Course Dates & Times:
January 24-25
February 28-March 1
April 4-5
Friday: 3:00pm-7:00pm
Saturday: 9:00am-4:00pm
Location: SSC 4255

Course Description
This course provides an introduction to core microeconomic concepts and their applicability in enhancing decision making on the local level. It will also provide an introduction to municipal finance issues in general. Economic Concepts will be presented from both a public and private sector perspective with a focus on the application of urban economic theories in key service delivery areas. At the conclusion of the course students will understand major finance issues related to the municipal sector and be able to utilize core concepts to improve local decision making. Prior knowledge of economic concepts and municipal finance is not necessary or expected.

Course Objectives and Outcomes
Theories and concepts relevant to public administration, and specifically local government, will be examined in greater depth. Practical exploration of these concepts will allow students to understand, assess, and utilize microeconomic tools in a local government context.

At the conclusion of the course students are expected to have an understanding of:
- The economic conditions Canadian municipalities face
- The legislative framework for municipal financing
- An understanding of core microeconomic concepts and how they can be applied to local governments
- An understanding of urban economic theories in key service delivery areas

Students should then be able to:
- Understand, assess, and utilize economic concepts.
- Understand the legislative framework under which municipalities in Ontario function.
- Critically assess the quality and accuracy of valuations commonly made in a municipal environment and to create valuations of their own.
- Understand and create reports that include cost-benefit analysis and various other economic methodologies.
Student Expectations

- Students will be expected to:
- Attend all classes
- Complete assigned readings prior to the beginning of each class weekend
- Participate in a constructive manner that enhances the value of the overall discussion
- Respect the contributions of other class members
- Ask questions and provide feedback

Textbooks

Students are encouraged to use general Microeconomics books for background material related to microeconomic terms used in the course. Examples of good books are:


Journal/Article Readings (required)

The remaining required readings can be found in the Course Overview section of the outline. All readings will be uploaded to the course page on OWL.

Evaluation

The course will be graded in the following manner:

- Participation and Course Contributions 10%
- Valuation Research Assignment 40%
- Cost-Benefit Analysis Assignment 50%

**Total**: 100%

Evaluation Details:

**Participation and Course Contributions** -10%

Students are expected to both attend and participate in class. The participation grade is based on class attendance and regular participation in class.

**Valuation Research Assignment** - 40% (30% short paper; 10% group presentation)

In the public sector, there is often value in pursuing policy directions that would not be pursued in the business world. This may be due to positive and negative externalities, and/or difficulties in assessing the value of the policy inputs and outcomes. In this assignment, students will assign an economic value to an intangible.

Examples of intangibles could include: human life (in monetary terms or quality adjusted life years (QALYs)), time (both work and leisure), noise (or noise abatement), environmental quality, green/recreational public space, etc.
Students will be divided into groups and each group will choose from topics provided in class in January. Students will be expected to find and review academic research on their topic and discuss their findings in a short paper (no longer than 10 pages). Each student will submit individual papers but will be expected to build a group presentation on the common topic. The groups will present their findings to the class in a ten minute presentation. Each group presentation will receive a common grade for all group members.

**Topic & Group Selection: January 24/25**
**Paper Due Date: February 28**
**Group Presentations: March 1**

**Cost-Benefit Analysis Assignment- 50% (10% Proposal; 10% Presentation; 30% Paper)**
Each student will construct/review a cost-benefit analysis on a relevant municipal issue/project/program. They will also present their research to class in a formal presentation. The two components are discussed below in detail.

**Topic Proposal:** The topic proposal should be no more than 10 double-spaced pages that answer the following questions:
1. What is the topic?
2. How are you going to conduct your research?
3. What economic methodology will you be using?
4. Why is this topic relevant/important to study?

The topic proposal is due on March 8. Students will receive feedback/approval of their topic soon thereafter.

**Presentation:** On the final two days of class students will make individual presentations on their final course paper. Students will present the details of their analysis as a mini-case study of the topic chosen (relevant background, a discussion of any economic valuations and methodology used to determine the costs and benefits, their conclusions and justification for arriving at them). Students do not need to have completed their final paper to prepare their presentation, but should have completed their research and arrived at preliminary conclusions. Students should consider their presentation to be an opportunity to present research and receive feedback from fellow students and the instructor. This feedback will help the student draft the final version of the paper due on April 11.

**Final Paper:** The final paper should draw upon topics & methods discussed in class. Students will be expected to choose a topic that has real-world applicability.

**Special Accommodation & late Penalties:**
For all assignments, and graded items in the course, requests for special accommodation must be received well in advance of the due date. The instructor will receive reasonable requests and grant special accommodations only when deemed necessary and reasonable. The standard late penalty is two percent per day up to 5 days. After 5 days the assignment will not be graded.

**Other:**
Scholastic Offences (including plagiarism): Please review the School of Graduate and Postdoctoral Studies guidelines on scholastic offenses at: http://grad.uwo.ca/section_ten.htm
Course Overview
Weekend 1: January 24/25

Friday

Overview of the course
- Introductions
- Purpose of the course, course goals
- Review of course expectations & requirements
- Discussion of student expectations and learning interests

Introduction to Economics
- Microeconomics vs. Macroeconomics

Public Economics
- Theory of Welfare Economics
- Impact of Economics on Public Policy Development
- Distributional effects of taxation and government expenditures
- Government failure vs. Market Failure
- Tax Incidence
- Optimal Taxation
  - Diamond-Mirrlees Efficiency Theorem
  - Pigouvian tax

Saturday

Microeconomics: Theories, Concepts, and Tools
- Supply, Demand and Equilibrium
- Marginal Utility
- Marginal Cost and Externalities
- Valuation - Assigning economic value

Valuation Research Assignment
- Group and Topic Selection

Municipal Finance Legislation
- Municipal Finance 101

Urban Economics
- Introduction
- Impact on Land Use Planning
Weekend Required Readings

Recommended Readings

Weekend 2: February 28-March 1

Friday
Valuation Assignment Due

Cost Benefit Analysis
• Introduction
• Comparison to Cost-Effectiveness Analysis & Cost-Utility Analysis
• Class Evaluation of Analyses

Valuation Research Assignment
• Group Preparation Time

Saturday

Microeconomics: Theories, Concepts, and Tools
• Opportunity Cost
• Competition
• Economic Surplus
• Elasticity

Valuation Research Assignment
• Group Presentations & Questions
Guest Speaker
- Jennifer Harmer – Municipal Reporting

Municipal Finance Legislation
- Bonusing and Economic Development Tools

Urban Economics
- Impact on Economic Policies and Transportation Decisions

Required Readings – Weekend 2

Recommended Readings

Cost Benefit Analysis Examples
Dr. Gordon Cleveland, “If it don’t make dollars, does that mean that it don’t make sense? Commercial, Nonprofit and Municipal Child Care in the City of Toronto”. April 2008.

Weekend 3: April 4-5

Friday
Course Evaluation
Student CBA Presentations
- Class Questions & Feedback
- Instructor Feedback
Saturday

Student CBA Presentations (cont'd)
- Class Questions & Feedback
- Instructor Feedback

Microeconomics: Theories, Concepts, and Tools
- Economic Effects of Taxation
- Information Asymmetry
- Resource Allocation
- Markets
- Game Theory

Municipal Finance Legislation
- Debt and Investment Tools

Urban Economics
- Impact on Housing Policies

Political Economy (time permitting)
- Introduction

Course wrap-up and review
- Final thoughts and feedback
- Course content / topics
- Other comments

Required Readings – Weekend 3