely self-supporting (Locher); and a Mayor who tightened up his belt a few notches, cut budgets and expenses to the bone without sacrificing the necessary city functions when voters defeated an increase in the operating levy. (Celebrezze). Ralph Locher Papers, MSS 3337, Box 13, Folders 2 and 7. The 1959, 1962, and 1965 Materials from Mayoral Campaigns --Celebrezze and Locher. Anthony Celebrezze papers, MSS 4046, Box 6;

City of Cleveland Annual Reports to the People, 1950-1965 followed the same themes e.g. city government was operated at a cost of \$0.12 per person per day and like its constituents, lived within its income (Burke); the city set a new record in settling claims against the city, paying out only .02% of the original amount (Locher).

¹⁰⁹Celebrezze papers, MSS 4046, Folder 102. Note dated 10/27/53 from Harry A. Gillis to Anthony Celebrezze (Quote).

¹¹⁰Klain Research Papers, MSS 4219, Box 7.

¹¹¹Department of Commerce, U. S. Census, County & City Data Books for 1956, 1967, 1977. In 1950 7.8% of Cleveland's population was over 65; in 1960 it was 9.9% and 1970--10.6%. According to a city official, many of Cleveland's elderly were scarred by the Depression. Klain Research Papers, MSS 4219, Box 7.

¹¹²PD 1 Jan. 1964, "City Council sick, League Finds," p. 1,9. The number of blacks grew from 16.2% of the city's population in 1950 to 28.6% in 1960 (about 24% of the membership), and in 1967 they were an estimated 35.4% of the city population. Richard M. Bernard ed. Snow Belt Cities: Metropolitan Politics in the Northeast and Midwest Since

World War II, Appendix Table A.4 Black Percentages of the
Populations of Areas in the Northeast and Midwest, 1940-1980. n.p.;

There were 10 black councilmen (about 30%) listed in the City of Cleveland, Annual Report to the People of Cleveland in 1967;

Report of the National Advisory Commission on Civil Disorders (Kerner Commission 1968) pp. 48, 57, 90-91 shows black representation in cities with small councils were not comparable to their numbers: 1967 Detroit, with a black population of about 35-37%, had one black out of 9 councilmen; Newark, 52% black, had 2 blacks out of 9 ; and Cincinnati with a black population of 27% had 1 black on its 9-member council.

¹¹³In Kenneth Greene's study of Cleveland City council, the author concluded that Council Presidents were not policy-oriented and city council members were not primarily concerned with influencing council's policy decisions. Committee chairmanships were used as rewards for support of the council president rather than to develop expertise that would allow council to critically examine proposals of executive agencies and interest groups. Kenneth Greene, "Influences on the Decision-Making in Cleveland City Council," Department of Political Science Allegheny College (1974) (Cleveland, Ohio WRHS).

¹¹⁴PD 4 Nov. 1965, ed "Lessons for Mayor Locher." p. 16; Quotations from: PD 11 Feb. 1966, "City Needs Self-Analysis, Revival; "Milky-Livered City Government," p. 12; PD 13 Feb. 1966, p. 6AA; "PD's Leadership Call Finds Favorable Echo." p. 10.

CHAPTER FOUR
REGIONALIZATION OF CLEVELAND'S
WATER POLLUTION CONTROL DIVISION,
1966 TO 1972

I. Introduction-The Problem of Water Pollution

The process of regionalizing the ownership and management of Cleveland's Water Pollution Control Division was influenced by federal and state efforts to abate pollution of the nation's waterways and by local political relationships that governed the changes to be made. The Federal initiatives to create a clean water environment played a crucial role in convincing the local authorities that the system needed a metropolitan administration to comply with the new higher water quality standards. The organizational details of restructuring the Water Pollution Control Division were the subject of negotiations among Cleveland, Cuyahoga County, and the suburbs who held divergent views on who should own and operate it. The process of reaching agreement on a suitable metropolitan structure exposed the discord among the area's governing entities that came from unresolved past grievances and from new population patterns in the region.

Concern for the increasing pollution of the nation's waterways in the early 1960s prompted a reexamination of existing federal and state pollution controls which had evolved since the early 20th century when cities addressed the health consequences of drinking contaminated water.¹ After World War II, the growing population and industrial

output increased the flow of contaminants to a level that outstripped the capacity of treatment plants to remove them. The environmental movement challenged existing water quality standards as what constituted "clean water" became more narrowly defined, and pollution concerns expanded beyond the medical confines of public health to become part of a nationwide drive to improve the country's environment.²

This chapter will discuss how federal and state agencies made a persuasive case for regionalizing Cleveland water pollution control system; how the process of negotiating regional control of the system reached a stalemate; and how the resolution of the conflict signified a change in the area's political relationships.

II. Postwar Federal Water Pollution Policies

At the end of World War II, Federal interest in the control of water pollution expanded beyond providing limited funds for state research and planning to assuming leadership of the clean-water movement. In the 1948 Water Pollution Control Act the federal government acknowledged the importance of clean water as a public health benefit but made it clear that states retained primary responsibility for removing contaminants from their own lakes and streams. The federal programs established under the act were supervised by the Surgeon General in the Public Health Division of the Federal Security Agency, beginning a bureaucratic migration which reflected both the changing focus and the rising priority of

environmental reform within the government.³

In the 1950s, President Eisenhower improved federal enforcement of state pollution regulations but drew back from committing significant money to the programs. He reluctantly signed the 1956 amendments to the Water Pollution Control Act which for the first time authorized direct grants for sewage treatment plant construction. Under Eisenhower, the Public Health Service became part of the newly formed Department of Health Education and Welfare (HEW).⁴

The Kennedy administration was more receptive to environmental problems due in part to the activities of conservation groups. Under Kennedy, the 1961 water pollution control amendments increased the Federal grant money, liberalized the terms, and broadened federal enforcement authority.⁵ There was little immediate improvement, however; building and upgrading sewage treatment facilities required long lead times to design and pollution control failed to keep pace with postwar industrial and suburban expansion.⁶ City and state officials argued for more federal funding, and conservation activists pressed for a separate environmental agency whose focus would go beyond the concerns of the Public Health Service. By the end of 1964 a consensus was building for more federal responsibility and leadership on environmental issues.⁷

President Johnson considered a cleaner environment part of his great society program, articulating his vision of:

"a natural America restored to her people,...a creative conservation of restoration and innovation concerned not with

nature alone but with the total relation between man and the world around him....the promise was clear rivers, tall forests, and clean air--a sane environment...."⁸

In 1965, Johnson's leadership produced a nationwide surge of interest and activity on behalf of water pollution control as Congress debated a new water quality bill.⁹

In identifying the worst cases of water pollution, the national spotlight focused on the Lake Erie, the oldest and shallowest of the Great Lakes, whose chemistry and biology had undergone significant changes by 1965.¹⁰ The Lake's polluted condition alarmed scientists, sanitarians and conservationists, all of whom saw dangers to its aquatic life and to the health of the communities along its shoreline. The most visible evidence of pollution was the contamination of waters adjacent to Lake Erie's beaches and recreation facilities which frequently made them unusable.¹¹ In the summer of 1965, Public hearings were organized by the Department of Health, Education and Welfare (HEW) in Detroit, Cleveland, and Buffalo to increase public awareness of the pollution problem and to plan a coordinated attack on its abatement. Although the publicity that accompanied these hearings tended to overstate the condition of a "dying" Lake Erie, state, municipal, and industrial officials were confronted with enough solid evidence of growing pollution to begin remedial programs.¹²

Michigan, Indiana, Ohio, and New York agreed to a comprehensive abatement plan which required cities to provide secondary treatment for all municipal sewage which neutralized up to

90% of the contaminants by chemical and biological means. In anticipation of significant federal funding, ambitious timetables for the construction and improvement of wastewater treatment plants were laid out which called for plans, specifications, and financing to be in place by February 1967 and plant construction to be completed by 1969.¹³

The 1965 Water Quality Act, passed in October, established a national policy for the prevention, control, and abatement of water pollution. States were allowed, however, to establish their own water standards within federal guidelines and to retain their enforcement activities. A separate Federal Water Pollution Control Administration (FWPCA) within HEW was set up to administer the federal program and approve state water quality standards.¹⁴ Preserving the momentum, the Clean Water Restoration Act of 1966 called for a 5-year \$3.55 billion program, with annual grants for plant construction ranging from \$450 million to \$1.25 billion. The federal share for financing individual projects was 30% but could increase to 50% if the state was willing to assume 25% of the estimated reasonable costs, and if the state had enforceable water quality standards in place.¹⁵

National leadership in setting water quality standards and authorizing funds to implement the program invigorated local and state planning for pollution removal during the 1960s. In the process, federal administrative responsibility for pollution abatement progressed from direct control by the public health service to a separate agency (the FWPCA) under HEW. In 1966, the agency's subsequent move to the Department of Interior acknowledged the broader

significance of water pollution control as a component of total water resource planning. The final step was taken in 1970 when all efforts to improve the quality of water, air, and land were removed from cabinet department control and consolidated into a new independent Environmental Protection Agency (EPA) housed in the Executive Department

The implementation of the 1965 and 1966 federal legislation by state enforcement agencies required local communities to devise effective abatement plans and provide their share of the financing. Cleveland's effort to meet these conditions ultimately contributed to a permanent alteration in the structure of its municipal sewage disposal operation.

III. Cleveland's Planning for a Clean Water Environment

The Cuyahoga River and large portions of Lake Erie were heavily polluted during the 1960s; most of it came from three major sources:

1. Combined sewer overflows--the discharge of a sewage and storm run-off mixture from Cleveland's combined sewer system.
2. Wastewater treatment plant by-passes, overflows, and residual pollution from the plants' effluent returned to the lake.
3. Direct industrial waste discharges.

Cleveland had a combined sewer system, built in the late 19th and early 20th centuries, which consisted of large pipes into which both sanitary sewage and rain water was discharged. Although all sanitary

sewage was carried to the treatment plants during dry weather, when it rained, some of the mixed sewage and rain water was discharged without treatment into the lakes and streams of the area.

Pollution from wastewater treatment plant by-passes and overflows occurred when the volume of wastewater exceeded the maximum design flow of Cleveland's treatment plants. The growing volume of suburban wastewater contributed to these overflows when it reached the Cleveland's overloaded combined interceptors leading to the three treatment plants. Residual contaminants in the water routinely discharged from Cleveland's treatment plants into the lake after processing (about 10-15%) also added to the pollution.

Industrial and commercial companies discarded pollutants such as acid iron, linseed oil, and phenols directly into local rivers, storm drains, and Lake Erie. Under Ohio law, these discharges were illegal unless treated beforehand by businesses which had valid Ohio Water Pollution Control Board permits to do so. Unlike municipal sanitary wastes, industrial wastes covered a broad spectrum of substances many of which required special treatment, and neutralization of some chemicals and acids from the steelmaking and metal working industries was considered either impossible or infeasible in 1968. Both untreated and untreatable wastes were dumped into the Cuyahoga River and Lake Erie, contaminating the water, limiting the oxygen supply of the surface waters, and destroying plant and animal life.

In the early 1960s, the majority of Cleveland's interceptor sewers had adequate capacity for present and future service, and the improvements underway at the treatment plants would provide

standard primary and secondary treatment for 10-15 years. However, the 1965 federal Water Quality Act called for new water quality standards and required improved contaminant removal from wastewater. Only some of those new standards were met in Cleveland's 1966 pollution abatement plan prepared by sanitary consultants Havens and Emerson. According to the plan, the westerly plant, with only primary treatment to remove solids, was to be rebuilt to include secondary treatment which would permit the removal of 85-90% of the pollutants; in order to bypass Cleveland's combined sewage and storm water interceptors and reduce the periodic overflows of untreated sewage, three major suburban sanitary interceptors leading directly to the city's treatment plants were to be constructed.¹⁶

Cleveland Reorganizes Its Water Pollution Control Division

Cleveland's policy of low sewage rates for city customers, which had caused discord with the suburbs and the Ohio Water Pollution Control Board during the 1950s and 1960s, limited the city to a program of treatment plant improvements. According to the OWPCB, Cleveland was behind schedule on the design plans for three suburban express sewers outlined in its 1966 abatement plan.¹⁷ The response to pollution initiatives was grudging under Mayor Ralph Locher's frugal administration. The long-term municipal thrift of Locher and his predecessors was evident when Mayor Stokes, took office in Nov. 1967. Stokes said of the city administration he inherited as follows:

"Before the election, I had no real conception of how ingrained, how deep-seated the problems of this city are. The complacency and apathy of the bureaucracy ...was something you couldn't grasp from the outside. The difficulty of moving it, shaking it up, was beyond my expectation....There was an almost palpable resistance to any kind of change."¹⁸

Promising a dynamic commitment to clean water, Stokes appointed Ben Stefanski, II as the new Director of Public Utilities. Stefanski was largely responsible for voter approval of a \$100 million Water Pollution bond issue in November 1968 giving fresh impetus to the attack on water contamination.¹⁹ Havens and Emerson Inc., sanitary engineers and environmental consultants, also submitted an updated 5-year Master Plan for Pollution Control in 1968 which satisfied Ohio's federally-approved water quality standards. The added improvements combined with inflation, had raised the plan's cost from \$66 million in 1966 to \$211 million in 1968.

In 1969, Director Stefanski assigned responsibility for implementing Cleveland's growing pollution abatement program to a 10-man Clean Water Task Force of younger professionals--a responsibility which included compliance with OWPCB orders to upgrade the system. The Task Force, under Director Dr. Edward Martin, was directly responsible to Stefanski, bypassing the professional engineers within the Division organization.²⁰ To make certain that all aspects of the abatement program were centralized, the Task Force took over responsibility for sewer design and construction from the Service Department. Although the Clean Water Task Force

was confident that it could handle the job, most of their personnel had little hands-on experience in sewage design, or construction.²¹

IV. Financing the New Water Pollution Control Programs

Federal and State Financing of Local Water Pollution Programs

In spite of the 1966 Clean Water Restoration Act provisions, Federal and state financing of pollution abatement programs was less than expected, and local resources were insufficient to complete the long-term improvements needed to meet higher water quality standards. All cost projections in Cleveland's \$211 million master plan assumed that federal funds would provide a large share of its capital expenditures, to be supplemented by the city's \$100 million bond issue available for the local program.

Funding specified in the Clean Water Restoration Act was not appropriated by Congress between 1968 and 1970.²² Of the \$700 million authorized for fiscal 1968-1969, only \$214 Million was made available, and Ohio received only \$9 million of that. A similar amount was available in fiscal 1969-1970--barely 1/4 of the \$1 billion authorized for that year. For fiscal 1970-71, Congress increased the water pollution control appropriation to \$800 million over President Richard Nixon's protests, and \$1 billion was made available for fiscal 1971-72.²³ The discrepancy between allocation and appropriation from 1968 to 1970 related to the escalation of the Viet Nam war which by 1967 cost the federal government about \$2 billion per month. That, and inflation

which was eroding the dollar's purchasing power combined to make less federal money available for pollution abatement.²⁴ Nevertheless, the Federal Water Pollution Control Administration pressured local communities to continue their scheduled sewage disposal improvements. Without funding however, it was impossible to meet the ambitious pollution abatement schedules the federal government had encouraged local communities to adopt. By 1971, Cleveland had received a federal grant of \$600,000 to upgrade the Easterly plant and was promised about \$2.4 million more in federal funds to reimburse the city for money already spent for improvements there.²⁵

For 10 years prior to 1966, federal funds for water pollution projects had been allocated through the states; Ohio distributed its allocation according to a priority formula which favored small town and county sewer projects over those in major cities where pollution was the greatest.²⁶ Although pressure from Cleveland and the Federal government forced Ohio to modify its formula in 1968, the city remained too far down the priority list to receive the limited funds that were available.²⁷ Ohio contributed no state money until federal criticism of its underfunded pollution program prodded the state to establish the Ohio Water Development Authority (OWDA) in 1968.²⁸ With the aid of a \$100 million voter-approved bond issue for sewage treatment improvement, state loan funds were available to the OWDA which administered both the loan program for construction of pollution abatement facilities and the state's federal allocation. Under the program, Ohio contributed 30% of the project cost by mixing federal

and state monies together, leaving 70% of the loan plus interest to be paid back by local communities.²⁹

Lack of outside funding significantly slowed the ambitious programs conceived during the initial concern for water pollution control. In spite of that, federally sponsored conferences on Lake Erie Pollution continued to be held although they appeared to "sag under the weight of (their) own reports."³⁰ About half of the cities, including Cleveland, and almost 3/4 of the industries were behind schedule on their anti-pollution programs, and little progress was made to solve Lake Erie's pollution problems.³¹ In his 1970 testimony before the Senate Public Works Committee, Mayor Stokes urged the government to guarantee the availability of Federal funds through all stages of project development and to institute a more rational system of determining which projects within the state should receive financial help.³² Water pollution abatement needed dependable federal funding on a much larger scale to complete the nation's clean water restoration program.

Local Financing of Cleveland's Water Pollution Control Program

Cleveland's Water Pollution Control Division had \$100 million in voter-approved sewage disposal bonds to finance its program, and it sold \$40 million bonds in 1970 to continue its master plan for pollution abatement. In order to cover the annual principal and interest (debt service) payments on this latest bond sale, the Division needed a sewage rate increase.³³ Accordingly, in February 1970 Cleveland raised the 1966 sewage rates from \$0.65 per 1,000 cubic feet (MCF) to \$1.18 MCF in

the city, and from \$1.12 MCF to \$1.98 in the direct service suburbs to obtain sufficient funds.³⁴ The increases were less than those recommended by Havens and Emerson in their 1969 sewage rate study, indicating that Cleveland continued to practice political rate-setting.³⁵ The animosity between city and suburbs (see Chapt. Three) surfaced again when the new rates went into effect, as communities outside the city were reminded that they were still subject to Cleveland's arbitrary rate-setting authority.³⁶ The suburbs discussed filing a lawsuit to reduce the latest increase as they had done in 1958, but instead, they suggested negotiations with Cleveland and Cuyahoga County for area-wide administration of the sewer and water systems.³⁷ The sewage rate increase gave them an opportunity to seek a regional structure that would include suburban participation.

V. Negotiations for Water Pollution Control Regionalization

Sewerage systems like Cleveland's are regional in nature, built to conform with the drainage basins formed by natural streams and designed to convey wastewater downward by gravity to the lowest elevations for treatment. Since all of Cuyahoga County was part of a drainage basin emptying into Lake Erie, a regional sewage disposal system could be administered either by the county or special district authority, even though its local sewers and streams crossed many municipalities in their course. It seemed inevitable to the engineers, who planned pollution abatement projects, that Cleveland and its suburban areas should be partners in a common disposal system under

metropolitan control. By 1968, 12 other major cities had adopted metropolitan sewage authorities across the United States.³⁸

Regionalization--Early Postwar Efforts

However logical regional administration might be, there were daunting political difficulties. Local urban reformers had made a sustained effort to give Cuyahoga County home rule so that it could administer Cleveland's water and sewage disposal systems. However, the 1950 and 1959 county home rule charters detailing county reorganization failed to receive approval from a majority of the voters. In another approach, the Cuyahoga County Regional Planning Commission helped secure state legislation in 1949 to permit the formation of independent regional water and sewer districts and produced a coordinated plan for a metropolitan water and sewer district.³⁹ The suburbs, plagued by chronic water shortages, appeared receptive to the idea in 1953, but Cleveland had no incentive to share control of its water and sewage systems.⁴⁰ By 1970, however, the need to abate water pollution made metropolitan administration of Cleveland's water pollution control program a feasible alternative.

Regionalization--Preliminary negotiations. City v. Suburb

The preliminary negotiations among Cleveland, the suburbs, and Cuyahoga county to regionalize Cleveland's water pollution control operation began in February 1970--a time when Cleveland, its suburbs, and the Ohio Water Pollution Control Board (OWPCB) were on a

collision course. At that time, a succession of interrelated events occurred which demonstrated the deep division between city and suburb over restructuring the area's pollution abatement program.

Since the mid-1960s, the Ohio Water Pollution Control Board had urged Cleveland to implement its master plan to abate pollution and use its \$100 million Bond issue to begin its construction program. The city, however, had consistently failed to meet the Board's water cleanup schedules and did not have an exceptionally good record in comparison with other Ohio cities.⁴¹ According to George Eagle, Chief Engineer of Ohio's Department of Health, Cleveland's Clean Water Task Force did not appear to know where it was going. He said of the group:

"They have a nice bundle of papers that is full of ideas, but it does not contain the specifics of getting ahead with construction. We don't see any dirt flying in Cleveland, and it should be."⁴²

Anxious to see some tangible evidence of progress, the Board gave the city a deadline of April 1st, 1970 to carry out its current orders or face legal action. At issue was the specific 1966 order to complete the detail plans and specifications for the Southwest, Heights, and Broadway suburban express interceptors linking the suburbs in those areas with Cleveland's treatment plants.⁴³

Cleveland would not undertake the Board-ordered plans relating to the three suburban express interceptors until it obtained consent from the suburban governments involved to finance their construction. The consent was necessary because each suburb--not Cleveland--owned its own sewer collection system. The interceptors, critical to the city's

pollution abatement program, would connect the suburban local sewer systems directly to the Easterly or Southerly wastewater treatment plants bypassing Cleveland's overloaded interceptor system.⁴⁴

Threatened with legal action from the OWPCB over their delay in producing plans for the three express interceptors, Utilities Director Stefanski sought leverage through the city's water contracts with individual suburbs by placing a ban on all new water connections in them. The water ban, if prolonged, would effectively slow down the booming suburban construction activity, as buildings could not be occupied without water permits. This expedient would force the suburbs to connect their locally-owned sewer systems to the proposed interceptor servicing their area, thereby obligating them to finance 90% of the interceptor's construction.⁴⁵

Both the sewage rate increase and the water ban, which were imposed at the same time, reminded the suburbs once again of Cleveland's unilateral control over vital services. They also perceived that Cleveland's need for their consent gave them an opportunity to pursue discussions for a county-wide water and sewer authority where they might obtain some influence over the rate-setting mechanisms of both systems. If that happened Cleveland could no longer manipulate the rates to favor its own constituents. Therefore, the suburbs proposed discussions to regionalize both systems as an alternative to instituting a legal challenge to the latest sewage rate increase.⁴⁶

It was not an auspicious time to begin such discussions. The water ban controversy created tensions among the city and county participants which included County Commissioners Hugh Corrigan,

Frank Gorman and Frank R. Pokorny, Mayor Carl Stokes, Dr. Edward Martin of the Task Force, Utilities Director Stefanski, Mayors John Petruska of Parma, and Charles Mooney of Fairview Park. Discussion focused on a county-run sewer authority, and issues of organizing and financing a regionally-owned water pollution control program revealed conceptual differences on what the city and suburban roles should be.

Cuyahoga County Commissioners already managed sewage systems in outlying areas not served by the city; they were anxious to assume control of the city's Water Pollution Control Division and develop a closer relationship with Cleveland officials in solving pollution problems.⁴⁷ The goal of the Stokes' administration was to retain as much authority as possible, which it believed could be accomplished if Cuyahoga County took over all wastewater treatment facilities and major interceptors in the county and permitted the city to operate them. As Cleveland saw it, the county would secure suburban agreement to the reorganization, then set the sewage rates, and hire Cleveland to operate the system. Privately, Dr. Martin, Director of the Clean Water Task Force, believed that if Cuyahoga County controlled the system, the state limits on the county's bonding authority would interfere with its ability to finance the abatement program. In that case Cleveland could act as the county's agent in implementing the program and securing additional capital funds through the Ohio Water Development Authority loan program. According to Martin, whether or not the city operated the system, it could retain much of its former control.⁴⁸ Cleveland consistently refused to consider regionalizing the

ownership of its self-sustaining water system--the idea was non-negotiable according to Mayor Stokes. He believed that the suburbs had no basic commitment to Cleveland's problems, and by retaining control of its regional water system, future city administrations could use it to secure suburban attention to Cleveland's concerns.⁴⁹

The suburbs had initiated the negotiations instead of filing a lawsuit to roll back the sewage rate increase, and many of them favored an independent metropolitan water and sewer district where they could participate in setting equitable user rates for both services.⁵⁰ Mayors Irving Konigsberg of University Heights and John Petruska of Parma were among those who saw the water and sewage functions as two parts of a cyclical process which should be governed as one unit--so that water service could not be denied as a means of coercion.⁵¹ In 1970, suburban support for a regional rather than a county-run authority was fortified by the knowledge that for the first time, suburban population exceeded that of Cleveland.⁵²

The city and its suburbs were far apart in their plans for regional governance. Cleveland's continuation of the water tap-in ban encouraged uncompromising stands on both sides, and the legacy of mistrust resulting from years of disputed rate increases intensified the stalemate. Under the circumstances, it was impossible to agree on an acceptable framework for regional control.⁵³ The major issue to emerge from these early negotiations was whether the suburbs would be significantly involved in the pollution abatement decisions or whether Cleveland, under the aegis of the County, would retain substantial authority to carry out the program as it saw fit.

The Ohio Water Pollution Control Board's ultimatum regarding Cleveland's pollution abatement program and the preliminary negotiations for the regionalization of Cleveland's sewage disposal systems intersected again at the April 15, 1970 Board hearing held in Cleveland. At the hearing, the OWPCB learned that Cleveland had not complied its order to prepare the detailed plans for the Heights, Broadway (Southeast) and Southwest express suburban interceptor sewers, first ordered in 1966.⁵⁴ The Board responded by imposing a ban on new sewer connections in the city to prevent further pollution of Lake Erie--the first time in the Board's 19-year history it had taken this action against a major urban area. If continued, the sewer ban, like the water ban, would discourage new building projects in Cleveland since all completed structures required both types of permits before they could be occupied.⁵⁵

At the same meeting, federal and state authorities learned how great the differences were between Cleveland and the suburbs on an acceptable regional authority. Representing the suburbs, Guerin Avery, Executive Secretary of the Cuyahoga Mayors and City Managers Association, detailed the shortcomings of Cleveland's Utility Department, citing its unilateral imposition of sewage charges on the suburbs in violation of their contract; its arbitrary imposition of the water tap-in ban; its gross understatement of the city's own pollution problems; its lack of technical competence in design and construction of adequate facilities; its underestimates of the new system's cost; and its underutilization of existing facilities.⁵⁶

Avery also presented the Mayors Association regional plan to the Board which called for an independent regional district, operating both water and sewage disposal systems with significant suburban participation in its decision-making. This differed markedly from the county-run sewage disposal authority discussed by city and county officials in which Cleveland would operate the facility. The Board's imposition of a sewer ban on Cleveland at the April 15th meeting signified the end of its patience with the city's delay in carrying out its orders and also revealed the very real differences between city and suburb over the regional administration of the Water Pollution Control Division of the Public Utilities Department. Recognizing the problem, federal and state representatives at the hearing offered their assistance in resolving city-suburban differences, stressing the importance of better relations among local governments in the county.⁵⁷ As it turned out, the Board's ban on new sewer connections in Cleveland served to move the city ahead on its master plan for pollution abatement and to encourage the resolution of its conflict with the suburbs.

VI. Cleveland's Authority To Operate Its Water and Water Pollution Control Divisions is Challenged

The relationship between Cleveland and its suburbs--Two Views

In its drive to secure suburban financing of the three interceptors by coercion rather than consensus, Cleveland tested the limits of its municipal authority outside the city, apparently heedless of the repercussions its action might provoke. Aware of its declining

population in relation to the expanding suburbs, the city administration felt compelled to maintain its failing hegemony over the two basic systems whose existence had helped define Cleveland as a growing and prosperous community in the 19th and 20th centuries. By so doing, the city also helped coalesce suburban desire to participate in future rate-setting and if possible, to deny Cleveland operational control of either system.⁵⁸

Cleveland's view, as expressed by Mayor Stokes, was that the central city formed the base for solving region-wide problems with suburbs sharing the cost. The suburbs had been built up at the expense of the city, and many of their residents were middle class defectors who bore some responsibility for central city problems and who had the resources to help resolve them. According to the Mayor, they exploited the city from their suburban "hidaways", contributing to the pollution of the environment common to both of them.⁵⁹ The suburbs were obliged to acknowledge their pollution; accept Cleveland's anti-pollution plan; and agree to finance the construction that would benefit them.

Stokes point of view reflected a nationally influential approach to urban problems. The poverty and distress in the central city was viewed as an urban crisis caused by a growing imbalance between its resources and its needs which could be remedied by utilizing the taxing capacity of the suburbs. The problem was to establish suburban responsibility for the crisis. It was also assumed that city funds were subsidizing the cost of municipal services it delivered to the suburbs.⁶⁰ Many urban writers dismissed the suburbs as trivial, parochial, small governments unable to offer quality public services to their growing

populations.⁶¹ In this context, Cleveland's suburbs were considered appendages to the urban core, not as partners in negotiating a solution to the water pollution problem. They were havens for the upper middle class who could well afford to subsidize city-owned municipal functions. Cleveland's control of regional municipal services made it the central focus of the area, and the regionalization of the sewage disposal and water systems proposed by suburban groups was an unreasonable dilution of city authority over two functions it had successfully owned and operated since they were built.

The suburbs on the other hand, saw themselves as being exploited by Cleveland, forced to subsidize the city-owned water and sewage disposal systems so that Cleveland's elected officials could maintain artificially low water and sewage rates for their constituents. While many of Cuyahoga County's suburban governments had accepted and paid for Cleveland's water and sewage service as they grew from villages to cities, their phenomenal postwar growth encouraged them to seek change in the city-suburban political relationship as it related to the administration of a regional service.⁶² When the city actively resisted any suburban participation, officials there used the courts to obtain the policy-making role they sought--one that would acknowledge their growing importance to the metropolitan area.

For Cleveland to share authority over a major municipal function with its satellites would be a tacit admission that its traditional economic dominance over them was no longer valid. Actually, the city-suburban economic connection was becoming less and less significant,

as the communities outside Cleveland's borders grew and changed. In the aggregate, the suburbs reflected considerably more socioeconomic diversity than they had in the past; central city jobs that once had defined the commuter lifestyle for many were redistributed throughout the area. Cleveland understood that the incomes of its residents had declined relative to the incomes of suburbanites and relative to the metropolitan area as a whole, and its status as the central city was at risk.⁶³ Anxious to preserve its preeminence, Cleveland tried to maintain its past hegemony without change.

Cleveland's Collision with the Future

Cleveland saw its control of the area's pollution abatement program slipping. It was unable to compel the suburbs to finance the three express suburban interceptors necessary to continue its pollution abatement program. The city discovered that the OWPCB would not accept further delay in completing the suburban interceptor design plans ordered by the Board in 1966. Also, the higher federal and state water quality standards made the city vulnerable to pressure from the suburbs to give up control of its water pollution control facilities.

In the spring and summer of 1970, Utilities Director Stefanski tried to recapture control of its pollution abatement program through manipulation of its water contracts with the suburbs to force their agreement to its pollution abatement plans. The city's February 1970 water tap-in ban on the suburbs had proved ineffective, invalidated by a court decision favorable to the Builders Association of Greater

Cleveland in their lawsuit to overturn it.⁶⁴ When sales of new water permits resumed in June, Stefanski canceled all suburban water contracts in order to restructure their terms giving Cleveland the uncontested right to impose water tap-in bans in the future.⁶⁵ In addition, the city unilaterally raised the water rates 37%--the first increase since 1958-- which was needed to finance a 5-year \$19 million program for water system maintenance and capital improvements.⁶⁶ Suburban protests to the contrary, the water rate increase was justified, but sandwiched between successive efforts by the city to force suburban participation in their water pollution plans, the rate increase was still another source of aggravation to the communities outside the city.⁶⁷

As expected, 51 suburbs challenged the 37% water rate increase in the fall of 1970 by filing a lawsuit to bar Cleveland from collecting the additional revenue; it also asked the court to devise an equitable formula for future water rate increases.⁶⁸ The large number of participants showed the extent of suburban resentment over the city's latest exercise of its rate-setting authority.⁶⁹ This remedial litigation precluded any further water rate increases until the case was settled.

Cleveland still had the OWPCB ban on new sewer connections in the city to contend with. A month after it was imposed in April 1970, Cleveland challenged the Board's authority by unilaterally deciding that its pollution level was now in compliance with the Board's water pollution standards, and the city resumed issuing new sewer tap-in permits.⁷⁰ Summarily rejecting Cleveland's move, the Board gathered evidence of the city's continued pollution, and filed suit in Cuyahoga

County Common Pleas Court September 3, 1970 for a permanent injunction to sustain the ban on new sewer permits. The court's decision to grant the Board's request confirmed Ohio Water Pollution Control Board's right to use the ban as a legitimate enforcement measure.⁷¹ The sewer ban remained in place a year and a half first, as a way to enforce state pollution abatement orders and secondly, as an incentive to keep city-suburbs negotiations moving toward area-wide ownership of the water pollution control system.⁷² The use of water and sewer bans as enforcement agents and the resort to court action in order to achieve equity demonstrated the difficulty in achieving a regional agreement when political relationships were changing within the area.

A month before the OWPCB lawsuit was filed in September, Mayor Stokes replaced Stefanski as Utility Director in order to mend Cleveland's fractured relationships with the suburbs. Effective August 1, 1970, William Gaskill, former City Manager of East Cleveland, was appointed Director of the Department of Public Utilities.⁷³ The new director initiated more flexible responses to pollution issues than his predecessor. His reasonable approach established a fresh line of communication between Cleveland and the OWPCB, bridging much of the gap that had existed for several years between them. However, Cleveland's pollution abatement program itself was still in disarray and behind schedule. The Clean Water Task Force, in charge of the program since 1969, lacked the competence to move ahead from the design and engineering stage to the action stage, and knowledgeable members of the Stokes administration criticized their work. A senior

civil engineer employed by the city believed that a shortage of sewer design and construction experience among the Clean Water Task Force personnel made it virtually impossible for the group to do an adequate job. There was not enough thought, or engineering professionalism given to what services the city wanted.⁷⁴ The Task Force's flawed performance and a tight city budget allowed Gaskill to disband the group in the Spring of 1971 and restore control of the pollution abatement program to Charles Crown, the new Commissioner of Water Pollution Control, who was experienced in the sanitation field.⁷⁵

VII. The Formation of the Cleveland Regional Sewer District

Regionalization-State and Federal Participation in the Final Negotiations

Both federal and state pollution agencies encouraged area-wide control of Cleveland's sewage treatment facilities in order to execute the pollution abatement plans. Although Cleveland ignored the agencies' advice through 1970, they continued to urge a resolution of the differences that separated Cleveland from its suburbs. The OWPCB maintained its ban on new sewer connections in the city and remained the primary enforcer of water quality standards in Ohio until the end of 1970 when the federal government took over.

In December 1970 the Federal government reorganized its anti-pollution efforts by forming the Environmental Protection Agency (EPA). By this time, it was clear that the expenditure of over \$5 billion had not significantly reduced pollution in the nation's waterways. The

Federal environmentally-related activities had grown up piecemeal over the years, and its control over municipal and industrial polluters was ineffective.⁷⁶ As a result, the EPA consolidated the various agencies related to land, water, and air pollution into a systematic structure.⁷⁷

The tempo of Federal water quality enforcement was stepped up under EPA Administrator, William Ruckelshaus, who immediately issued Cleveland a 180-day notice specifying pollution abatement measures it must take or face a Federal lawsuit.⁷⁸ He also filed suits in Federal Court against Harshaw Chemical, Sherwin-Williams, and Jones & Laughlin Steel for polluting the Cuyahoga River.⁷⁹ Later in 1971, the EPA issued similar 180-day notices to Cleveland's suburbs, in order to stimulate serious negotiations on a regional sewer system.⁸⁰ The EPA also supported the Ohio Water Pollution Control Board's action to extend the ban on new sewer connections to the suburbs.⁸¹

The sewer ban extension posed a real threat to the suburbs where construction was heavy, and 23 suburban governments filed suit March 8, 1971 to prevent its imposition and finally, to challenge the sewage rate increase imposed in Feb. 1970.⁸² With the 1970 sewage rate increase now a subject of litigation, the city could neither vote additional rate increases nor could it finance any more capital improvements. Initially the suit involved only sewage rates because the suburbs saw no hope of wresting control of the system from Cleveland or taking over its ownership.⁸³ As evidence developed in the case, however, ownership became the issue, and the suburbs asked the court to establish either a county water pollution control system run by the

commissioners or a regional sewer authority controlled by a board of trustees with Cleveland denied a board majority.⁸⁴ The sewer ban on new construction, which precipitated the March lawsuit, was not imposed on the suburbs. Much to the chagrin of federal officials, the OWPCB backed down on extending the sewer ban beyond Cleveland after it was assured by city and suburban representatives that negotiations for a regional sewer system were progressing.⁸⁵ Both state and federal agencies were anxious to keep the discussions going, as they recognized that no real progress would be made in the area's pollution abatement until the program had adequate financing. The inconclusive negotiations for metropolitan water pollution control revealed the divergent positions of city and suburb on restructuring the system--positions which state and federal enforcement efforts failed to resolve.

Regionalization--The Court Decides

"Unlike other groups...suburban leaders do not focus attention on elections....Rather they direct their energies into courthouse struggles for suburban rights..."⁸⁶

Like others, Cuyahoga County's suburbs increasingly relied on the courts to secure the equity they could not attain in face-to-face negotiations with the City of Cleveland. Thus, the Common Pleas court was progressively drawn into the ongoing dispute over regionalizing Cleveland's water pollution control program, which was now two years behind schedule. Before court intervention, however, a

final attempt was made in 1971 to negotiate a compromise settlement. (Cleveland's refusal to give up the water system, over which it had complete control, had removed it from consideration by this time.)

A Metropolitan Cleveland Sewerage System proposal, agreed to by representatives from Cleveland, Cuyahoga County, and the suburbs, featured a new compromise--the promise of uniform sewage rates for all users of Cleveland's sewage disposal system after a specified number of years. The plan also called for placing water pollution under County control with Cleveland initially responsible for the system's operation.⁸⁷ The flaw in this Metropolitan Cleveland Sewerage concept was that by law, the County Commissioners could not delegate their decision-making authority to others, denying the suburbs direct participation in the sewage rate-making process. As operators of the system, Cleveland's recommendations would guide the County Commissioners' rate-making decisions, but the commissioners would not necessarily be swayed by suburban concerns. Although Walter Kelley, Shaker Heights Law Director and Charles Mooney, Mayor of Fairview Park and President of the Cuyahoga Mayors and City Manager Association had agreed to the proposal, it was unsatisfactory to suburban Mayors John Petruska of Parma, Raymond Stachewicz of Garfield Heights, and Irving Konigsberg of University Heights, who led the fight for direct participation in a regional sewer district independent of Cleveland's operational control.⁸⁸ To them, the elimination of the rate differential at some future date was not a significant concession. Rate-setting authority was the non-negotiable issue, one on which they would not compromise.⁸⁹

After two years of futile negotiations there was no agreement on how to restructure Cleveland's water pollution control program, neither city nor suburb would yield. In December 1971, Common Pleas Judge George McMonagle intervened. using the court's right to organize a district under its broad equity powers over public health and safety. McMonagle took responsibility for creating a Cleveland regional Sewage System, soliciting restructuring plans from Cleveland, Cuyahoga County, and representatives of the suburban governments. Ralph Perk, who had just been elected Mayor in November 1971, brought a fresh approach to the problem. Instead of the County-run sewage system supported by Mayor Stokes, Perk proposed an independent regional sewer district with a Board of Trustees heavily weighted with Cleveland appointees, but one which also included Cuyahoga county and suburban members. The district would own and operate the wastewater treatment system and the major interceptors.⁹⁰ Although material differences remained, Cleveland had acknowledged the principle of county and suburban participation.

On February 1, 1972 Judge McMonagle consolidated the two cases under his jurisdiction: the Ohio Water Pollution Control Board v. City of Cleveland which maintained the sewer ban, and the City of Beachwood, et al v. City of Cleveland which challenged the 1970 sewage rate increase. To secure suburban cooperation, the Judge also ordered Cleveland's sewer ban extended to all those connected with the city's system.⁹¹ After extensive hearings most of the regional issues were resolved, and Judge McMonagale created the Cleveland Regional

Sewer District in a Memorandum of Opinion issued April 4, 1972. Cleveland's sewage treatment and disposal facilities, interceptor sewers, and land, facilities, equipment and working capital were transferred to the District, but the local sewer collection systems remained under control of their individual communities. City and suburban sewage rates would be equalized after 25 years, at which time the suburban share of the system's original cost to Cleveland would have been paid.⁹² To clarify city and suburban responsibilities, Cleveland was designated Subdistrict 1 and the suburbs Subdistrict 2.

Two issues in the Memorandum raised objections from both the city and suburbs: the amount of compensation due the city for its facilities (\$29,869,250) which Cleveland thought too low; and representation on the new district's Board of Trustees. McMonagle had set up a seven-member Board with 3 appointed by the Mayor, 2 by the County Commissioners, and 2 by the Governor of Ohio. Mayor Perk objected because Cleveland, which built the system and still produced the greatest amount of sewage, did not appoint a majority of the trustees, and the suburbs protested their lack of direct representation.⁹³ Neither Perk nor the suburban mayors, however, were anxious to formally appeal McMonagle's decision--a move that would be expensive and continue the ban on new sewer connections which was taking its toll on all new construction in the area.⁹⁴ As a result, they satisfactorily negotiated their concerns on both issues with each other and with the Judge; the city's compensation was raised to \$32 million, and the Board appointment authority was revised so that Cleveland and the suburbs each appointed 2 members, the county

commissioners 1, and of the remaining 2 members, 1 would be selected by the subdistrict with the most sewage and 1 by the subdistrict with the greatest population in the service area. Initially, both of those appointments belonged to Cleveland giving it a majority on the Board, but by 1984 the suburban population served by the district exceeded that of the city, and the suburbs assumed that Board appointment. Although other suburban sewage systems in Cuyahoga County were not required to join the sewer district, the District had regulatory authority over all their discharges as well of those of the local collection systems owned by the individual communities.⁹⁵

The Cleveland Regional Sewer District was formally established July 18, 1972, making it eligible for significant federal funding.⁹⁶ The timing was fortuitous. In October 1972 Congress approved a \$24 billion federal water pollution program providing 75% federal funding for EPA-mandated construction projects to clean up the waterways.⁹⁷ This was the major financial commitment to pollution reduction needed to move the program forward.

Cleveland's Regional Water System

Mayor Stokes's adamant stand against regionalizing the water system reflected the the value Cleveland put on its largest asset. In retrospect,the Mayor said,

"I probably would have been a strong advocate of metropolitan government....In the interest of Cleveland's survival, however, I probably would have continued to fight, as the present mayors have done, to keep control of the water system....In the absence of some kind of muscle, some kind of authority to use against the

maneuvering of regional governments, they would certainly subject Cleveland to whatever deprivation they could."⁹⁸

The regionalized water system did remain under Cleveland's control but with added restrictions on the policies it could pursue. Litigation over water rate increases filed by the suburbs in Nov. 1970 was settled in May 1974, when the court upheld the increase imposed by the city four years earlier.⁹⁹ Long-deferred water rate increases were then approved by City Council in 1974 and 1976, but they failed to provide sufficient funds to pay for maintenance, repairs, and capital improvements on the deteriorating system. Council's automatic pattern of resistance to increased utility rates produced two inadequate rate increases which failed to meet the system's real needs.¹⁰⁰

The deplorable condition of the water system, its service deficiencies and rate-setting policies, led the suburbs to file another lawsuit in 1976, and in 1978 Common Pleas Judge George McMonagle ordered a regional water district established. Cleveland appealed the decision. Since there were no compelling environmental concerns to force regional ownership on the unwilling city, the 8th District Ohio Court of Appeals ruled that such an authority could not be formed without Cleveland's consent. At the same time, the court returned the city-suburban dispute to Judge McMonagle, giving him the right to put the system into receivership if a settlement could not be reached.¹⁰¹ The agreement, finally concluded in May 1981, sustained Cleveland's control of the system in return for the city's promise to implement a 10-year, \$900 million capital improvements program. The city also was

required to accept a more equitable suburban water rate formula which would keep the dollar value of future increases the same between city and suburban users.¹⁰² The day of reckoning had arrived for Cleveland's "penny-wise and pound-foolish" policies. Under court order, the postponed construction and maintenance of its water system had to be carried out at a much greater cost.¹⁰³ While the regional water system was still owned and managed by the city, its administrative authority was constrained by the court-imposed water-rate formula and by the need to follow through on almost \$1 billion of court-mandated improvements.

VIII. Conclusion

The environmental movement of the mid-1960s helped bring about a new political agenda which gave high priority to a better quality of life. A key element in the movement was the effort to clean up the nation's waterways which resulted in new federally-imposed water quality standards. The capital demands of a more advanced pollution abatement program to meet these new higher water quality standards made regional control of Cleveland's metropolitan sewage disposal system more urgent. Despite state and federal pressures, shifting political relationships among greater Cleveland area governments made it difficult to put such a program into effect.

Although Cleveland struggled to maintain control of its Water Pollution Control Division, it could not manipulate the regionalization process in the face of suburban determination to participate in any

restructuring of the system. Part of the problem in agreeing on a metropolitan system was Cleveland's continuing perception of the suburbs as the well-to-do dependencies subject to city control over area-wide municipal functions. Cleveland was unwilling to acknowledge the growing suburban independence of the central city and their right to share in the determination of the utility rates they had to pay.

Maintaining service control was Cleveland's way of confirming its status as the area's central city in spite of its ongoing economic decline.

Suburban intransigence was based on Cleveland's past history of discriminatory sewage rate-setting. When city-suburban negotiations over restructuring the water pollution control program broke down, the suburbs went to court. Exercising its authority over the area's public health, the Common Pleas Court used pending lawsuits by the Ohio Water Pollution Control Board and the suburbs as the basis for settlement. Court intervention clearly demonstrated the inability of the city, county and suburbs to manage the tensions that arose among them during a period of increased national concern over pollution abatement.

The Cleveland Regional Sewer District imposed by the court allocated Board appointment authority among Cleveland, suburban, and Cuyahoga County governments. The region received a professionally managed water pollution control program and an administrative system which satisfied the changing political relationships in the area. Use of the single function district, however, removed the sewage disposal operation one step further from direct

voter control and added to the growing complexity of local government by forming yet another independent agency in the area. But the present political realities were more important to the participants than the abstract notion of "government complexity." The regional district was a compromise between the comprehensive metropolitan government county home rule advocates sought to establish on the one hand and the status quo on the other. Although the independent district was not directly accountable to the voters, that drawback was considered a tolerable price to pay for the equitable redistribution of political authority in the affairs of the greater Cleveland area.

The change also was significant, in a larger context. The new partnership of Cleveland, Cuyahoga County and the suburbs in making policy for regional water pollution control acknowledged the permanence of suburban growth. Since the 19th century suburbs had been defined by their role as satellites of the central city. The accelerated movement of housing and jobs beyond the city limits in the post World War II period weakened Cleveland's control over its domain, and the rapid socioeconomic development of the suburbs gave them legitimate entry into the area's regional governance. These municipalities along with the county collectively demanded and received a corresponding change in the traditional political relationships within the metropolitan area, signified by their inclusion in the administration of the newly-organized Cleveland Regional Sewer District.

CHAPTER FOUR

REGIONALIZATION OF CLEVELAND'S WATER POLLUTION CONTROL DIVISION

Footnotes

¹Joel A. Tarr, "Sewerage and the Development of the Networked City in the United States, 1850-1930." in Technology and the Rise of the Networked City in Europe and America, eds. Joel A. Tarr and Gabriel Dupuy (Philadelphia: Temple University Press, 1988) pp. 157-178.

²Stewart L. Udall, "To Elevate the Life of the People" in To Heal and to Build: The Programs of President Lyndon B. Johnson, ed. James MacGregor Burns. (New York, McGraw Hill Book Co.1968), pp. 292-296.

³Public Law 845-80th Congress, 2nd Session, passed June 30, 1948, Sections 1, 2 (A)-(d), 5. U. S. House Committee on Public Works. Laws of the U.S. Relating to Water Pollution Control and Environmental Quality (2nd ed.) Committee Serial No. 93-1) Washington: Government Printing Office, 1973. Y4.P96/11:93-1.

⁴Sundquist discusses the process of consensus-building in Congress which produced the anti-pollution legislation. James L. Sundquist, Politics and Policy: The Eisenhower, Kennedy and Johnson years (Washington D.C., Brookings Institution, 1968), pp. 345-351, 363-367.;

The 1956 Act authorized \$3 million annually for state pollution programs, \$50 million annually for treatment plant construction with a \$250,000 ceiling for individual projects. Public Law 660-84th Congress, 2nd session, passed July 9, 1956. Water Pollution Control Act Amendements of 1956. Sec 1 Declaration of Policy (a)-(e), Sec. 5 Grants for Water Pollution Control Programs; Sec. 6. Grants for Construction.; New York Times, 10 July 1956 p. 34.

⁵The 1961 Water pollution Control amendments raised annual grant money to \$100 million and increased the funding limit for individual projects to \$600,000. Sundquist, p. 346-348; New York Times, 16 Feb. 1960, p. 39; Ibid. 24 Feb. 1960, p. 20.

⁶Ibid., 17 Jan. 1965, Sec. 4 p. 14E "Growing River Problem."; Ibid., 9 Feb. 1965, p. 1, 27.

⁷Sundquist, pp. 346-351, 362-63.

⁸Stewart Udall, pp. 293, 296.

⁹Sundquist, p. 365.

¹⁰"Report on Pollution of Lake Erie and Its Tributaries, Part 1, July 1965, p. 5. Ohio Department of Health, Water Pollution Control Board, Series 1800, Administrative Files, Box 1, Folder 32, Ohio Historical Society (OHS), Columbus, Ohio.

¹¹New York Times, 16 June 1965. "Drive to Halt Pollution Being Pressed," p. 28.;

According to the pollution report on Lake Erie, "The concentration of acids, alkalies, ammonia and oils had increased over time. There was concern over the growth of algae stimulated by the presence of nutrients such as phosphates in Lake Erie because algal growth removed oxygen available to plant life and the lake's quality fish. The human enteric bacterial study in the Cleveland area showed 14 different species of salmonella organisms detected in the sample. These observations confirmed the health hazard to humans contacting these highly polluted waters." in "Report on Pollution of Lake Erie and Its Tributaries, Part 1, "Lake Erie," pp. 1-5 and Part 2, "Ohio, Indiana, and Michigan Sources," p. 84-87. July 1965, Ohio Water Pollution Control Board Records, Box 1, folders 32 and 33.

"Cleveland Beaches from Rocky River Park on the west to Lloyd Rd. Park in Euclid, were grossly polluted. Coliform counts in excess of 100,000 per 100 ml were quite frequent. Toledo beaches were also

considered unsafe." in "Report on Lake Erie Bathing Beach Quality," June, 1968. Ohio Water Pollution Control Board Records, Box 1.

¹² The conferees and the public were warned that if present trends were not arrested, the lake was fated to become a "noxious swamp." CP, 4 Aug. 1965. "Algae-Growing Chemicals Blamed for Lake Pollution," p. 1.; New York Times, 4 Aug. 1965. "Water Pollution Foe--Murray Stein," p. 14.;

Pollution experts had little information on the extent of algae blooms, nor could they determine the nutrient levels or concentrations which constituted interstate pollution of the Lake Erie basin. "Recommendations to the Lake Erie Enforcement Conferees by the Lake Erie Enforcement Technical Committee on Nutrients, an Interim Report, June 22, 1966. Ohio Water Pollution Control Board Records, Box 2.

¹³ According to the Times, the pollution abatement timetable called for the completion of plans and specification by August 1966; completion of financing by February, 1967; start of construction by August 1967; and completion of construction by Jan.1, 1969. New York Times, 7 Aug. 1965. "3 States Approve 4-year Plant to Fight Lake Erie Pollution, p. 49;

Secondary treatment was achieved when there was neutralization of up to 90% of contaminants by biological and chemical processing. Other goals were the maximum reduction of waste by industrial plants and the separation of municipal sewage and storm drain systems in new urban developments. New York Times, 13 Aug. 1965. "Pollution Pact Set by 5 States," p. 18.

¹⁴ The act authorized \$150 million for treatment plant construction for fiscal 1965-66 and \$150 million for fiscal 1966-67. The grant ceiling on individual sewage treatment projects was raised from \$600,000 to \$1.2 Million. Public Law 89-234, passed October 2, 1965. The Water Quality Act of 1965. Section 2, Federal Water Pollution Control Administration, Sec. 4(e) Treatment Plant Construction Grants. U. S. House Committee on Public Works. Laws of the U.S. Relating to Water Pollution Control and Environmental Quality;

All fifty states met the 1967 federal deadline for establishing standards, and the process of approving the standards began. Sundquist, p. 364-65.

¹⁵Public Law 89-753 passed November 3, 1966. Clean Water Restoration Act. The 5-year Construction Grant program had the following annual grant authorizations: \$150 million for Fiscal 1966-67, \$450 million for fiscal 1967-68, \$700 million for fiscal 1968-69, \$1 billion for fiscal 1969-70, and \$1.25 billion for fiscal 1970-71. U. S. House Committee on Public Works. Laws of the U.S. Relating to Water Pollution Control and Environmental Quality.; Sundquist 365-367.

¹⁶The material on Cleveland's specific pollution problem is from: Regional Planning Commission, Cleveland, Cuyahoga County, Ohio. Case Western Reserve University Libraries, Cleveland Ohio. "Lakefront Study--Summary, July 1962, Inventory, Analysis & Suggestions," pp. 82-84. Ibid.; Havens and Emerson, Inc. Consulting Engineers, Cleveland Ohio, "Master Plan for Pollution Abatement," Part 1, Narrative Report, June 1968. pp. 8, 73. Since the estimated cost of separating Cleveland's storm drains from the sanitary sewers was \$948 million in 1968, less expensive alternatives were recommended in the Plan. Most suburban sewer collection systems had separate sanitary and storm sewers built in this century.; also Papers of Carl B. Stokes, Mss #4370, (CBS Papers) Box 91. Western Reserve Historical Society, Cleveland, Ohio.

¹⁷PD 10 May 1967, p. 4.

¹⁸David Hess, "Carl B. Stokes, Mayor of Cleveland," Christian Science Monitor, 4/26/68, p. 11; Oral History Interview conducted by Mary Stavish April 24, 1992 at the Western Reserve Historical Society, Cleveland Ohio.

¹⁹Voters approved the bond issue by a 2 to 1 margin yesterday. PD 6 Nov. 1968, p. 14A; CP 16 Nov. 1968, Passage of Clean Water Issue is Called a Challenge to the City," p. A13.

²⁰Text of CBS News Conference, 3/24/69 "Clean Water Task Force, Temporary Water Pollution Control Reorganization," pp. 1-2. CBS Papers, Box 61; PD 23 May 1969. "City Plans \$33 Million Sewer Improvements," p. 11E.

²¹Memo of 11/20/69 from Director, Clean Water Task Force to Carl B. Stokes, Mayor., CBS Papers, Box 86; Memo of 1/22/70 from Joseph L. Stamps, Chief Civil Engineer and coordinator of sewer work between the Departments of Service and Utilities, to Mayor Carl B. Stokes. CBS Papers, Box 85; The transfer of responsibility for design and construction to the Water Pollution Control Division was formalized by ordinance. The City Record, March 18, 1970, p. 579, Ordinance No. 2111-A-69. Cleveland Public Library, Cleveland, Ohio.

²² The Act provided annual grant authorizations of \$150 million for Fiscal 1966-67, \$450 million for fiscal 1967-68, \$700 million for fiscal 1968-69, \$1 billion for fiscal 1969-70, and \$1.25 billion for fiscal 1970-71. Public Law 89-753 passed November 3, 1966. Clean Water Restoration Act. Sections 203 and 205 Construction Grants. U.S. House Committee on Public Works. Laws of the U.S. Relating to Water Pollution Control; New York Times, 17 Mar. 1970. "Purification of Nation's Water Expected to be Long and Costly," p. 29.

²³Sundquist, p. 367; New York Times 16 Jan. 1970, p. 19; Ibid. 30 Jan. 1970, p. 22; Memo of 3/17/69 from Edward Martin to Mayor Carl B. Stokes. Water Pollution Fact Sheet attachment. CBS Papers, Box 86; Letter of 5/26/71 from William H. Hornburg, Director, Office of Construction Grants, Ohio Water Basin Region Cincinnati Ohio to Mayor Stokes re: 1971-72 appropriation. CBS Papers, Box 86.

²⁴PD 6 Jan. 1968 "Ohio Pollution Aid Hopes Hit" p. 9.;
In July 1965 President Johnson increased America's ground forces in Vietnam by 100,000 men and ordered saturation bombing, implicitly committing him to supply whatever troops would be necessary in the future. The President was certain that he could achieve his goals in Viet Nam and also meet the financial

commitments of the great society programs, according to George C. Herring, America's Longest War: The United States and Vietnam, 1950-1975. (New York, John Wiley & Sons, 1979) pp. 140-143;

Purchasing Power of the Dollar 1950 to 1987. From 1964 thru 1967 the Consumer dollar lost 7.0% of its purchasing power and 14% from 1967 thru 1970. U. S. Dept. of Commerce, Bureau of the Census, Statistical Abstract of the United States 1989, 109th Edition, Section 15, Prices, pp. 461-62. No 748 "

A letter of 4/18/69 from Phillip S. Hughes, Deputy Director, Bureau of Budget. Executive Office of the President to Mayor Stokes attributed the decrease in authorized amount for wastewater treatment facilities to inflation, high interest rates, and rising price levels.

²⁵CP 12 Dec. 1970 p. A6.; Letter of 5/26/71 from William H. Hormberg, Director, Office of Construction Grants, EPA to Mayor Carl B. Stokes Re. Federal Sewage Works Grant. CBS Papers, Box 86.

²⁶According to the "Clean Waters" magazine published by the Ohio Water Pollution Control Board, the original formula "gave equal credit on pollution control needs to all municipalities, and their financial needs were then calculated on criteria using the per capita cost of the project and the per capita income of the Community. Per capita costs usually were higher while per capita income was usually lower in the smaller municipalities. Ohio Water Pollution Control Board. "Clean Waters" magazine, Summer 1968, Ohio Department of Health, Water Pollution Control Board, Series 1800, Administrative Files, Box 7, Folder 51. Ohio State Archives, Ohio Historical Society, Columbus, Ohio;

Public Law 660-84th Congress, 2nd session, passed July 9, 1956. Water Pollution Control Act Amendements of 1956. Sec. 6(d). Grants for Construction. U.S. House Committee on Publi Works. Laws of the U.S. Relating to Water Pollution Control."

²⁷The new state allocation formula gave more weight to the higher degree of treatment needed and the larger size of urban projects.

Cleveland moved up to 24th on the priority list for 1969 grants, but federal funds were used up before the number was reached. The top four grantees that year were Monroeville, Ashtabula, Xenia, and Defiance. OWPCB "Clean Waters", Summer, 1968 and Fall 1968. Water Pollution Control Bd., Series 1800, Box 7, Folder 51.

²⁸ CP 1/4 Jan. 1968, "Ohio Gets \$400,000 Pollution Control Grant," p. B9; The Federal government criticized the OWPCB for grossly inadequate budget and staff and allocations which discriminated against large cities.; Cleveland's complaints about Ohio's allocations in CP 10 Apr. 1968, "Columbus Session to Consider Complaints on Pollution Funds," p. B7.

²⁹ State of Ohio. "Five Year Plan for the Construction of Required Sewerage Projects Qualifying for Federal Water Pollution Control Funds," p. 1-4.; CBS papers, Box 85, Folder 1681; Ibid. "Water Pollution Fact Sheet."

³⁰ PD 28 June 1969. "Ideas, No Cash Offered on Pollution," p. 4C.

³¹ "Remarks by Mayor Carl B. Stokes at the Federal Water Pollution Enforcement Conference, October 7. 1969." CBS Papers, Ibid, Box 61; PD 28 June 1969. "Ideas, No Cash Offered on Pollution," p. 4C.

³² "Statement by Mayor Carl B. Stokes, representing Cleveland, the National League of Cities and the U. S. Conference of Mayors, before the Senate sub-committee on air and water pollution of the Senate Public Works Committee," Washington 4/28/70. CBS Papers. Box 62.

³³ Beginning in 1966, all new general sewer bond issues for upkeep of the Cleveland sewer collection system also were serviced from sewage revenue. Both Sewage Disposal and General Sewer bonds, used to improve the city's local sewer distribution system, were now self-supporting, although the bonds were still backed by the city's full faith and credit to make them marketable. Financial Report by the

Department of Finance of the City of Cleveland Ohio Year Ending 1972. "Gross Bonded Debt, January 1, 1943-January 1, 1972 p. 60. Cleveland Public Library, Cleveland Ohio.

³⁴The City Record, 2/18/70, pp. 408-409. Ordinance No. 2146-69 (charges in Cleveland and Ordinance No. 2147-69 (charges outside Cleveland)., (Cleveland Public Library).

³⁵ The report recommended a city rate of \$1.32 MCF for the city and \$2.17 MCF for the direct service suburbs to be in effect for 3 years. Havens & Emerson Sewage Rate Study Preliminary Findings dated 6/9/69, p. 46. CBS Papers, Box 85.

³⁶Sun Press 12 Feb. 1970. "City, Suburbs Tangle in Clean Water Fight" p. A1.; PD 13 Feb. 1970. "Sewer Authority for Suburbs?" p. 11B.

³⁷PD 11 Feb. 1970. "Suburbs Protest Cleveland Ban on Extension of Water Service," p. 7C.; Sun Press, 12 Feb. 1970, "City Suburbs Tangle in Clean Water Fight," p. A1.

³⁸Regional Planning Commission, Cleveland, Cuyahoga County, Ohio, Report, "Sanitary Sewerage and Storm Drainage" prepared by Albert and Friel, 12/30/57, History of Project pp. "g"-"q" and p. 47. Case Western Reserve Libraries, Cleveland, Ohio.; Havens and Emerson, Inc. "Master Plan, Narrative Report," June 1968, pp. 143-47. CBS Papers, Ibid., Box 91.

Both consulting engineer firms advocated regional authorities. The 12 cities were: Chicago, Boston, Pittsburgh, St. Louis, Washington D.C., Denver, Seattle, Minneapolis-St. Paul, San Diego, Milwaukee, Miami, and Buffalo had adopted metropolitan sewerage.

³⁹Regional Planning Commission, Cleveland, Cuyahoga County, Ohio. Special Report: The Sewer and Water Problem--A Solution, March 1953, pp. 41-42, 51-65 contains Ohio Revised Code 6781 through 6824. The Regional Water Sewer District Law (renumbered 6119.01 through 6119.42 effective October 1, 1953). Case Western Reserve University Libraries.

⁴⁰"Greater Cleveland Can Have and Adequate Water and Sewer System--The News says so." Water System Files, Folder "Cleveland-Water Supply." Cleveland Public Library, Cleveland, Ohio. This is a compendium of articles published by The Cleveland News in the summer of 1953 during a suburban water shortage; Other regional plans were outlined by Albert & Friel in their 1957 study of Sanitary Sewerage and Storm Drainage for the Regional Planning Commission and Havens & Emerson's Master Plan of 1968; According to the Metro Commission Report which advocated making the water and sewer system part of metropolitan government, it believed that Cleveland would never give the systems up. Cleveland Metropolitan Services Commission Report "Sanitary Sewerage and Storm Drainage in Greater Cleveland," (1958).

⁴¹CP 16 Apr. 1968, "City Promises More of Same in Applying for Waste Permit," p. A5; PD 17 June 1969. "City Pollution Fight Lags Expert Says," p. 12A; Letter of 5/15/68 from Water Pollution Control Board to Mayor and Council outlining the 1969 pollution order for the coming year. CBS Papers, Box 85. (Attachment to OWPCB letter of 8/14/69); In another letter of 7/14/69 to Edward Martin, Director, Clean Water Task Force, John E. Richards, Engineer-in-charge, Sewage and Industrial Waste Unit, Ohio Department of Health cited the fact that Cleveland took 5 years beyond the time scheduled to complete the sewerage of the Cuyahoga River Valley as an example of the city's lagging pollution control program. CBS papers, Box 85; PD 16 Feb. 1970. "City Water Cleanup Plan Nears Deadline for Action," p. 10D.

⁴²PD 10 Feb. 1970 "State's Pollution Ultimatum to City Expected Today," p. 6A.; PD 16 Feb. 1970, "City Water Cleanup Plan Nears Deadline for Action," p. 10D.

⁴³PD 10 Feb. 1970. "State's Pollution Ultimatum to City Expected Today," p. 6A.; PD 16 Feb. 1970. "City Water Cleanup Plan Nears Deadline for Action," p. 10D.; the Detail of the Ohio Water Pollution Control Board orders is contained in the Letter of 8/14/69 from E. W. Arnold, Chairman Water Pollution Control Board to Mayor and

Council (attachment). also a Memo of 3/31/70 from Director, Clean Water Task Force to Ben Stefanski, Director of Public Utilities, both in CBS Papers, Box 85. Carl B. Stokes Papers, MSS 4370, WRHS

⁴⁴ In a Memo to Mayor Stokes, Clean Water Task Force Director Edward Martin discusses city's policy regarding the three suburban interceptors. "Memo of 3/20/70 from Director, Clean Water Task Force to Mayor Carl B. Stokes" CBS Papers, Box 86.; Memo to Ben Stefanski, Director Dept. of Public Utilities, from Director, Clean Water Task Force re: Meeting State Orders for Water Pollution Control, Box 85.

⁴⁵ Ostensibly the water ban was imposed to assure the city that suburban communities had adequate water pollution control programs, but the Utilities Dept. interpreted that to include suburban participation on the network of suburban interceptors. Memo of March 20, 1970 Ibid., Box 86;

"No Sewer, No Water," Regulations, April 10, 1970, Suburban Qualifications for Water Tap-In Permits: General Rules. CBS Papers, Box 59;

PD 11 Feb. 1970. "Suburbs Protest Cleveland Ban on Extension of Water Service," p. 7C.; Sun Press, "City Suburbs Tangle in Clean Water Fight," p. A1; CP 2 Mar. 1970, "Mayors Charge Shakedown to Join Sewer," p. C1.

⁴⁶ Negotiations were initiated by the suburbs in exchange for a promise not to take court action for 60 days to overturn the new sewage rate increase. The details of these events were contained in the newspapers at that time. PD 10 Feb. 1970. "Sewer Rate Increase Approved by Council," p. 7A; PD 11 Feb. 1970. "Suburbs Protest Cleveland Ban on Extension of Water Service," p. 7C.;

CP 11 Feb. 1970. "City-Suburbs Plan Sewer Authority," p. A12.; PD 2/11 Feb. 1970 "April 1 Deadline Given City on Lake Cleanup," p. 1.;

Letter of 8/14/69 from E. W. Arnold, M.D., Chairman, Water Pollution Control Board to Mayor and Council in Cleveland, Show Cause order, Case No. 152 for renewal of permit 468.15. CBS Papers, Box 85.

⁴⁷PD 25 Feb. 1970. "County Officials Shun Sewer Plan," p. 3B.;
CP 16 Mar. 1970. "Control of Pollution by County Is Urged," p. A1, A4.
The plan was similar to one operating in Hamilton County
(Cincinnati).; PD 17 Mar. 1970. "County, City Discuss Single Sewer
District," p. 11A.

⁴⁸PD 13 Feb. 1970. "Sewer Authority is Eyed for Suburbs," p. 11B.;
PD 13 Mar. 1970. "Mayors Move to Establish Regional Water
Authority," p. 1, 12C; According to Director Edward Martin of the
Clean Water Task Force in a Memo of 3/20/70 to Mayor Carl B. Stokes. If
the sewage disposal system was transferred to County control with the
city still operating it, "We would end up being very central to
administering the program." CBS Papers, Box 86; Memo of 3/20/70 from
Director, Clean Water Task Force to Mayor Stokes, pp. 3-4. Discussion
of the policy regarding the three interceptors. CBS Papers, Ibid. Box 86;

In a memo of 4/16/70 from Director Ben S. Stefanski II to Mayor
Carl B. Stokes, Stefanski discusses ways to get unrestricted control of
the water pollution control system as it already had with the water
system. CBS Papers, Box 86.

⁴⁹Former Mayor Stokes outlined his reasons for insisting that
Cleveland retain control of the water system in the Oral History
Interview with Carl Stokes conducted by Mary B. Stavish, April 24,
1992, WRHS; City Magazine of Urban Life and Environment, January-
February 1971, p. 43.; Transcript of March 23rd 1970 meeting, pp. 5-6.;
PD 21 July 1971.; It was estimated in 1971 that suburbs contributed
about 1/3 of the sewage treated at Cleveland's three plants. according to
the PD 21 July 1971. "Most Suburbs Stay Silent at Water Pollution
Hearing," p. 8C.

⁵⁰34 mayors voted to create a regional sewer and water authority.
PD 13 Mar. 1970 p. 1A, 12C.

⁵¹"Recommendation to the Membership: two alternate proposals
for a regional water and sewer system," ca. March 1970., p. 1-3.
Cuyahoga County Mayors and City Managers Association Records,

⁵²Ibid., In the resolution outlining a proposed regional water and sewer system a "Congress" would be organized to establish policy guidelines and appoint a 7-man operating board. Board membership would be 57% for the suburbs and 43% for Cleveland. This resolution was presented to the Ohio Water Pollution Control Board at the Apr. 15, 1970 meeting in Cleveland.;

The final 1970 census figures showed 56.4% of the county's population was outside the city and 43.6% in Cleveland. U. S. Census, 1970 (Washington D.C., 1971), Population of County Subdivisions: 1970 and 1960.

⁵³Suburban ire over the water tap-in ban erupted at the March 23rd 1970 meeting. Stokes was adamant on giving up the Water system insisting its purchase price was "beyond the capabilities of any other government body. "Transcript of Mayor Stokes Meeting at the County Administration Building, Monday, March 23, 1970, CBS Papers, Box 62;

According to the Press, the water system was worth approximately \$300 million. CP 5/8/70. "\$300 Million," p. C1; PD 18 Apr. 1970. "County Seeks to Solve Pollution Row," p. 8C

⁵⁴Martin conceded that since the design contracts had already been let in 1967, the city was probably obligated to proceed with the first phase of the trunk sewer design, but recommended that the Board be informed that the city would not construct them without suburban agreement to pay the cost. Memo of 3/20/70 from Martin to Mayor Stokes, CBS Papers, Box 86;

The Board orders were detailed and the city's compliance noted. Memo of 3/31/70 from Director, Clean Water Task Force to Ben Stefanski, Director of Public Utilities. CBS Papers, Box 85;

According to the status Report, design contracts for the Southeast, Southwest and Heights interceptors had been let in the spring of 1967. By Feb. 1971 they were 15% complete. Status Report of 2/1/71, "Water Pollution Control Division Projects." CBS Papers, Box 85; CP 16 Apr. 1970. "City Awaits Formal Building Ban," p. F-4.

⁵⁵CP 16 Apr. 1970. "Building Ban Here Reflects U.S. Environment Furor," p. F-4.; PD 4/16/70. "Building Ban Imposed," p. 1, 7A.; PD 15 Apr. 1970. "Reports of Tougher State Pollution Line," p. 3D.

⁵⁶Statement by Guerin Avery on behalf of the Association, April 15, 1970. Ohio Dept. of Health, OWPCB Administrative Files, Box 10, Folder 1. Ohio Historical Society, Columbus, Ohio Avery added that suburbs were not consulted on the new system design; the city arbitrarily chose the County Commissioners as an agent for the suburbs in its plan for the county takeover of the system and indicated it intended to retain full operational control regardless of the administrative agent.; CP 16 Apr. 1970 "County Mayors Unit Blames Pollution Woes on Cleveland," p. C-4.

⁵⁷PD 16 Apr. 1970. "Cleveland Told to Lead the Suburbs," p. 7E; PD 18 Apr. 1970. "County Seeks to Solve Pollution Row," p. 8C.

⁵⁸Stefanski discussed ways the city could control of both the water and sewer systems. in order to run the regional water pollution program as the Division wished. Memo of 4/16/70 from Director Ben Stefanski to Mayor Carl Stokes. CBS Papers, Box 86.

⁵⁹Transcript of Mayor Stokes Meeting at the County Administration Building Monday, 23 March 1970, p. 6. CBS Papers, Box 62; PD 26 June 1970, "Stokes Pleads for Regional Cooperation," p. 1C.; City Magazine of Urban Life and Environment, January/February 1971 (Reprint). CBS Papers, Box 28

⁶⁰Neenan's methodology was faulty. Suburban-central City exploitation could be easily manipulated to show that Detroit was subsidizing suburban use of its water. The author surveyed citizen attitudes toward municipal finance, e.g. what they were willing to pay for a specific service. He estimated the dollar value of central city services received by residents of six Detroit suburbs, in 1966 and the amount of revenue they paid to the city that year. Neenan found that in

5 of the 6 suburbs residents were paying less revenue than they received in services, and estimated that Detroit was providing a 4.6% subsidy for the water system. Nennan indicated no systematic study of the revenue and expenses of Detroit's water system to determine the amount of suburban water revenue and the actual expenses directly related to the suburbs it served. William Neenan, 'Suburban-Central City Exploitation Thesis: One City's tale', National Tax Journal, XXIII, No. 2 (June 1970), 117-39.;

Charles Schultze and Alice Rivlin in their essay on Fiscal Problems of Cities pointed out that metropolitan resources were available to augment city revenue, but admitted that political considerations mitigated against it. Only suburban annexation to the central city was an alternative according to the authors. They made no suggestion that the suburbs should share in the authority over the metropolitan system in return for their financial contribution. Charles Schultze, Alice Rivlin, et, al. "Fiscal Problems of Cities," pp. 189-212. in The Fiscal Crisis fo American Cities, Eds. Roger E. Alcala and David Mermelstein (New York: Random House 1977);

⁶¹Political Scientist Robert Wood writing in 1958 viewed suburbia as an extension of the older values of grassroots democracy from the small towns of rural America, at odds with contemporary life. He also questioned their ability to deliver adequate municipal services in their present disorganized state...a mosiac of suburban principalities creat(ing) governmental havoc." Robert C. Wood, Suburbia: Its People and Their Politics. (Boston: Houghton Mifflin Co.,1958). p. 3-19, p. 243.;

Norton E. Long, "Citizenship or Consumership in Metropolitan Areas," Journal of the American Institute of Planners, 31 (Feb. 1965): 4-5 (Quoted in Jon C. Teaford, City and Suburb: The Political Fragmentation of Metropolitan America, 1850-1970, (Baltimore: Johns Hopkins University Press,1979). p. 2.

⁶²Suburbs contributed more than half the water and sewage disposal revenues, "1969 Water Dept. Records show suburban water consumer paid \$12.1 million of the \$18.9 million revenue and the city \$6.8 million." (64% for suburbs--36% for city) PD 14 Nov. 1970. "51 Suburbs Unite in Suit Against City Water Rate," p. 1A.

The suburbs contributed more than half the sewage disposal revenue as early as 1959 according the table on Revenue and Expenses for the Division of Sewage Disposal for the years 1947-1959. [Letters Concerning Sewage Rates] 1956-1961, (Cleveland Public Library).

⁶³Table 10 "Median Central-City Income as Percentage of Median Metropolitan Area Income, 1950 and 1960" shows Cleveland's income declining from 91.2% in 1950 to 86.5% in 1960 p. 125; Table 16, "Per Capita Income 1976" Cleveland's per capita income was 68% of the Suburban income, p. 205. in Jon C. Teafor. The Rough Road to Renaissance: Urban Revitalization in America, 1940-1985. (Baltimore: Johns Hopkins University Press, 1990).

⁶⁴CP 24 Apr. 1970 "Home Builders to Sue in City's Water Ban." p. A-4; All members and affiliates of the Builders Association of Greater Cleveland were permitted new water connections in June, 1970 according to Winchester Builders, Inc., et. al v. City of Cleveland et. al. Case 883,512, Journal Entry. State of Ohio, Cuyahoga County Court of Common Pleas, CBS Papers, Box 85; Memo of 6/29/70 from Arnold Turkel, Acting Director of Public Utilities to Michael Durante resumed Permit Sales. CBS Papers, Box 86.

⁶⁵Theodore Gullia, Utilities Department of Law suggested instead canceling all existing Water Contracts and renegotiate them giving Cleveland a clear right to refuse new water connections. Memo of 4/27/70 from Theodore Gullia to Clarence L. James, Director of Law. CBS Papers, Box 86;

Cleveland notified the suburbs on June 4th that it would terminate all water contracts in 60 days, and new ones would be negotiated. The Sun Press, 18 June 1970. "U. H. Will Fight Water Rate Hike," p. A-1.

⁶⁶1970 Cleveland water rates increased from \$0.87 MCF to \$1.19 MCF. 1958 suburban water rates, ranging from \$1.56 to \$3.08 increased to a range from \$2.14 MCF to \$4.22 MCF in 1970. These rates are for consumption beyond the 1000 cu ft included in the \$1.50 minimum for Cleveland and beyond the 500 Cu. ft. included in the \$1.80 minimum for direct service suburbs. The City Record, 7/9/58 pp. 1554-55, Ordinance

No. 1328-58 1228, Effective June 30, 1958; The City Record, May 6, 1970, p. 899-90. Ordinance No. 719-70 effective April 30 1970 (Cleveland Public Library);

Havens & Emerson, Inc. Water Rate Study, 1970, CBS Papers, Box 86; PD 28 Apr. 1970. "'Boost in Water Rate Approved by Council," p. 9D.; PD 8 May 1970. "Suburbs to Get Area-Wide Water Plan," p. 2C.

⁶⁷The water department purchased \$17 million in self-supporting waterworks Improvement bonds. City of Cleveland Financial Report for the period ending December 31, 1970. Detail of Bonds Issued, 1969 and 1970. Sec. II.;

While revenues increased, expenses increased faster producing a decline in both the net operating revenues (operating revenues minus operating expenses) and the net income from 1966 through 1969. Operating income, \$5,576,032 in 1966, had declined to \$761,120 in 1969. Net Income, \$4,961,505 in 1966, showed a loss of \$812,251 in 1969. Ibid, Department of Public Utilities, Water and Heat Division. Statements of Income and Surplus for the period ending December 30, 1966, Sec. i, 7. 26; 1967, 1968, and 1969, Sec. 1, p. 28; Between 1964 and 1977 water rates were too low for the system to market mortgage revenue bonds. They raised needed funds between 1968 and 1976 by selling self-supporting waterworks bonds backed the Cleveland's full faith and credit, something they had not done since 1934. City of Cleveland Financial Report for Year Ending December 31, 1967, City of Cleveland, Gross Bonded Debt, January 1, 1930 to January 1, 1967, Sec. II p. 65; Ibid. for Year Ending December 31, 1972, Gross Bonded Debt, January 1, 1948 to January 1, 1972. Cleveland Public Library.

⁶⁸The suburbs argued that with their water contracts terminated by Cleveland, they had no legal assurance that the city would continue to sell water or provide for future suburban needs. PD 14 Nov. 1970. "51 Suburbs Unite in Suit Against City's Water Rate," p. 1A.; Cuyahoga County Court of Common Pleas, City of Bedford et. al. v. City of Cleveland, Case No. 888,997, filed November 13, 1970.; Memo from Clarence James, Acting Mayor to Anthony Garfoli, President of City Council 30 August 1971. CBS Papers, Box 89.

⁶⁹Excluding Berea and Chagrin Falls who had their own water systems servicing their areas), there were 53 suburbs in the county plus 6 townships.

⁷⁰The city claimed that its successful efforts to increase pollutant removal at the treatment plants now permitted new construction to proceed without further deterioration of Lake Erie's waters. Letter dated May 19, 1970 from Clarence L. James, Jr., Director of Law to The Water Pollution Control Board. CBS Papers, Box 59;

The Board order clearly specified that the ban on sewer tap-ins would continue pending further order of the board, not when Cleveland decided to do so. The Department of Health, Water Pollution Control Board, State of Ohio, Show Cause Case No. 152, Finding and Order to the City of Cleveland, April 15, 1970. CBS Papers, Box 59;

PD 6 June 1970. "City-State Pollution Rift: Court Fight Brews on Building Ban," p. 10B.

⁷¹The state investigation found inadequate chlorination of the outflow from all three treatment plants, also bypassing raw sewage (Easterly), and inadequate handling of the sewage flow (Southerly). State of Ohio, Cuyahoga County Common Pleas Court, Case No. 886,594. Ohio Water Pollution Control Board v. City of Cleveland. Temporary restraining order to stop Cleveland from violating April 15, 1970 OWPCB order. CBS Papers, Box 85; CP 13 Aug. 1970. "Army Engineer Corps Joins Battle on Water Pollution." p. A-1.

⁷²Detail of Cleveland's failure to implement Board orders. CP 12 Aug. 1970. "State will Sue City For Polluting the Lake," pp. A1, A2; PD 4 Sept. 1970. "Judge Bans Sewer Permits," pp. 1,5.; Sun Press, 4 Mar. 1971. "Suburbs Fight Building Ban on March 23," pp.A1, A4.; PD 14 Oct. 1970 "State Continues Sewer Ban Against City," p. 1F.

⁷³Announcement of Gaskill's appointment. News Conference 7/1/70. CBS Papers, Box 62; Oral History Interview with Judge Carl B. Stokes conducted by Mary B. Stavish, April 24, 1992, WRHS.

⁷⁴Memo of 1/22/70 from Chief Civil Engineer, Division of Engineering and Construction in the Department of Public Service to Mayor Carl B. Stokes. CBS Papers, Box 85;

Letter from the Asst. Director of Law to Clarence James, Law Director ca. 1970, Ibid.; Memo of 5/26/70 from Commissioner of Purchases & Supplies to Mayor Carl B. Stokes, Ibid.;

The local newspapers were also critical of the Task Force, see: CP 22 May 1970 "Probe Ordered on Lifting of Building Permit Ban," p. D-1.; PD 12 Sept. 1970. "State Softening Stand on Pollution Program," p. 6C.; CP 13 Oct. 1970. "Council Delays Sewage Plant Plans, p. A7.; CP 20 Dec. 1970. ed. "Lake Erie Can't Wait," p. A6.

⁷⁵CP 28 Apr. 1971. "City to Oust 8 Top Aides in Water (Pollution) Department Shakeup," p. 1, A4.;

After the task force was disbanded, it was discovered that their design for Cleveland's small sewer program was unusable and had to be redone. PD 27 May 1971 "Gaskill Rejects Sewer Program as Unworkable," p.15A.

⁷⁶New York Times 17 Mar. 1970. "Purification of Nation's Waters Expected to be Long and Costly," p. 29; New York Times 12 Apr. 1971. "Nader Unit Finds Water Plans Lag," p. 30.

⁷⁷The EPA brought together the Federal Water Quality Administration from the Dept. of Interior and the National Air Pollution Control Administration; Bureau of Solid Waste Management, Bureau of Radiological Health from the Department of Health Education and Welfare (HEW); and also functions related to pesticides were transferred from HEW and the Department of Agriculture. The plan went into effect Dec. 2, 1970. U.S. Code 1988 Ed. Title 1 to Title 6, p. 1345-1347. Title 5, Reorganization plan of 1970, Environmental Protection Agency.

⁷⁸Letter of 12/9/70 from William Ruckelshaus, Administrator, Environmental Protection Agency to Mayor Carl B. Stokes. CBS Papers, Box 86.

⁷⁹PD 8 Aug. 1970. "Harshaw Ordered to Stop Pollution," p. 1A, 5A.; PD 19 Sept. 1970. Sherwin Williams Is Indicted Here for River Dumping, p. 1A,6A.; CP 18 Dec. 1970. "U.S. Sues J&L Here to Stop River Fouling, Burdett Oxygen also sued," p. A1.

⁸⁰CP 11 Aug. 1971. "Pollution Charges Boosting Water Plan," p. G1; Since the suburbs cited were connected with Cleveland's sewage treatment plants, there was little they could do individually to improve contaminant removal. The 180-day notices were designed to spur city-suburb agreement on a regional sewer district. PD 15 Aug. 1971. "31 Suburbs Cited by U.S. Baffled on Pollution Plans," p. 5Z.

⁸¹PD 29 Jan. 1971. "U.S. Environment Agency to Try to End Impasse on Sewers Here," p. 5A.; PD 28 Feb. 1971. "Water Pollution Impasse May be Near an End in Area," p. 5AA.; Sun Press, 25 Mar. 1971. "State Delays Building Ban in Suburbs After Hearing in Columbus," p. A-1 & A-4; PD 26 Apr. 1971. "Higher Sewer Rates Are Proposed," p. 1 & 6.

⁸²State of Ohio, County of Cuyahoga, Court of Common Pleas, City of Beachwood, et al v. City of Cleveland, Et Al. Case No. 892,711 filed March 8, 1971. Memorandum of Opinion.

The suburbs participating in the lawsuit were: Beachwood, Bratenahl, Brooklyn Heights, Brook Park, Cleveland Heights, East Cleveland, Highland Heights, Linndale, Lyndhurst, Maple Heights, Mayfield Heights, Mayfield Village, Middleburg Heights, North Randall, Oakwood, Parma, Parma Heights, Richmond Heights, Seven Hills, South Euclid, University Heights, Warrensville Heights, Woodmere. Other suburbs were involved in varying degrees but not represented by counsel. Memo of 4/12/72 from W.J. Brennan, President Cuyahoga Mayors and City Managers Assoc. to All Mayors of Communities involved in the sewer rate dispute. Cuyahoga Mayors and City Managers Association Records, Subject File, current A-J, Folder "Sewer Rate Appeal Responses."; Sun Messenger 11 Mar. 1971. "Suburbs Sue to Avert Construction Shutdown," p. 1 & A-10.; Sun Press 4 Mar. 1971. "Suburbs Fight Building Ban on March 23," p. A-1.

⁸³Memo of 4/12/72 from W. J. Brennan, President Cuyahoga Mayors and City Managers Assoc. to All Mayors of Communities Involved in the Sewer Rate Suit.

⁸⁴Ibid.

⁸⁵CP14 April 1971. "Suburbs Escape Tap-in Ban over U.S. Protest," p. G1; Sun Press 25 Mar. 1971 "State Delays Building Ban in Suburbs After Hearing in Columbus," p. A-1, A-4; PD 26 April 1971. "Higher Sewer Rates Are Proposed," p. 1A, 6A;

There was some question as to whether the OWPCB had the authority to impose a sewer ban on the suburbs connected to Cleveland's system since individually, they were not under the Board's permit system. PD 28 Feb. 1971, p. 5AA.

⁸⁶Quote from Richard Bernard, "Introduction", in Snowbelt Cities: Metropolitan Politics in the Northeast and Midwest Since World War II. (Bloomington, Indiana, Indiana University Press 1990)

⁸⁷Metropolitan Cleveland Sewerage System--A Conceptual Proposal presented to suburban mayors 3/18/71 and 3/19/71. CBS Papers, Box 86;

Members of the committee drafting the metropolitan proposal were: William Gaskill, Cleveland Utilities Director; Walter Kelly, Shaker Heights Law Director; Mayor Charles Mooney, Fairview Park and President of the Cuyahoga County Mayors and City Managers Association; Dr. Edward Martin, Director of the Clean Water Task Force of the city Utilities Department. George Watkins, Secretary-Treasurer, Three Rivers Watershed District; and Messrs Rawlinson and Gibbon of Squire Sanders and Dempsey law firm. Memo of 1/11/71 from William S. Gaskill, Director Dept. of Public Utilities to John Little, Executive Secretary, Mayor's Office. CBS Papers, Box 86.

⁸⁸With operational control of the system, Cleveland would have a significant role in determining what rate increases would be needed.; Letter of 8/6/1971 from George H. Watkins to Mayor Stokes and all suburban Mayors, p. 2-3. CBS Papers Box 86.

⁸⁹Concern about the regionalization issue varied among the suburbs. Twenty-three of the 33 suburbs connected with Cleveland's treatment plants participated in the March 21, 1971 lawsuit. Other suburbs had their own sewage disposal systems or were part of one of the larger suburban systems in Euclid, Lakewood, or Rocky River who also serviced Bay Village and Fairview Park and eventually Westlake.

⁹⁰Letter of 14 Jan. 1972 from Raymond Kudukis, Director of Public Utilities to William Nye, Director, Ohio Department of Natural Resources. Ralph Perk Papers, MSS 4456 WRHS; PD 7 Jan. 1972. "City to Propose Metro Sewer Plan," p. 10A.; CP 11 Jan. 1972. "Court Gets Cleveland's proposal for Regional Sewer Authority," p. A4.;

A summary of actions by the court prior to the decision to established a regional sewer district showed that Judge McMonagle requested regional plans from Cleveland, Cuyahoga County, and the suburbs Dec. 20, 1971. State of Ohio, County of Cuyahoga in the Court of Common Pleas, Case No. 886,594 Consolidated. Memorandum of Opinion, p. 7. Northeast Ohio Sewer District Records.

⁹¹Ibid. p. 1. The consolidated case was made up of the Ohio Water Pollution Control Board vs. City of Cleveland, Case No. 886,594, filed in Common Pleas Court September 3, 1970 to enforce the sewer ban on Cleveland and City of Beachwood, et al vs. City of Cleveland, et al. filed March 8, 1971, the suburban case contesting the sewer rate increase and asking for a regional district.

⁹²Ibid., Memorandum of Opinion p. 6, 9, 15-16

⁹³Ibid., Memorandum of Opinion, pp. 11-12, p. 15.

⁹⁴PD 17 June 1972. "\$500 Million Loss Laid to Sewer Ban," p. 1, 14A.; Letter of 5/24/72 from Guerin Avery, Special Council to Mayors of Suburbs Represented in the Matter of Beachwood v. Cleveland (March Sewer rate Suit), Avery outlined the areas of agreement between Cleveland and the suburbs. Cuyahoga County Mayors and City Managers Association Records, Subject File, Current, A-J, Folder "Sewer Rate Appeal Responses."

⁹⁵State of Ohio, County of Cuyahoga in the Court of Common Pleas, Case No. 886,594 Consolidated, Journal Entry, dated June 15, 1972, p. 10 & Exhibit A, Northeast Ohio Sewer District Records.

At a Hearing held April 27, 1979, the District changed its name to the Northeast Ohio Regional Sewer District in order to separate its credit rating from that of Cleveland who was in default at the time. Case No. SD 69411, City of Cleveland Boards and Commissions Notebook. "Boards and Commissions of other Agencies which Involve Mayoral Appointment, Revised December 1989, Cleveland Public Library.

⁹⁶ State of Ohio, County of Cuyahoga in the Court of Common Pleas, Case No. 886,594 Consolidated. Judgement Entry, dated June 15, 1972, p. 10, The Sewer Ban was lifted June 23, 1972, Section 5, p. 2.

⁹⁷U. S. Congress, PL 92-500 passed over President Nixon's veto October 18, 1972, Congressional Record Vol. 118, pt. 28 (17 October 1972 pp. 36860) Presidential veto overridden Oct. 18th.

⁹⁸Oral History interview with Judge Carl Stokes conducted by Mary B. Stavish, April 24, 1992, WRHS.

⁹⁹PD 31 May 1974, "Suburbs Likely to Appeal Ruling on Water Rate" p. 8A.

¹⁰⁰Even with two successive increases, Cleveland's water rate remained lower than rates in 14 other major cities in the country. Nancy Nancy Humprey, et al, The Future of Cleveland's Capital Plant. (Washington, D.C.. The Urban Institute, 1979) p. 58, Table 37, "Comparison of Quarterly Water Charges in Major Cities, 1977." and p. 12, 57-59.

¹⁰¹PD 1 August 1978. "Cleveland on the Brink," p. 1A, 8A; PD 23 Sept. 1978. "Rating Service Cuts City Water Bond Grade," p. 1A, 12A; PD 27 Oct. 1978 p. 1A, "Judge Takes Over the City Water System."; PD 29 May 1981, "Settlement Reached in Water Row," p. 1A, 10A.

¹⁰²The calculation of water rate increases by percent, which had caused suburban rates to climb faster than those in Cleveland, was discarded. Instead, a more equitable ratio was established in which, for every \$1 water rate increase Clevelanders paid, suburbanites would pay from \$1.75 to \$2.30 depending on the height and distance the water must be pumped from the intake plants on the shore of Lake Erie. This ratio would keep the dollar value of the increases constant. PD 29 May 1981, "Settlement Reached in Water Row," p. 1A, 10A.

¹⁰³In 1977, the water system had a \$245 million, 10-year capital improvement program. Humphrey, p. 55.

CHAPTER FIVE

REGIONALIZATION OF THE CLEVELAND TRANSIT SYSTEM

I. Introduction

Cleveland's mass transit system and its water pollution control system shared certain similarities. Both served a region larger than the city, depended on the revenue from user fees, and required metropolitan ownership and operation during the post World War II period. The most significant difference between the two services was the consistency of their revenue. Unlike the water pollution control system, whose revenue came from a stable customer base, the transit system was dependent on farebox revenue from a fluctuating ridership which had other transportation options. As a result, the Cleveland Transit System had to maintain its passenger traffic at a high level.

The two municipal functions also differed in their administrative histories. The water pollution control/sewage disposal system had been managed by Cleveland since its inception in 1860 and financed directly from city revenues from the 1900s until 1938. The Cleveland Railway System was privately operated until 1942 when Cleveland purchased it and established the Cleveland Transit System (CTS) as a separate operating entity. CTS, controlled by a 5-person transit board appointed by Cleveland's Mayor, was wholly self-supporting with only a minimal city investment in a few ancillary improvements. Consequently, the system had an arms-length relationship with the city administration.

Given the transit system's independent governance and the optional nature of its service, the process of regionalizing CTS was not as intensely contested as that of the city-owned and operated water pollution control system. Also, federal intervention in the system's regionalization process was not required, its deteriorating finances were ample proof that it needed a public subsidy and metropolitan governance. The process of restructuring CTS, however, was delayed by Cleveland's political establishment which continued to deny that a transit problem existed.

Cleveland's transit problems were shared by a number of urban mass transit systems in large cities. They all lost ridership as a result of the post World War II exodus of their population and jobs to the suburbs and were faced the problem of how to remain solvent while operating their vehicles over greater distances with fewer passengers. CTS along with the rest experienced a downward spiral of increasing fares and expenses, service cuts, and lost ridership that required public subsidies to survive.

This chapter will address the two major elements in the process of regionalizing the Cleveland Transit System: the reasons for its financial decline and the role city politics played in postponing its reorganization as a regional district.

II. Organization of the Cleveland Transit System

Dependable mass transit in Cleveland became a reality in 1903 with the consolidation of the city's multiple traction companies into the

privately owned Cleveland Electric Railway Co. to operate the city's streetcar lines. However, Mayor Tom Johnson (1901-1909), who favored a municipally owned system with a 3-cent fare, fought with the Cleveland Electric Railway until 1908 when the Company agreed to lease its operation to the Municipal Traction Co.--a holding company controlled by a 5-man board of directors appointed by the Mayor. The holding company, which tried to operate the system in the public interest, was forced into receivership within a year due to financial and labor difficulties, and a compromise between public and private interests was arranged. A new Cleveland Railway Company (CRC) was organized in 1910 as a privately-owned streetcar company with sufficient municipal oversight to ensure the public benefit.¹ CRC provided good service at a reasonable fare until the Depression, when its ridership declined, and the system was unable to modernize or pay dividends. In order to provide a viable transit system during World War II, Cleveland purchased CRC in 1942 for a base consideration of \$14 million plus modernization costs for a total of \$17.5 million.²

The city reorganized it as the Cleveland Transit System (CTS) in 1943 with an independent three-man transit board of trustees appointed by the Mayor and confirmed by city council. Cleveland also retained control of Board financial decisions.³ As a municipally-owned transit system, the Board aimed to remain free of political influence, to recycle surpluses back to the riders through capital improvements, to keep fares as low as possible and still maintain a modern system, and to provide a new rail rapid transit facility for the community.

The focus of the transit system's service area was the Public Square, with transit routes radiating outward along the main streets leading from it. There were also a series of crosstown routes running south from the lake on the heavily traveled north-south streets. Electric streetcars and later buses served the city's residential areas, many of the adjacent suburbs, and most of the industry outside the flats area. By World War II, however, industry was expanding beyond the reach of the stationary rail streetcars and supplemental bus service was needed. Transit usage was heavy during World War II, as gasoline rationing, the suspension of automobile production, and round-the-clock industrial production provided system with substantial surpluses.⁴

Planning began for Cleveland's postwar transit expansion and modernization during Mayor Frank Lausche's administration in the early 1940s--a major part of Cleveland's postwar renewal. In 1945 CTS hired De Leuw, Cather & Co. to prepare an economic and engineering survey of the system. Optimistic about the future of urban mass transit, the firm recommended a postwar combination of bus, trackless trolley and rapid transit for passenger traffic.⁵ The projected 13-mile rapid transit, however, was the centerpiece of CTS future planning, to be followed by a subway to expedite distribution of transit passengers throughout the downtown area. The system also sought to make transit routes more flexible by converting the surface system from streetcars to rubber-tired vehicles--a project completed in 1954.

The Rapid Transit

The rail rapid transit proposal called for the use of existing railroad rights of way east and west of the terminal tower at the Public Square, as the most economical way to build its express rail line. It was envisioned that the rapid transit's high speed trains operating on their own railroad right-of-way would reduce street congestion and travel time, increase property values at exit points, and connect with a downtown subway and surface feeder bus lines.⁶

Even with its wartime surpluses, however, CTS could not obtain private financing for the Rapid Transit until 1949, when Mayor Thomas Burke and the CTS Board secured a \$22.2 million 25-year loan for its construction from the Federal Reconstruction Finance Corporation (RFC). In exchange, the RFC insisted that the transit system be free of oversight by Cleveland City Council and that the number of transit board members, appointed by the Mayor, be increased to five.⁷ The City Council did retain its right to approve Board appointees, to dispose of the system as a whole, and to issue CTS bonds. The complex negotiations were not concluded until September 1951, when the loan amount was increased to \$29.5 million to cover higher construction costs brought on by inflation.

Since payment of the RFC loan was secured by farebox revenues only, a Mortgage Indenture was drawn up to insure repayment of the bonds. The indenture budgeted transit expenses and specified certain annual allocations of the system's gross revenues to reserve funds, set up to cover the annual interest and principle payments on the bonds. Any remaining revenue was to be used to prepay future interest and

principal on the bonds. Failure to distribute the money as specified would result default and a demand for immediate payment of the outstanding bonds plus interest and penalty.⁸ The Indenture encumbered all CTS revenues, prohibiting it from accumulating any annual surplus as a cushion against future ridership loss; as a result, transit fares had to be raised quickly whenever a deficit loomed. The system worked well enough until 1968, when CTS began to accumulate annual deficits regularly; then the restrictive indenture provisions began to limit the system's cash flow.

The RFC loan, however, did enable the city to build a 13.3-mile rapid transit from Windermere in East Cleveland through the Public Square to West 117 St. With the opening of the rapid in 1955, passenger traffic jumped substantially, and increases continued when the line reached 2.2 miles further to West 143 St. and Lorain Ave. in 1958.⁹ In the 1950s Cleveland was considered a pioneer in building rail rapid transit to recapture lost ridership. Ten years later, an additional federal grant of \$12.3 million from the Department of Housing and Urban Development allowed CTS to extend the rapid transit an additional four miles west to the airport. The City of Cleveland contributed \$1.25 million for parking lots at the new Puritas and Brookpark stations, and the county paid \$5 million for four bridges over the major roads. Cleveland was the first city in the country to have direct airport-to-downtown rail rapid service.¹⁰

The Subway

Postwar modernization plans for CTS also included a downtown subway to distribute transit system passengers throughout the business and shopping district. Proponents argued that a subway would reduce downtown traffic congestion, attract shoppers, provide jobs, and maintain downtown tax values. In 1953, the county commissioners placed a \$35 million bond issue on the ballot to build a subway and lease it back to CTS to operate. Somewhat to their surprise, the voters approved the bond issue by almost a 2 to 1 margin. Postwar civic improvement for postwar Cleveland was endorsed.¹¹

At the first public hearings held in 1957, however, conflicting engineering reports on the subway's feasibility caused the Commissioners to vote 2-1 against spending more money on the project.¹² Further hearings were held in the fall of 1959 to give both subway proponents and opponents another opportunity to argue their case before the final vote on subway construction.¹³ At the same time, metropolitan reformers were waging a campaign to secure voter approval of a Cuyahoga County home rule charter which would give it the authority to assume control of the transit system. County Engineer Albert Porter, who headed the Charter Commission, was opposed to building a subway for lease to the city when the county could run its just as well. The controversy pitted advocates of a county-run metropolitan transit system led by Porter against Mayor Anthony Celebrezze, his city administration, and those downtown business and real estate interests who stood to profit from the subway.

Between 1953 and 1959, however, public support for the subway had dwindled. The terms "not feasible" and "too costly" were persuasive to voters who had seen their property taxes increase and had endured a recession in 1958. City Councilmen either opposed the subway or were neutral, and most of the constituent mail received by the commissioners opposed its construction.¹⁴ With the County Home Rule Charter on the ballot in 1959, Porter convinced a majority of the Commissioners that building a subway with county funds and then leasing it to CTS was unfair to all the citizens of the county. By a 2 to 1 vote on December 21, 1959, the commissioners allowed the subway bond issue to expire.¹⁵ The subway's demise was a result of changing times during which postwar enthusiasm for Cleveland's civic improvement had diminished. With the increased exodus of Cleveland's population to the suburbs, an expensive project, primarily benefitting downtown Cleveland, was not a priority.

Although the subway was not completed, Cleveland's early development of rail rapid transit put it in the vanguard of mass transit development and offered its citizens tangible proof of the city's progress. In the 1950s Cleveland was admired for its planned construction of a rapid transit; for its ability to pay off the bonds used to purchase the Cleveland Railway Company 10 years early, and for its fiscal management without benefit of public subsidy.¹⁶

III. Revenue = Ridership x Fares

Revenue, Ridership, and fares formed the basis of a transit system's financial health, and of the two variables, the system only controlled the fares which had to be raised to offset loss of revenue from reduced passenger traffic. Declining population, increasing automobile ownership and inflation combined to erode the system's revenue and ridership to the point where its continued operation was threatened.

Local transit service was primarily geared to the City of Cleveland, whose population declined from 914,808 in 1950 to 750,879 in 1970. In addition, the city's portion of the total county population fell from 66% to 44% during that period, and employment-related transit ridership suffered as business and industry moved away from the central city. Retailers also followed the area's population as it moved away from downtown to the suburban shopping malls. From 1963 to 1972, Cleveland's manufacturing employment fell 22.1%; wholesale trade 16.3%, and retail trade 13.6%.¹⁷ The city accounted for 43% of the county's retail employment in 1954, but that had declined to 33% by 1967 and by 1982 it was only 22.5%.¹⁸ These changes cost CTS its ridership--the central reason for the system's financial difficulties.

Revenue and Ridership

The decline in CTS passenger traffic continued throughout the period 1950-1974--from an estimated high of about 400 million

passengers in 1949 to approximately 100 million in 1971--25% of the 1949 figure.¹⁹ Between 1951 and 1956 CTS's ridership declined about 3.45% annually compared to a national annual decrease of 3%-6%.²⁰

In addition to the decline of population and employment in its major service area, CTS also was competing with the automobile for speed and convenience of transport to the center of the city--the primary focus of its transit lines. Yearly transit revenues were largely determined by the choices made by those who had access to alternate transportation--choices affected by the degree of traffic congestion, parking fees charged, the transit system's fare and service structure, inclement weather, and activities available in downtown Cleveland. Surface lines, which carried the bulk of the passengers, experienced continuing losses which were partly offset by the increased number of rapid transit riders, but both were affected by the 1958 recession when the system sustained a \$224,008 deficit.²¹ Although CTS recovered its profitability in 1959, it never recovered the ridership lost in 1958.²²

CTS farebox revenue had to cover both the increasing expense of operation and payments required by the mortgage indenture. The only way to increase revenue was to raise fares; the only way to reduce costs was to cut service; both measures led to further ridership loss. Transit revenue failed to keep up with inflation during the 1950s and 1960s, and pressure was particularly acute on the system's major expense--salaries, wages, and fringe benefits. They accounted for 63.85% of the transit income dollar in 1952; by 1968 they accounted for 71.23%.²³

Transit deficits beginning in 1968 called for tighter budgets which made

accurate revenue forecasting more important, but CTS kept no usable ridership figures.²⁴ EBS Management Consultants estimated CTS deficits for 1968, 1969, and 1970 that were wide of the mark. (1969 deficit estimates from ranged from the consultants' initial figure of \$45,444 to CTS management's figure of \$2.4 million--designed to bolster its request for a fare increase in February 1969. W. C. Gilman, representing CTS bondholders predicted a deficit of \$1.5 million for 1969.)²⁵ The confusion over the forecasts and some unanticipated expenses helped create the crisis atmosphere in which controversial fare increases were decided in 1969 and 1970.

Fares

In approving changes in the system's fare structure and fare increases, the CTS Board of Trustees balanced the system's needs against the loss of ridership that accompanied each change. Between 1951 and 1974 local bus fares went from \$0.15 to \$0.50; rapid fares rose from \$0.25 in 1955 to \$0.50 in 1973; and weekly passes increased from \$2.25 in 1951 to \$7.75 in 1974.²⁶ Beginning in 1968, CTS deficits produced more frequent fare increases and deeper service cuts; the Board of Trustees was divided on whether the 1969 and 1970 deficits represented a temporary condition or a long term trend. Board differences, usually reconciled in executive sessions with CTS management, became public during open Board meetings in 1969 and 1970, and the noisy conflicts among its members damaged the board's creditability.

After the Board of Trustees assured the public in January 1969 that no fare increase was contemplated, a majority of the members (Allen Lowe, Gaspare Corso and Joseph Flannery) took CTS management's inflated estimate of a \$2.4 million loss for 1969 at face value and voted a \$0.05 across-the-board increase in February. Board members opposing the increase, Dallas Young and Gerard Anderson, viewed public transit as a service primarily for those who were without other means of transportation and were anxious to keep fares low to prevent further erosion in its ridership.²⁷ They believed the system's deficits would be cured when the economy picked up and filed an unsuccessful lawsuit to roll back the increase.²⁸ The increased fares did reduce the 1969 transit deficit to \$57,630 however.

The fractured Board of Trustees faced another fare increase in the fall of 1970 when the Amalgamated Transit Union won an \$8.5 million, 2-year wage settlement after a 17-day strike that shut down the system.²⁹ The Trustees also raised General Manager Robert Pollock's salary from \$42,500 to \$54,500 in 1970 despite public protest, and confidence in the board's stewardship of the transit system reached a new low.³⁰ Although Mayor Stokes ordered them either to devise a plan for alternative transit funding before Dec. 1, 1970 or raise the fares, no feasible plan was produced.³¹ A fare increase became essential after money was diverted from the pension reserve funds for operating expenses, in violation of the CTS mortgage indenture, and the Board voted a \$0.10 across-the-board increase November 5, 1970 raising the basic cash fare to \$0.45.³² The fare hike, voted 2 days after

an 0.8% municipal income tax increase had been defeated at the polls, led skeptics to claim that the transit board and the mayor orchestrated the transit increase to occur after the city income tax had been decided; the board had not really tried to search for alternative revenue sources.³³ Two successive fare increases, the violation of the mortgage indenture, and a 1970 deficit of \$1.78 million put the system's future seriously in doubt. Public conflict between Board members ended with the departure of Dallas Young in December 1970. Although the rhetoric was lowered, the financial struggle continued, and there was a final fare increase in March 1973, raising the local cash fare to \$0.50.³⁴

CTS needed a public subsidy to stem the losses it had sustained since 1968, however, Cleveland could not provide the needed financial assistance in 1970. The city was experiencing the same inflationary pressures as CTS--both fueled by substantial wage settlements (the \$8.5 million transit settlement and a \$12 million wage settlement for city employees). To meet the steadily rising costs of municipal operation, the city administration asked voters to approve an .8% increase in the city income tax, raising it from 1% to 1.8%. The administration also allowed 5.8 mills of property tax expire believing that property tax relief would encourage a favorable vote on local income tax increase much of which would come from suburbanites who worked the city. This tax reform package was designed to reduce city dependence on the largely static property tax and raise the city income tax tied which was tied directly to inflation.³⁵ Cleveland voters, however, rejected the tax increase in November 1970 and again in February 1971.³⁶ The rejection

discouraged consideration of a public tax subsidy for CTS, and the city's loss of revenue from the expired property tax precluded any substantial help to contain the system's growing deficits.³⁷

IV. Negotiations for Transit Regionalization, 1960 to 1971

In the 1960s, CTS needed a broader financial base to supplement its farebox revenue to meet its escalating expenses. Cleveland could extend its full faith and credit to the transit debt, either by modifying the indenture to allow release some of the reserve funds for current expenses, or by purchasing the outstanding bonds and eliminate the indenture entirely. The city, noted for its thrift conscious administrations, had never guaranteed transit debt in the past although asked to by CTS, and given the system's ridership decline, the city was unlikely to assume a risky new financial obligation.³⁸

Another option was a county-run transit system. After the 1959 defeat of county home rule charter which would permit Cuyahoga County to own the transit system, the county commissioners formed a Metropolitan Transit Coordinating Committee to study its feasibility without home rule in 1960.³⁹ The Committee concluded that an independent transit board appointed by the county commissioners should run the system; that while the county would assume the systems' bonded indebtedness, no compensation would be paid for the acquisition of CTS or other local transit systems; that a public subsidy was necessary to finance transit expansion; and that state legislation

would be needed to increase the county's debt limit in order to issue transit bonds.⁴⁰ Within this framework, negotiations among the county, the city, and the CTS Board for a county-takeover of the local transit systems began in 1968.

Unlike the disputes which arose over regionalizing Cleveland's Water Pollution Control Division, there was substantial agreement among the CTS Board, Mayor Stokes and the county commissioners on the need for regionalizing the failing transit system. The CTS Board adopted a resolution of intent to transfer the system to the county in Nov. 1968.⁴¹ In agreeing to transfer CTS to the county without compensation, Mayor Stokes said, "The city of Cleveland didn't spend one dime on the system, it was paid for with the nickels and dimes from people throughout the county who use the system."⁴² President James Stanton asked city council to seriously consider immediate transfer of CTS to a countywide system of transportation."⁴³ Frank Gorman, President of the County Commissioners, thought that the county could raise enough money to pay off the \$13.8 million CTS owed its bondholders.⁴⁴

The January 1969 hearings on a county-run metropolitan transit system were described by the Plain Dealer as follows:

"CTS salesmen yesterday painted a lovely picture of their property for county commissioners....Allen J. Lowe, transit board chairman, solemnly testified that CTS "is generally regarded as one of the country's best operations...." The Captain of the team, E. C. Krueger, general manager, modestly told of CTS' honors and achievements."⁴⁵

The county commissioners, however, refused to make any commitment; Hugh Corrigan said,. "There will be no transfer until we are sure financing is available. We will not take over the system first and then go to the voters for the money."⁴⁶

That was the heart of the matter. A voter-approved subsidy was necessary, but it would be difficult to sell the county's non-transit riders on an additional property tax levy for the system. The takeover required an initial investment of \$15 million to pay off the transit debt and additional sums to integrate the other local transit systems into a county system.⁴⁷ Cleveland had the highest property tax rate in the state, and between 1964 and 1969 that rate had increased 47% with schools taking a growing proportion of the property tax collections.⁴⁸ Other regional alternatives had more limited financing options. An independent district transit authority or an enlarged Cleveland-Cuyahoga County Port Authority that would include transit both needed state legislation to expand their ability to raise money.⁴⁹

The discussions did bring into focus what the future of CTS might be under county auspices. The CTS Board wanted assurances from the Commissioners that their plans to expand the rapid transit into Parma, Bedford, Euclid and beyond would be carried out.⁵⁰ Mayor Stokes's priority was improved service for the transit-dependent city residents to increase their mobility throughout the urban community. He wanted county guarantees that a specific level of transit service in the city would be maintained.⁵¹ Stokes' concern for the transit-dependent was shared by other big city mayors who also were pressing

for improved transit service in their central cities.⁵² They argued that rapid transit lines, both new ones and extensions of existing lines were for the most part subsidies to the non-poor. While the change from public mass transit to private automobile had provided significant advantages to a majority of urban Americans, the poor, elderly, and disabled left behind in the cities needed accessible and dependable transportation to meet their needs.⁵³ These basic differences in policy were debated by other transit systems and were recognized by the federal government when establishing the funding priorities for their urban mass transit programs.

The lack of an assured subsidy for the ailing Cleveland Transit system slowed down regional negotiations, and there was a pause to seriously examine the metropolitan alternatives and what they could provide. The complexity of the process made it clear that no quick fix was available to solve CTS's problems. In the meantime, the focus shifted to the statehouse in Columbus and consideration of legislation to broaden the available regional options.

V. Outside Influences on the Regionalization Process

State and federal governments influenced the formation of an area-wide transit systems, although local interests were primarily responsible for creating regional transit institutions compatible with their political milieu. State legislation was frequently required to expand existing organizational and financial options in order to carry out a successful regionalization. When federal urban mass transit

funds became available to local transit systems, the government required a sound financial base for their operation--creating the need for local and state subsidies and for a metropolitan system.

Amendments to Ohio State law permitting a viable organization for regional transport were obtained in 1970, with leadership provided by Cincinnati's state delegation anxious to implement the Southeast Ohio Regional Transit Authority (SORTA) established in 1968.⁵⁴ The new amendments to state law satisfied the needs of Cleveland, Columbus, and Cincinnati at the time by expanding the powers of county-owned transit systems and allowing the formation of regional transit districts. County financial options were improved, and regional transit districts were given the right to levy up to 1 mill of voter-approved property tax to subsidize their operations.⁵⁵ Cincinnati completed the formation of SORTA, and by 1972, regional transit authorities were established in Akron, Dayton, Toledo, and Youngstown, each subsidized by a 1 mill property tax.⁵⁶ Cleveland's Mayor Ralph Perk opposed CTS regionalization until 1974 when the city had to secure additional state legislation to permit a second regional district specifically for mass transit and to expand the new district's taxing options. Cleveland was the last major city in Ohio to have a regionally-owned transit system.⁵⁷

While the State of Ohio was willing to pass legislation widening regional options, it was reluctant to subsidize the local transit systems. Systems were expected to exist out of the farebox and provide their own subsidies, something Cleveland had not done.⁵⁸ However,

beginning in 1973, the state allocated \$2.8 million to help local transit systems match federal funding. CTS received \$131,939 that year and an additional \$560,000 for capital projects in 1974.⁵⁹

Federal funds were not generally available for mass transit systems until 1964 even though the Cleveland Transit System had received a \$29.5 million loan from the Reconstruction Finance Corporation in 1951 to build its rapid transit system. For the most part, federal government support in the 1950s was directed toward a massive highway construction program which stimulated the growth of suburban housing and encouraged the decentralization of population and jobs from urban centers. The government did not recognize the adverse impact of these policies on urban transport until Congress passed the 1964 Urban Mass Transit Act which acknowledged that the welfare and vitality of urban areas were being jeopardized by deteriorating transit facilities. The Federal aim was to encourage capital projects related to rapid transit expansion into the growing suburbs in order to bring suburbanites back to the city and help revitalize fading downtown areas. The Act provided funds to subsidize the local area-wide planning, needed to ensure a coordinated metropolitan transit system and to fund capital projects with a 50-50 match of federal and local money. The funding match would rise to 2/3-federal, when a comprehensive plan for regional transportation was approved by the Urban Mass Transit agency.⁶⁰ Locally, the Northeast Ohio Area Wide Coordinating Agency (NOACA) was formed in 1968 to insure compliance with federal planning regulations.⁶¹

In spite of increased UMTA funding in 1970 and 1973 national transit systems continued to acquire significant debt, and federal transit policy began to shift away from transit expansion.⁶² Between 1965 and 1970 the debt ballooned from \$10 million to \$322 million; Boston, Chicago and New York projected large deficits and Kansas City was on the edge of bankruptcy.⁶³ The National Mass Transportation Assistance Act of 1974 signified a new federal concern for revitalizing existing systems, subsidizing transit operation expenses for the first time in order to maintain fares low income transit users could afford.⁶⁴

The federal monies received by the Cleveland Transit System in 1952 to build its rapid transit system were augmented in 1968 by \$12.3 million from the Department of Housing & Urban Development to extend its rapid transit to the airport in 1968. In addition, CTS received a \$6,630,050 Federal grant under the UMTA Act in 1969 for capital improvements, which required a 50% local matching funds. However, CTS's precarious financial position in the early 1970s disqualified it for significant federal funding until 1974 when its regionalization was assured. That year it received a \$7,076,000 capital grant for new buses and for construction of new operating facilities and maintenance.⁶⁵

Like other major urban transit systems, CTS sustained a running deficit that available state and federal subsidies failed to stem, and it needed to restructure its system. There were expanded metropolitan options available under Ohio law after 1970 that were open to Cleveland and all Ohio cities with ailing transit systems, however, local politics

prevented the formation of a metropolitan authority in Cleveland until 1975.

VI. The Greater Cleveland Regional Transit System is Formed

The 1969 attempt to transfer CTS to the county foundered for lack of a subsidy to underwrite its operation, and with no local financial help available, the downward trend in the fortunes of both CTS and the city were unmistakable by the early 1970s.⁶⁶ Voter rejection of the city income increase and expiration of the 5.8 mill property tax in 1970 reduced the city's annual revenue by \$17 million in 1971, and it could not afford to subsize CTS.⁶⁷ When the city's population declined from 876,050 in 1960 to 750,903 in 1970, there was concern about Cleveland's future in general but little agreement on what needed to be done.

Robert Bry, Group Vice President of Otis Elevator said of Cleveland:

"There is no leadership, but also no "cohesive follow-ship...."
"Whatever action is taken on a community problem is in the nature of locking the barn door after the horse has left for Kentucky."⁶⁸

The lack of city leadership extended to CTS as well, and there appeared to be no permanent solution to transit problems, so long as Cleveland's politicians focused mainly on avoiding blame for transferring CTS away from Cleveland's exclusive control.

Unlike Mayor Stokes, Republican Ralph Perk, elected in 1971, opposed a regionally-owned transit system even though the city could

not afford a transit subsidy. During his campaign, Perk appealed to Cleveland's frugal tradition of minimal city administration by promising no new taxes. The new mayor was sure that all CTS needed was a little "old-fashioned ethnic belt tightening" and sought to influence on CTS policies by appointing lawyer Nicholas Bucur to the Board of Trustees soon after his election.⁶⁹ Perk had Bucur elected Board Chairman and told him to balance the transit budget.

Before Bucur arrived, the transit system's cash flow was being squeezed by mandatory allocations to the reserve funds; to obtain more operating money, CTS had stopped making its 7% payments to the system replacements and improvements reserves in violation of its mortgage indenture.⁷⁰ Although the transit system carried out a severe cost-cutting program in 1972, it became clear that no economy program could make CTS a viable operation--inflation and lost ridership had taken away the system's ability to pay its own way. Bucur bluntly told the Mayor on May 18, 1972 that CTS should be transferred to a regional authority as soon as possible, and the process of preparing the public for a bond issue to support transit expansion and operations should be started immediately.⁷¹

Perk refused to budge, unwilling to violate his "No New Taxes" campaign pledge or to risk the political consequences of surrendering control of another major city asset (the sewage disposal system had been regionalized in 1972). Instead, he created the illusion that there was no the transit crisis by micro-managing the system, insisting on improved downtown transit distribution for the riders, even if it was

necessary to cut service in order to pay the additional cost⁷² As the transit system's problems mounted, Perk's belief that neither regionalization nor a transit tax was necessary became more and more unrealistic. With Cleveland's leadership paralyzed, the trustee for the bondholders to whom the 25-year RFC loan was payable declared CTS in default for unauthorized use of the reserve funds mandated by its 1952 Mortgage Indenture. In December 1972 the trustee demanded immediate payment of the remaining debt and froze \$5.4 million of CTS reserve funds to ensure that bondholders would be paid.⁷³ CTS had no funds to pay the \$8.9 million still owed the bondholders who set up a strict bond repayment schedule due to start January 1974.⁷⁴ On the brink of receivership, in which control of CTS could pass to the bondholders, Perk and city council agreed in July 1973 to lend CTS the \$8.9 million at 6% interest to pay off the outstanding bonds and release the frozen reserves. Although the loan to CTS signified Cleveland's eventual commitment to metropolitan ownership, politics would delay the reorganization of CTS for two more years.

Perk also attacked CTS during his successful campaign for reelection in 1973. He demanded a complete audit of the transit system, a cutback in the recent fare increase, and a reorganized management which included firing General Manager Robert Pollock.⁷⁵ The Board had raised the transit fare to \$0.55 in March 1973 but agreed to decrease it to \$0.50 on Perk's promise that he would raise \$7 million for the system from federal funds. This was impossible--there would be no federal assistance until CTS could guarantee that it would remain in

business.⁷⁶ City Council, anxious to avoid blame for transit problems in an election year, attributed its inaction to lack of support from the mayor.⁷⁷ Cleveland's newspapers urged transit regionalization, but election-year politics dictated that CTS continue to be perceived as a viable operation that could solve its own problems.⁷⁸

In the fall of 1973, the three county commissioners began discussion of a county-run transit system by soliciting opinions from interested groups in the Cleveland area. There were three viable regional options for CTS. One was the Lake Erie Regional Transportation Authority (LERTA). Although established in 1972 primarily to plan a new jet port for Greater Cleveland, it had the authority to assume control of a mass transit authority and indicated that it was ready to do so.⁷⁹ County Commissioner Seth Taft objected to this scheme which would put county tax money in the hands of a Cleveland-dominated LERTA Board of Trustees.⁸⁰ Instead, the county commissioners planned for a county transit system which would include CTS and those independent suburban transit systems wishing to join. The takeover could be accomplished quickly before transit funds ran out again since county financial authority was adequate to assume control of the system and no further state legislation was required. The commissioners agreed to establish an independent transit board and to appoint two members from Cleveland's nominees, two nominees from suburban municipalities, and three Cuyahoga County nominees representing the county at large.⁸¹ The commissioners were assured of cooperation from the Greater Cleveland Growth Association

and the County Mayors and City Managers Association. Although they offered to solicit appointees for the county transit board from city and suburban officials, their authority to make the appointments was indivisible. This had been the nub of the controversy over a county-run water pollution control system where the suburbs insisted on direct authority to select their own board members.

The commissioners' plan stirred Mayor Perk into action. Two days before it was scheduled for public release, Perk announced on February 11, 1974 that he now favored a regional authority and would ask the state legislature for a new law permitting the formation of a second regional agency for mass transit (LERTA had been the first), with the added authority to levy sales and income taxes. He also insisted that the city be compensated for transferring the system.⁸² Although the county's area-wide plan was finessed, the Mayor's announcement provided the leadership necessary to proceed, and a consensus for an independent regional agency was rapidly built with support from the CTS Board, the county, and the suburbs, whose assistance was necessary if a county-wide transit subsidy was to be approved by the voters. Suburban help, of course, was contingent on their receiving authority to appoint some of the transit board members.⁸³ Council President George Forbes, NOACA, and The Greater Cleveland Growth Association also were in accord with Perk, and the Growth Association drafted the consensus transit bill sent to the Ohio legislature.⁸⁴

The necessary state legislation, passed in mid-June 1974, permitted a second transportation district provided it was established before January 1, 1975, and gave it the right to seek a sales tax of up to 1-1/2% or a property tax of up to 5 mills.⁸⁵ Regionalization discussions lagged, however, as Cleveland officials were reluctant to bargain away control of the system. The issues were how transit board authority would be apportioned and what kind of transit tax to submit for voter approval. The mayor still demanded compensation for CTS, but the suburbs and the county commissioners were adamant--the city was only entitled to the amount it had invested in the system.⁸⁶

In a last ditch effort to retain city control of CTS, Perk proposed a 0.2% increase in the city income tax to eliminate the system's debt and give free transportation to the elderly, but he discovered the city could lose \$80 million in Federal money without a regionally-owned system.⁸⁷ He then proposed to raise the city income tax from 1% to 1.5% with 0.2% of it earmarked for transit purposes in 1975 only, promising to push for a regional agency by the end of the year. In support of his hybrid tax proposal, the Mayor predicted that 1975 would see a \$16 million deficit if the 0.5% raise was not passed, but City Council was split on the need for the increase.⁸⁸ The voters, confused by Council ambivalence, mayoral flip-flops and holding Perk to his "no new taxes" promise, overwhelmingly turned down the increase in November 1974.⁸⁹

It was a hurried and unconvincing campaign effort at best, however, Perk was essentially off the political hook; he could no longer be blamed for the CTS transfer--the voters had rejected the proposed

transit subsidy. Although Cleveland only had until January 1, 1975 to establish a regional transit system, lingering resentment at having to share control of the transit system was evidenced in the political posturing of city councilmen prior to the final bargaining:

"It seemed prevalent after the income tax failed that CTS was up for grabs and would come cheap. Well, its not up for grabs, and if it does go, they're going to have to pay for it...."--Council President, George Forbes.⁹⁰

"CTS buses and rapid trains should stop at the city limits. If CTS crosses the line, the suburban riders should have to pay dearly for the service. 'Bring those lines (CTS) back into the boundaries of the City of Cleveland and you'll have a good system.' "--Councilman Theodore Sliwa.⁹¹

The agreement to create the Greater Cleveland Regional Transit Authority was reached December 30, 1974, contingent on the passage of a 1% addition to the county-wide sales tax. It called for a 25-cent base fare; an additional surcharge of 10 cents for express and rapid transit; free rides for the elderly except during rush hours; service guarantees for transit within the City of Cleveland; and a community responsive transit service. The City was to receive approximately \$11 million, covering its investment in the system.⁹² The allocation of authority on the Board of Trustees was the final roadblock. Mayor Perk's mid-December agreement with county and suburban officials calling for a 9-member transit board with each group appointing 3 representatives was rejected by Council President George Forbes, who demanded a

transit board majority for Cleveland.⁹³ His leadership in the last minute negotiations significantly increased Cleveland's board representation.

Accord was reached on a 10-member Greater Cleveland Regional Transit Authority (RTA) Board with 4 members appointed by the Mayor of Cleveland and approved by City Council; 3 members appointed by the county commissioners, including one who was a resident of Cleveland; and 3 elected by the executive officials of all the municipal corporations and townships.⁹⁴ If the Cleveland resident selected by the county consistently represented the city's interest, Cleveland had achieved parity with the county and the suburbs, but none of the groups, by themselves, could control board policy.

RTA was organized in January 1975 under a newly-appointed Board of Trustees. A Memorandum of Understanding detailed Cleveland's service guarantees for its transit dependent for 5 years and the 25-cent fare for 3 years; RTA insisted on flexibility to implement the guarantees depending on its revenue.⁹⁵ The coordinated campaign to secure voter approval of a 1% piggy-back sales tax in July 1975 was successful. County voters approved the tax by a 70.2% vote including a large Cleveland majority and unexpectedly strong suburban support. Suburban approval was attributed to the agreement RTA had reached with 5 suburban transit systems and the Shaker Rapid Transit to join the system and the time RTA officials spent in the suburbs persuading the residents that the planned service improvements would benefit

them.⁹⁶ The July 1975 vote for the tax made RTA a functioning district because there was convincing leadership to prove it was necessary.

VII. Conclusion

Federal transit policy played a lesser role in the creation of the Greater Cleveland Regional Transit system than it did in the formation of the Cleveland Regional Sewer District. Although federal funds built Cleveland's rail rapid transit system, it was chiefly the system's deteriorating financial condition rather than federal policy that made regionalization inevitable. That need became abundantly clear when CTS deficits began to mount as a downward spiral of declining ridership, higher fares, and deepening service cuts spun out of control. Federal requirements for area-wide planning certainly encouraged a metropolitan focus on transit problems, but local politics set the timetable for the implementation of a metropolitan transit system.

When CTS annual deficits made metropolitan ownership a necessity, the key issue in the system's reorganization was who would provide the subsidy required for its continued operation. Cohesive leadership was necessary to convince voters that public money for a regional transit service would benefit the entire community. Although a transit subsidy was crucial, Cleveland's administrative thrift, supported by its low-tax policies, had ruled out municipal funding adequate for the system's needs. As the system's finances grew worse in the early 1970s there was no leadership, City Hall simply reacted to

the various crises in transit operation as they occurred. The politics of frugality was too well entrenched to attempt more. City leaders, seeking to avoid blame for losing control of another municipal function, delayed the consensus-building necessary to create a metropolitan transit system by maintaining the illusion that the system could right itself.

The process of establishing a metropolitan transit system in its latter stages bore some similarity to what had occurred when the water pollution control program was regionalized. The Cuyahoga County commissioners initiated a plan to take over the transit system which forced the city's hand, and Mayor Perk again supported an independent regional transit district in order to prevent a county takeover of the system. As representatives from Cleveland, Cuyahoga County and suburban governments sought to influence CTS reorganization, the principal of shared authority to appoint the policy-making board of trustees made an independent district the preferred choice. The implications of adding yet another governing entity to the complexity of local government were of little consequence to the crisis-oriented management of Cleveland. It was enough that the same political partnership administering the Cleveland Regional Sewer District also would guide the Greater Cleveland Regional Transit system--a move that confirmed suburban independence from the declining city for a second time.

CHAPTER FIVE

REGIONALIZATION OF THE CLEVELAND TRANSIT SYSTEM

Footnotes

¹The following sources were used in the background information. Encyclopedia of Cleveland History, 1st ed., David D. Van Tassel and John J. Grabowski eds. (Bloomington, Indiana, Indiana University Press, 1987) s. v. "Municipal Ownership", by Thomas Campbell; "Urban Transportation," by Dallas M. Young; "Cleveland Electric Railway Co."; "Robert Tayler."; The Tayler Grant of 1910, a compromise between private and public transit ownership, was devised by Judge Robert Tayler, who was in charge of the Municipal Traction Co.'s bankruptcy proceedings. The grant formed the privately-owned Cleveland Railway Co. to provide streetcar service at cost plus a 6% return to its shareholders, with city approval required for system improvements transit fare increases, and route changes.

²No city tax funds were pledged for repayment. Summary of CTS Operations, 1943-1975. Box RA 152.482. Greater Cleveland Regional Transit System Records, Cleveland Ohio.

³According to the charter provisions, City Council approval was needed: for transit contracts involving the expenditure of \$10,000 or more; for the Board to purchase or lease another transit system or to dispose transit property or assets; for any new capital expenditure. Council, by a vote of 2/3, could disapprove any fare increase proposed by the board. Charter of the City of Cleveland, Ohio (as amended) With Separate Excerpt Relating to Operation, Management and Control of the Cleveland Transit System. March 1944.

(Department of Special Collections, Case Western Reserve University Libraries, Cleveland, Ohio).

⁴The transit system's surpluses and unexpended equipment reserves enabled it to refinance the \$17.5 million revenue bond issue in 1944 at 1-1/2% interest, saving future interest expense. The purchase of new equipment and expansion of CTS, were delayed by wartime shortages of materials and labor, which were hard to obtain until 1947. Summary of CTS Operations, 1943-1975.

⁵Dallas M. Young, Twentieth-Century Experience in Urban Transit: A Study of the Cleveland System and Its Development. (Cleveland, Ohio, the Press of Western Reserve University, 1961), p. 22.

⁶Ibid.

⁷Charter of the City of Cleveland, Ohio (as amended) October 1949 (Department of Special Collections, CWRU libraries, Cleveland Ohio).; The loan conditions were in the Letter of April 13, 1949 from RFC to Mayor Thomas Burke, Cleveland Mayoral Papers, MSS 4276, Box 4, (Western Reserve Historical Society, Cleveland, Ohio).

⁸Ibid., the allocation of CTS revenue was spelled out with specific amounts or percentages allotted to reserve and replacement funds with \$400,000 the minimum balance in the operating reserve fund and \$1 million the minimum balance in the Debt Service fund after the annual interest and retirement on serial and term bonds were paid. Seven percent of the system's revenues had to be set aside for the equipment replacement fund and an amount equivalent to the ad valorem municipal tax exemption had to be set aside.; CTS Annual Report 1952. CTS annual reports 1942-1975 are in the Cleveland Public Library, Cleveland, Ohio.

⁹The rapid transit extension to West 143 and Triskett was made possible when the RFC consented to the diversion of \$4 million from special accrual reserves from the authorized sale of unused transit

properties. Summary of CTS Information, 1943-1975, p. 5.; Cleveland News, 29 Dec. 1955 "Shoppers Swell Rapid Transit Riding" p. 23.

¹⁰CTS Annual Reports, 1955, 1958, 1968.

¹¹The subway bond issue called for an additional property tax to help pay off the bonds which the county could levy outside their 10 mill limitation. Plain Dealer 2 Nov. 1953, p. 18; PD 4 Nov. 1953, p. 1, 37.

¹²Young, Twentieth Century Experience p. 24.

¹³ New subway hearings on the subway were also held because there were two new county commissioners who had not voted on the issue. Playhouse square businessmen and the downtown building owners in favored the subway and the public square department store officials were opposed. PD 30 Nov. 1959 p. 38; PD 11 Dec. 1959 p. 1 & 7.

¹⁴Tax rates had gone from 31.40 mills/\$1,000 valuation in 1953 to 36.30 mills/\$1,000 in 1959, about .5%.; PD 12 Dec. 1959, p. 15; 16 Dec. 1959 p. 15.

¹⁵Immediately following the final vote on the subway, some County officials were anxious to discuss a county takeover of CTS. PD 22 Dec. 1959, "New CTS Urged as Tube Dies," pp. 1, 4A; Ibid., "Full Transit Study Urged by Porter, pp. 1, 7A.; Ibid. "Text of Commissioners' Statements on the Subway," p. 6.

¹⁶The sources for outside opinions on the CTS operation were: Detroit Free Press, 9-11 Jan. 1952, 14 Jan. 1952, 22 Dec. 1952; The Baltimore Sun, 3 May 1954, PD 18 April 1954; The Milwaukee Journal, 22 Aug. 1954; The St. Louis Post-Dispatch 14 Feb. 1952. (CTS Miscellaneous folder at Cleveland Public Library, Cleveland Ohio).

¹⁷Nancy Humphrey, George E. Peterson, Peter Wilson. The Future of Cleveland's Capital Plant. (Washington D.C., The Urban Institute, 1979) pp. 3-4.

¹⁸Encyclopedia of Cleveland History s.v. "Business, Retail," by Kenneth Rose.

¹⁹Memo re History of Cleveland Transit System, Office Files of Commissioner Seth Taft, 1971-1978. Cuyahoga County Archives.

²⁰1956. CTS admitted the decline but explained that the figures were not necessarily accurate. PD 4 Feb. 1956, "Hyde Reveals Slump in CTS Total Rides," p. 1,22; New York Times (NYT), 11 Nov. 1973, p. 61.

²¹CTS Annual Reports 1960, 1961 p. 4 . Much of the growth came from west side stations whose turnstile counts showed increases of 5%. The following is a comparison of Rapid Transit riding 1955-1960:

1955	8,058,833	1958	15,548,981
1956	14,733,163	1959	17,822,146
1957	15,741,344	1960	18,329,372

Rapid ridership was up 25% from 1956-1960.; In 1969 bus riding was nearly 30% below the 1965 level and rapid transit had declined almost 8% according to the Plain Dealer 9 May 1969 p. 2B.

²²In the absence of reliable figures, CTS charted its ridership decline and service cuts by the annual number of vehicle miles its rolling stock traveled. Those figures show a continual decline from 1949 through 1974. CTS annual reports 1949-1974

²³Employee compensation as a % of CTS income dollar

	<u>Wages & Salaries</u>	<u>Fringe Benefits</u>	<u>Total</u>
1952	57.80% of gross revenue	6.05%	63.85%
1954	59.07	5.85	64.92
1958	60.23	7.96	68.19
1967	59.25	11.23	70.48
1968	60.00	11.23	71.23
1969	59.41	11.22	70.63
1970	65.30	13.51	78.81
1974	69.90	16.23	86.13

The debt service payments with inflated dollars partially offset the

increased employment costs. CTS Annual Reports, 1952, 1954, 1958, 1967, 1968, 1969, 1970, 1974.

²⁴ Rapid transit patronage was computed by turnstile count; surface ridership was counted manually only two or three times a year, the clerical work was too expensive for more counts. CTS 1960 Annual Report; Board of Trustees Minutes, Jan. 12 1956, RTA Records; PD 27 Feb. 1961, "Rapid Transit Gains Provide Some Clues." p. 13.

²⁵ A detailed comparison of estimated versus actual deficits showed a wide variation in the accuracy of the estimates, limiting their use in budget planning. EBS noted in their report that CTS kept no records of ridership. The actual CTS deficit for 1968 was \$74,322 at the end of November and EBS forecast a total 1968 loss of \$100,000. Unfortunately the December loss alone turned out to be \$409,152--85% of the year's total loss of \$483,474. CTS attributed the unexpected December deficit primarily to a plunge in ridership, but also to the holidays coming at mid-week, to the cost of accrued vacation pay, and an unforeseen \$67,000 deduction for city taxes. The elimination of the weekly pass in August and the exact fare requirement imposed in November 1968 also decreased revenue more than anticipated. In 1969 the actual loss was only \$57,630.67 due to a fare increase and the extension of the rapid transit to the airport. In February 1969, EBS revised its 1970 forecast of \$1,308,276 to \$3 million--the actual loss for 1970 was \$1,774,860. EBS Management Consultants, Inc. An Economic Analysis of the Cleveland Transit System. Interim Report, January 17, 1969; Final Report, February 17, 1969; Supplemental Report February 26, 1969. Papers of Mayor Carl B. Stokes, MSS 4370, Box 9 (WRHS); PD 1/31/69, "CTS '68 Deficit Won't Hike Fare," p. 5; PD 25 Feb. 1969, "CTS Faces Dilemma: Increase Fares or Cut Service," p. 9A.

²⁶ The fare structure in 1951 was:

LOCAL-cash, 15-cents; Adult Tickets, 7 for \$1.00; Weekly Pass, \$2.25; Sunday-Holiday Pass, 40 cents; Children's School Tickets 6 for 25 cents; Children's Cash, 5 cents; Student's Weekly Pass 60 cents; Downtown Loop, 7 cents; and Downtown Loop Tickets, 6 for 40 cents.; Express: Plus local fare rates, 5 cents; Tickets, 10 for \$1.90.; Extension

Fares: plus local or express for each extension zone, 5 cents; transfers were one cent.

The fare structure in 1973 was:

LOCAL-cash, 50 cents; Adult Tickets, five for \$2.50; Weekly pass*, \$7.75; rapid and express fares, 55 cents; and tickets, five for \$2.75; student and senior citizen cash fare, 25 cents, tickets five for \$1.25 and senior citizen transfers, one cent**; regular transfers, 5 cents; downtown loop 25 cents; Extra-fare zones unchanged at 10 cents each.

*The pass was discontinued in August 1968 and reinstated in January 1969 due to public pressure.

**A new 4 for 50 cents ticket went into effect for senior citizens April 1, 1963. It was valid during non-rush hours. All the information on CTS fares is taken from CTS Annual Reports:1951-1973.

²⁷PD 31 Jan. 1969 "CTS '68 Deficit Won't Hike Fare," p. 5.; PD 28 Feb. 1969, "Board Has Stormy Session: CTS Ups Fares 5 Cents," p. 1A, 6A; Ibid, "Hasty, Harmful Action on Fares," ed. p. 12A.

²⁸PD 29 Mar. 1969 "Suit Aims to Stop CTS Fare Hike," p. 1A.

²⁹Cleveland Press, 20 July 1970, "CTS Drivers End Strike, Buses Will Roll Tonight," p. A1.

³⁰By this time, Joseph McManamon who agreed with Young and Anderson, had replaced Joseph Flannery on the CTS Board, giving the board a majority for a go-slow policy on further increases in transit fare. CP 23 July 1970, "CTS Gives Pollock Raise to \$54,500," p. A10; CP 10 Sept. 1970 "CTS Board Ousts Lowe, Elects Young," p. A1,A4; PD 17 Aug. 1970 "CTS Needs Mayor's Attention," p. 9A.

³¹PD 11 Sept. 1970, "Stokes Sets Talk with CTS Board," p. 1 &8-A; CP 11 Sept. 1970, "Stokes Tells CTS to Get Back on the Track by Dec. 1st," p. A1, A6;

Anti-CTS attitudes by the public and the Board's negativism were discussed in a Memo of Oct. 21, 1970 from Dallas Young, CTS Board Chairman. Carl B. Stokes papers, Box 59.

³²CTS Board of Trustees Meeting Sept. 10, 1970, Resolution No. 651-70 to institute action either through negotiation or a lawsuit to modify the Replacement Reserve Fund and the Operating Reserve fund requirements of the mortgage indenture. CTS Board of Trustee Minutes, 1970. Greater Cleveland Regional Transit records, Cleveland, Ohio.; Fare increase is in CTS Annual Report, 1970.

³³PD 9 Nov. 1970. "Pollock Praises Probe of CTS Fare Hike," p. 1A.

³⁴CTS Annual Report, 1973.

³⁵Edric A. Weld, Jr. and John F. Burke, Jr., "Local Government Revenue and Expenditure: A Case Study of the City of Cleveland, 1961-1971." A Cleveland Urban Observatory Municipal Finance Report. (Cleveland, Ohio, Cleveland State University, October 1974). p. 7.33.

³⁶PD 4 Nov. 1970 "City Income Tax Heads for Loss," p. 1A, 14A; PD 5 Nov. 1970, "Stokes Plans Sharp Cuts," p. 1A, 6A.; PD 3 Feb. 1971. "Vote a 'Disaster' for Stokes," p. 7A; Ibid. "City Weighs Fiscal Crisis as Tax Hike Loses," p. 7A; Ibid. "City Tax Increase Rejected," p. 1A.

³⁷Cleveland's property tax collections decreased from \$56.7 million in 1970 to \$38.7 million in 1971 and remained at \$40 million or under during the 1970s. U. S. Department of Commerce, U. S. Census Bureau, City Finances, 1972-1980.

³⁸The city was asked to extend its full faith and credit to the transit system's indebtedness, but did not do so. CTS Board of Trustees Minutes of 29 May 1957 and 18 July 1963.

³⁹"Report of the Metropolitan Transit Coordinating Committee on the Future Development of rail and bus rapid transit in Cuyahoga County," Feb. 18, 1961. Carl Burton Stokes Papers, Box 30.

⁴⁰Ibid.

⁴¹In 1968 the CTS Board signaled its willingness to proceed by passing a resolution agreeing to the system's transfer to a "proper" authority provided the terms and conditions assure substantial improvement in service and expansion of Rapid Transit facilities. The Board CTS Board of Trustees, Minutes, Dec. 5, 1968.

⁴²CP 20 Nov. 1968, "Turn Over CTS Free, Stokes Says," p. A1.

⁴³PD 20 Nov. 1968 "Countywide Transit Pushed at Hearing," p. 4.

⁴⁴CP 25 Nov. 1968, "Officials Closer to Accord on County-Wide Transit Plan," p. A5.

⁴⁵PD 7 Jan. 1969. "County Given Rosy View of CTS," p. 9.

⁴⁶At a public hearing in January 1969, the county commissioners heard from those opposed to any property tax increase to subsize the county-run transit system e.g., suburban mayors and the real estate interests. PD 13 Jan. 1969. "Commission Balks at Terms Asked in CTS Transfer," p. 17.

⁴⁷According to the Giamo-Ronis Report, whomever took over CTS had to immediately pay off the system's indebtedness of approximately \$15 million--\$13 million for the indenture loan plus a 1% penalty and \$2 million to Norfolk & Western for the right-of-way mortgage. A substantial sum also would be needed to integrate all the other Greater Cleveland transit systems, including the Shaker Rapid Transit system. Sam Giamo, Director of Research and Development, Cuyahoga County Commissioners Office and Leonard Ronis, Manager of CTS Operations, "Report to the Transportation Coordinating Committee." dated Mar. 6, 1969, p. 9. CBS Papers, Box 89.

⁴⁸Cleveland had the highest tax rate in the state in 1970 with 52.5% of it going to the schools (up from 38.0% in 1960). Cleveland property tax was 19.90 mills in 1970 with Cincinnati's 13.26 mills the

second highest. Property Tax Rates in Major Ohio Cities, 1970. CBS papers, Box 73.; County tax rate rose from 42.50 in 1964 to 62.60 in 1969. Weld-Burke Report, p. 7.21.

⁴⁹According to the Giamo-Ronis Report p. 3-5. The county could issue revenue bonds without a vote of the people for the Board's capital purposes and general obligation bonds, with approval of the voters, for transit capital projects. There could also be a voted property tax levy for County Transit Board purposes.

A regional authority could issue revenue bonds on its own and could issue general obligation bonds with the approval of the voters of the district. It might also levy up to one mill of property tax with voter approval.

The Port Authority's indebtedness was limited to 2% of the total value of all its property. Financing did not include transit operations at that time. "Report to the Transportation Coordinating Committee." dated Mar. 6, 1969,

⁵⁰"The Cleveland Transit System-1969", report by Allen J. Lowe Chairman of the Board of Trustees. CBS Papers, Box 59.

⁵¹Policy statement of the Urban Transportation Task Force organized by Mayor Stokes in 1970 as a planning group to study mass transit in the 5-county area. "Task Force Policy Statement," December 29, 1970. CBS Papers, Box 30.

⁵²Interview with Carl Stokes conducted by Mary B. Stavish, Sept. 24, 1991. Stokes explained that big city mayors including himself were in agreement on the need for service for the transit dependent. He mentioned Jerome Cavanaugh in Detroit, John Lindsay in New York, Maynard Jackson in Atlanta, and Richard Daley in Chicago.

⁵³The national concern for the transit-dependent grew out of the aftermath of the Watts Riots, which highlighted both the isolation of the black ghetto from jobs and services, and the need for better public transportation to improve their access to the larger community.

"Transportation & Poverty-Guidelines for the City of Cleveland Planning Commission, General Plan--Transportation Paper #2, July 1971," CBS Papers, Box 61; PD 7/25/71 "Mass Transit Seen Failing Cities' Poor," p. 2AA.

⁵⁴"Report of Special City Council (Cleveland) Committee on Public Transportation Folder-"RTA History II" Cuyahoga County Archives.

⁵⁵Under a county-run transit system, County Commissioners could appoint the seven members of the board with no more than four from the same political party. A county transit board could only operate transit-type facilities. The County could issue revenue bonds without a vote of the people for the board's capital purposes and voter-approved general obligation bonds, for transit capital projects. There could also be a voted property tax levy for County Transit Board purposes. The county commissioners could not levy sales and/or income taxes to support operating costs of a county transit system, nor could they delegate their board appointing authority to other governmental units.

A Regional Transit Authority could operate both seaport and airport facilities in addition to mass transit. The board could have any number of board members and their appointment might be allocated among the governments involved. The authority could issue revenue bonds on its own; could issue general obligation bonds with the approval of the voters of the district; could levy up to one mill of property tax with approval by the voters of the district; and the county commissioners could appropriate county general fund money for the use of the authority for either capital or operating purposes, however, additional voted county levies might be needed to free up these resources. The regional authority was not able levy an additional piggyback county sales tax. Governmental Research Institute, "Governmental Facts, No. 256, 11/12/73. Office Files of Commissioner Seth Taft, 1971-78. Cuyahoga County Archives, Cleveland, Ohio.

⁵⁶Ibid., Table "Organizational and Financial Support Data for Ohio Regional Transit Authorities."

⁵⁷Cuyahoga County Mayors and City Managers Assoc. Special Task Force on Public Transportation, Committee Report, Feb. 6, 1973 p. 10. Subject files, Cuyahoga County Mayors and City Managers Association, Brecksville, Ohio.

⁵⁸In the early 1970s, Ohio agreed to exempt transit systems from payment of the state fuel tax and later to reimburse the systems for their subsidy of fares for the elderly and disabled.

⁵⁹CTS Annual Reports, 1973, 1974; "Summary of CTS Operations, 1943-1975." Greater Cleveland Regional Transit Records.

⁶⁰Public Law 88-365, Urban Mass Transportation Act, passed July 9, 1964. p. 303-305, 78 Stat, 42 USC.

⁶¹NOACA coordinated area planning activities and reviewed local project applications for Federal funds to ensure they were feasible and consistent with local and regional needs.

⁶²Federal legislation in 1970 expanded long-term transit funding of construction and improvement of facilities to ameliorate transit debt. Public Law 91-453, Urban Mass Transportation Assistance Act of 1970, passed October 15, 1970, p. 962-969, 78 Stat., 49 USC; In 1973 transit systems had access to Federal highway trust funds for the first time. New York Times, 27 Jan. 1973 p. 28; New York Times, 5 Mar. 1973 p. 20.; PD 23 July 1974 p. 1.

⁶³Articles in U.S. News and World Report detailed the problems. "Fewer Riders, Rising Deficits: Woes of the Transit Industry." January 19, 1970 and "Troubles of Mass Transit." April 26, 1971.

⁶⁴According to Public Law 93-503, National Mass Transportation Assistance Act of 1974 passed Nov. 26, 1974, p. 1566, 88 Stat., 49 USC The maintenance of minimal mass transportation service in urban area had become so costly in recent years that continuation of this essential public service is threatened; the termination of such service

or the continued increase in its cost to the user is undesirable, and may have a particularly serious adverse effect upon the welfare of a number of lower income persons." Under the law, the federal portion for construction grants was raised to 80%. In funding of transit operational expenses on a 50-50 basis, it was necessary to overcome opposition to the use of federal money to offset the escalating transit operating deficits.

⁶⁵CTS Annual Reports, 1967-1974.

⁶⁶Ibid. 1968-1973; City of Cleveland, Financial Report by the Dept. of Finance for the years ending: 1970, 1971, 1972, 1973.

⁶⁷Ibid., Financial Report for Year Ending 1971.

⁶⁸U.S. Department of Commerce, Bureau of the Census, Census figures for 1960 and 1970; CP 5 Sept. 1972-8 Sept. 1972, In response to the Cuyahoga County Regional Planning Commission's forecast that Cleveland would lose a third of its population by 1990 (a forecast that proved to be accurate), The Cleveland Press interviewed a cross-section of Cleveland leaders on the city's condition and what improvements were needed and reported the results in a series of articles. The Bry quote appeared in the 7 Sept. 1972 issue, p. A-11.

⁶⁹Quoted in Cleveland Magazine, May 1974, "Ralph Perk's Flight to Washington," p. 94.

⁷⁰According to Trustee Joseph McManamon's letter of 9/17/71 to Mayor Stokes, the CTS Board of Trustees Resolution 575-71 authorized the CTS comptroller to retain in the General Income Fund the revenues of the system other than those required for the Debt Service.

⁷¹Letter of May 18, 1972 from Nicholas Bucur, chairman of the Transit Board to Mayor Ralph Perk. Bucur added that on December 1973 that there would be approximately \$8 million in Cleveland Transit bonds still outstanding. Unless the Mortgage indenture is refinanced

by that time, 1/12th of the outstanding debt comes due each month thereafter. It would be absolutely impossible for CTS to meet those payments regardless of any economy program that might be contemplated. Ralph Perk Papers MSS 4456, Box 47. WRHS

⁷²CP 15 June 1972, "Perk Visits CTS, Urges Loop Buses." p. A1; Ibid. "Perk says cut service to pay for it," p.C6.

⁷³Notice of default: Letter of 12/29/72 from C. D. Meckes, Vice President, Central National Bank of Cleveland to Nicholas A. Bucur, Jr. Chairman, Transit Board of the City of Cleveland.

The default was a technicality because the annual bond payments had been made. CTS however, was withholding the replacement fund payments required by the mortgage indenture due to severe cash flow problems and increasing operational losses. The default was probably timed to coincide with the \$32 million payment for the transfer of the city's sewage disposal facilities to the newly formed Cleveland Regional sewer district. At this juncture, the city had sufficient funds to loan CTS the \$8.8 million it needed.

⁷⁴In the event the bond payments could not be met, the system would be put into receivership and a receiver would operate CTS primarily to assure payment to the bondholders. Ad Hoc Committee on Mass Transit. Minutes of Meeting Oct. 1, 1971. Commissioner Hugh Corrigan Office Files, 1972-1976, Box 5 Cuyahoga County Archives, Cleveland Ohio.

⁷⁵PD 5 Mar. 1973, "Battle Lines," p. 1A.

⁷⁶Letter of 11/26/73 from Robert Pollack to Ralph Perk p. 4. Ralph Perk Papers.

⁷⁷PD 5 Mar. 1973 "Battle Lines," p. 1A; PD 6 Mar. 1973. "Transit Board Rolls Back Fare Hike by Nickel." p 1A; CP 6 Mar. 1973, "CTS Fare Increases are cut back-but Perk still has a crisis," p. A1.

⁷⁸PD ed: 7 Mar. 1973. "CTS Troubles Far from Over," p. 14A; CP 29 Nov. 1972, "Keep CTS on Track," ed. p. A-12.

⁷⁹Letter of 3/15/74 from Anthony J. Celebrezze, Jr., LERTA Vice President to County Commissioner Seth Taft. The 1970 Ohio law permitted the formation of an independent regional transportation district for multiple transportation purposes and Celebrezze indicated that LERTA was willing to take the responsibility for a regional mass transit system. Seth Taft Office Files, Cuyahoga County Archives, Cleveland, Ohio.

⁸⁰Letter and policy statement of 6/11/73 from James C. Davis, President of the Greater Cleveland Growth Association to County Commissioner Seth Taft.; Ibid. 6/18/73.; Letter of 6/13/73 from Seth Taft to James C. Davis.; Letter of 9/25/73 from Seth Taft to Richard Desmond of Squire Sanders & Dempsey; all from Seth Taft Office Files, Cuyahoga County Archives.

⁸¹Statement by Hugh Corrigan, President, County Commissioners 2/13/74. Seth Taft Office Files, Cuyahoga County Archives.;

Under State law, the county could issue revenue bonds without voter approval for the transit board's capital purposes and general obligation bonds, with voter approval for transit capital projects. There could also be a voted property tax levy for County Transit Board purposes. Governmental Research Institute, "Governmental Facts No. 256." Nov. 12, 1973. Seth Taft Office Files, 1971-78, Cuyahoga County Archives.

⁸²According to Seth Taft's statement of 2/13/74, he had met with CTS chairman Nicholas Bucur regarding the county plan and was told by Bucur that Mayor Perk couldn't stand the idea of the commissioners taking the lead. Seth Taft Office Files, Cuyahoga County Archives.; This agrees with statements by those in Perk's administration in "Ralph Perk's Flight to Washington" in Cleveland Magazine.; also, CP 11 Feb. 1974 "Perk to Seek Regional Transit." p.1, B4.

⁸³Cuyahoga County Mayors and City Managers Association Special Task Force on Public Transportation Committee Report, Feb. 6, 1973. Cuyahoga County Mayors and City Managers Association Office Files.; The suburban position regarding participation in any regional transit system was also made clear in the letter of Sept. 4, 1974 from Mayors Robert M. Lawther of Lakewood, Walter C. Kelley, of Shaker Heights, and John Petruska of Parma to Cleveland City Council President George Forbes, Mayor Ralph J. Perk and County Commissioners Hugh Corrigan, Frank Pokorny, and Seth Taft. Seth Taft Office Files, Cuyahoga County Archives.

⁸⁴Statement of 2/13/74 by Hugh Corrigan, Seth Taft Office files.; CP 12 Feb. 1974 ed., "Forward on transit," p. A10.; PD 12 Feb. 1974 ed., "Perk transit plan has merit," p. 2B; PD 14 Feb. 1974 "CTS prefers Perk plan over county's plan," p. 1, 2A; CP 1 Jan. 1975, Transit Victory--How It Was Won." pp. A1, A14.;

⁸⁵Baldwins Ohio Revised Code, 1986. Sales tax levy by transit authority, 5739.023; Use tax, levy by transit authority 5741.022, 1974.

⁸⁶Mayor Perk's demands for compensation ranged from an initial \$85 million down to the \$20 million he proposed in July 1974, which included \$11 million for the system itself plus the \$8.8 million loan and \$1 million for the city's investment in parking lots. CP 30 July 1974, "Perk Cuts CTS Price," p. A1, B10.; Seth Taft, in his letter of 9/10/74 to Robert M. Lawther, Mayor of Lakewood said that without the city's serious participation meaningful negotiations regionalization of the transit system could not take place. Seth Taft Office Files, Cuyahoga County Archives.; Ibid. Letter of 9/4/74.

⁸⁷According to the Plain Dealer, Representative James Stanton said that Perk's proposal for the 0.2% city income tax increase would cost the city \$80 million promised by Governor Gilligan to a regionalized CTS--money the state would get from the Federal Highway Act of 1973. PD 23 July 1974, p. 1 "Perk Tax Boost Plan Places Area Transit in Peril, Critics Say," p. 1.

⁸⁸The Mayor declared that his position was only a backup measure the system could fall back on if the current regionalization negotiations failed. CP 23 July 1974, "Drafters of Transit Plan Try to Get Perk, Forbes Aboard," p. A4.

⁸⁹According to the "Table of Cleveland Receipts by /Source and Cash Disbursements by Function for the Last Ten Fiscal Years," In 1974, the city had a \$16.6 million deficit in the General Fund, but increased revenue and fewer expenses, reduced it to \$4.18 million in 1975. City of Cleveland, Comprehensive Annual Financial Report, Cleveland, Ohio 1982, p. 70. Cleveland Public Library.

⁹⁰The Sun, 16 Nov. 1975, "No Areawide Transfer, We'll Keep It," p. A1, A10.

⁹¹The Sun, 3 Dec. 1975, "Sliwa warns suburbs: Pay More or Lose CTS." p. A1.

⁹²The GCRTA paid off the \$8.875 million loan to CTS plus interest and \$1.16 million for the rapid transit parking facilities it had built, but no further compensation for the system. Mass Transit System Transfer Agreement, September, 1975. Greater Cleveland Regional Transit Authority Files, Cleveland, Ohio.

⁹³Cleveland City Record, 1974. Ordinance 2380-A-74 dated Dec. 18, 1974 called for a 9-member Board.

⁹⁴Ibid. Ordinance 2380-B-74 passed 12/30/74, contained the amended Board representation.; CP 13 Dec. 1974, "Area Transit is on Its Way," p. A1,A4.;

In selecting the 3 suburban representatives, the suburbs were divided into three regions, East, South, West. heads of all cities, villages, and townships in each region selected one of the three suburban representatives to RTA. Each municipality and each township had one vote plus one additional vote for each 5,000 residents or part thereof as determined by the most recent census. "Suburban

Regional Transit Regions with Municipality and Number of Votes,"
Cuyahoga County Mayors and City Manager Association Files.

⁹⁵Memorandum of Understanding detailing the terms of CTS
transfer to to RTA, May 1975, Cleveland Ordinance 342-75, Greater
Cleveland Regional Transit Files, GCRT, Cleveland, Ohio.

⁹⁶PD 23 July 1975, "Strong Suburban support credited in Transit
Victory," p. 8G; RTA Board Resolution 1975-16 thanking the Citizens
Committee for their successful campaign effort. GCRT Files.

CHAPTER SIX

CONCLUSION

The post World War II movement of central city populations to suburban areas expanded the area-wide delivery of major municipal functions, straining the capacity of many existing city governments to meet the increased demand for efficient service. This circumstance prompted renewed examination of the best way to administer these broad-based functions. In response, several rapidly growing cities greatly expanded their boundaries. A few cities (notably Miami and Indianapolis) consolidated city and county government. Most cities, however, especially cities that had already grown large and were surrounded by rings of well-established suburbs by 1945, had to find other solutions.

Cleveland, Ohio, fell into this third group. By 1945 it was surrounded by a double ring of suburbs. City and/or suburban voters rejected federated or consolidated city-county government in repeated elections in 1950, 1959, and between 1969 and 1980. Thus Cleveland provides an excellent case study of the most common response to the new municipal service challenges of the postwar period. In Cleveland, at least, the challenge was met after many delays through the creation of special arrangements for each function. Two elements were important in the local process of regionalization: recognizing the need and deciding what form the reorganization would take. Both national and local actions influenced the process in Cleveland as population dispersion and changing federal policies intersected at the local level.

While federal policy promoted regional administration of major municipal functions such as water pollution control and mass transit, the regionalization process itself was primarily driven by local political concerns.

The county home rule charters of 1950 and 1959 gave Cuyahoga County the authority to administer municipal functions such as Cleveland's regional sewage disposal and transit systems for the entire area. These charters, drafted by metropolitan reformers and selected politicians, proposed comprehensive changes in existing governmental arrangements. In the absence of a compelling reason to make such changes voters turned them down, partly due to the distrust of pro-home rule elites by ethnic and black voters of modest means. In the effort to find an acceptable metropolitan alternative, decision-makers were forced to work with existing governing structures. The City of Cleveland owned both the water pollution control (sewage disposal) operation and the urban mass transit system, and although the two services had quite different technical and regulatory requirements, the region's changing political realities produced the same result: a single-functional special district for each. Cleveland also owned the region's dominant water system, but it was able to retain substantial control of this service after making significant rate and other policy concessions.

Cleveland's water and sewage disposal systems had been crucial to public health since the mid-19th century, and their administrative histories under Cleveland's control were an important component in

the city's status-conscious view of itself as a major urban area. As capital-intensive utilities, they required substantial user fees, and over the years, Cleveland imposed higher water and sewage rates on the suburbs in order to subsidize artificially low rates for city residents. After World War II the rate-setting decisions came under increasing fire from suburban officials who believed they were unfair, and the rate differential the city insisted on earned Cleveland the enmity of the suburbs connected with its system. The policy of low utility rates for city inhabitants was part of the municipal frugality that characterized most of Cleveland's post World War II governments during the 1970s.

Cleveland's control of its sewage disposal system was challenged in the mid-1960s by the federal government's commitment to clean up Lake Erie, one of the nation's most polluted waterways. Pollution controls minimally necessary to protect an urban area's public health were no longer adequate; water clean enough for active public recreational use required more stringent pollution standards called for by federal and state agencies. Higher water quality standards in turn compelled local governments to improve their sewage treatment facilities, and in Cleveland, as elsewhere, effective pollution controls had to be regional in scope. In effect, regional ownership was necessary if national clean-water goals were to be met, and the legacy of mistrust established by Cleveland's politicization of sewage rate-setting led the suburbs to insist they share authority in the restructured system. Negotiations to create a county water pollution control

authority foundered on the issue of Cleveland's continued operation of the system and on the lack of direct suburban participation in rate-setting authority. The stalemate was broken by the Common Pleas Court which resolved this conflict in 1972 by creating the Cleveland Regional Sewer District to administer the area's water pollution control program. The new district's Board of Trustees was made up of city, county, and suburban appointees.

The same combination of local and federal influences was responsible for changes in urban mass transit. In this instance, however, the federal government played a dual role. Federal funding of a national highway network favored the use of automobiles at the expense of the public transit systems which experienced a severe loss in their ridership and growing deficits. With urban mass transit in jeopardy, the federal government provided funds in 1964 to expand existing metropolitan transit systems--but made significant funds available only to those with regional administrations. In 1952, the Cleveland Transit System's early postwar planning for a rail rapid transit system allowed it to secure a federal loan to complete the initial project, which was extended with the aid of federal grant in 1968. However, its complete dependence on farebox revenue put Cleveland Transit in severe difficulty as it lost ridership. By 1970, transit regionalization and a public tax subsidy were essential if the transit system was to free itself from unmanageable debt.

Procrastination by city officials delayed resolution of the system's financial problems until 1974 when Mayor Ralph Perk finally agreed to

form a regional transit district. Under the belated leadership of the city, the Greater Cleveland Regional Transit authority was created Dec. 30, 1974 with a reallocation of authority among Cleveland, Cuyahoga County and the suburbs similar to that established in the regional sewer district. The following July, county voters approved a 1% increase in the sales tax to subsidize its operation.

Although county-run water pollution control and transit systems were considered during the regionalization negotiations; the county commissioners' authority was indivisible--neither city nor suburban officials could effectively participate in policy-making or rate-setting deliberations. In contrast, the governing authority of a single function district in Ohio could be allocated in any way agreeable to its participants which, in the Cleveland case, reflected city, county, and suburban service needs. The partnership also satisfied the new political imperatives in the Greater Cleveland region.

Partnership in the new special districts also represented a dilution of Cleveland's municipal authority. Anxious to maintain control of its largest municipal assets, the city persisted in its view that the rapidly growing suburbs were still appendages to the dominant central city and subject to its control. This perception encouraged Cleveland's postwar administrations to conduct a series of holding actions until circumstances forced a change. Indicative of this mode of operation was the city's politically inspired thrift. Although it helped reelect the Mayors and City Councils, administrative frugality stifled

municipal leadership as Cleveland's caretaker governments focused narrowly on politics and constituent interests instead of attending to the growing problems of the city as a whole.

In summary, Cleveland's regionalization process and its outcome were shaped by a blend of postwar demographic changes and federal policy initiatives on the one hand, and local political interests concerned with details of the metropolitan restructuring on the other. Although the two systems were administered differently and their services were not of equal importance to the greater Cleveland community, political relationships endemic to the region produced similar redistributions of authority over them that satisfied the area's competing political interests. Greater Cleveland was representative of most older urban areas searching for the best way to administer municipal functions that were rapidly expanding, and the use of a single function district was a popular answer to the question of who should provide these area-wide municipal services and in what form.

Cleveland represents a case study of how the postwar deconcentration of population from one major central city combined with federal intervention to reform the delivery of two regional municipal services within the parameters of its local political mores. The regionalization process dealt with the larger issue of suburbia's independence from the central city, and the detailed analysis of the course it took in Cleveland revealed the changing suburban status as communities moved collectively from their traditional role as satellites

of the central city to economic and social independence. Suburban inclusion in the political partnership administering Cleveland's newly-founded regional districts was a salient feature of that evolution which refuted a common 1950s view that suburbs were inept, fragmented dependencies of the urban core.

Suburban independence from the central city was the first step in redefining the pattern of new settlement whose locations were increasingly determined by the traffic patterns on the perimeter highways encircling the urban region. Although the Cleveland experience was an exercise in local particularism, it pointed out some of the difficulties involved in a metropolitan process which was national in scope.

Suburbia's evolution was milestone in the long history of its development--a phenomenon examined by recent urban historians. Peter Muller, in Contemporary Suburban America (1981), pinpointed the acquisition of suburban independence in the 1970s, the apex of the postwar exodus to the suburbs where regional economic and cultural dominance was outside the central city for the first time, lodged in scattered multifunctional cores. According to Muller,

"...the city and suburbs have assumed new roles. The central city is becoming more specialized as an elitist service center and the home of the metropolitan disadvantaged, while the suburbs comprise a band of diversifying urban development involving the gamut of once exclusively downtown-bound activities."¹

Robert Fishman, in Bourgeois Utopias (1987), saw the creation of an entirely new decentralized city beginning in 1945 with the opening of suburbia to the middle and working classes marking a new era of accelerated expansion and independence. The complex metropolitan structure resulting from the continuing deconcentration of the urban population owed its existence to the network of superhighways circling the perimeter of the metropolis. Fishman projected,

"...a post urban era in which high tech research centers sit in the midst of farmland and grass grows on abandoned factory sites in the core...both core and periphery are swallowed up in seemingly endless multicentered regions...."²

These new cities (or technoburbs" as he called them) contained all the specialized functions of a great metropolis along those highways, making central cities less relevant to the region.

While Fishman acknowledged suburban independence of the central city as vital to the formation of entirely new perimeter cities after 1945, he also maintained that the loss of suburban exclusivity was an important component in establishing his dividing line. Using the British model in which upper middle class business leaders were equated with the rural squirarchy of comparable income, the author defines his pre-1945 "bourgeois utopias" as privileged middle class residential areas, excluding all those from the lower classes except servants. Taken as a whole, this narrow definition did not represent

American suburbs before 1945 as they contained housing available to those with a much greater range of income than Fishman's elitist definition indicates.

Fishman's vision of edge cities developing along the nation's highways, however, was given a statistical definition by journalist Joel Garreau in 1991. He maintained that in order to qualify they must have,

"...at least 5 million or more sq. ft. of leasable office space; 600,000 sq. ft. or more of leasable retail space; more jobs than bedrooms; is perceived by the population as one place--a regional end destination for mixed use; and is nothing like a city in 1961."³

According to Garreau, downtown Cleveland, the junctions of Interstate 271 and Chagrin Blvd. and Interstate 77 and Rockside Rd. qualified as edge cities in this area, documenting Cleveland's loss of centrality to the metropolitan area.³

Although their timelines vary, both Muller and Fishman viewed suburban independence as a dividing line separating the old and the new. The traditional metropolis composed of a central city surrounded by suburbs had been superseded by the new reality of a multicentered metropolis. Muller, Fishman and Garreau, however, only described the superficial aspects of these expanding locations on the highways surrounding growing metropolitan areas, addressing the role of developers and builders in creating them, the variety of technical, economic, and social services they offered, and the potential of these

areas for providing virtually all the needs of a mobile population. While they identified this phenomenon as an entirely new type of city, they disregarded the political role of the existing counties, cities, villages, townships, and special districts in which these centers reside. These governing entities institutionalize the settlement patterns and supply the infrastructures to keep them functioning. How they utilize their corporate prerogatives to lend, build, zone, and tax to support these new perimeter locations will be a determining factor in the continued viability of these new cities.

In 1993, the growth of cities on the periphery of the metropolis continues to be a work-in-progress, where regional political solutions used in the 1970s will in all probability become obsolete as metropolitan areas continue to grow in the search for more useable space.

Samuel P. Hays has written that:

"An urbanizing society cannot be understood if one's vision is limited to the city itself, but only if in the process of historical change one can identify a larger context to which the city can be related."⁴

The writer hopes this dissertation might be considered a contribution to that larger context.

CHAPTER VI

CONCLUSION

Footnotes

¹Peter O. Muller, Contemporary Suburban America, (Englewood Cliffs, N.J., Prentice-Hall, 1981). pp. 55, 179-180.

²Robert Fishman, Bourgeois Utopias: The Rise and Fall of Suburbia, (New York, Basic Books, Inc., 1987) pp. 16 (Quote), 182-185.

³Joel Garreau, Edge City: Life on the New Frontier, (New York, Doubleday, 1991). p. 6-7, 428.

⁴Samuel P. Hays, "From the History of the City to the History of the Urbanized Society," Journal of Urban History, August 1993, p. 4.

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