



# coaching program

## Career Compass No. 82 Menu of Budget and Service Redesign Strategies

### The Menu

#### 1. Cut non-employee spending

- Cut discretionary spending (e.g., travel, computer replacement)
- Delay non-priority capital spending (e.g., new gym floor)
- Refinance current debt, lowering debt payments and freeing up cash
- Reduce contributions to internal service funds (e.g., fleet, workers compensation) if these internal service fund balances are sufficient
- Other?

#### 2. Reduce employee-related costs

- Initiate hiring freeze
- Negotiate with employee groups or unions to forego or delay scheduled salary increases
- Negotiate with employee groups or unions a greater contribution to pension fund and/or reduce pension contributions to minimum
- Lay-off seasonal, part-time, and/or contract employees
- Put in place a certain number of non-paid furlough days for workforce; use some furlough days in conjunction with year-end holiday closure; allow some choice for employees of when to use furlough days with agreement of supervisor
- Provide monetary incentive for early retirement or early separation but only if unit/division/department can be restructured around vacancy (e.g., merge two work crews with one supervisor)
- Provide option for employees to go to a 4-day work week with fewer hours worked; negotiate commensurate salary reduction for those participating
- Other?

#### 3. Use reserves; borrow from other funds

- Free up cash by drawing down “rainy-day” and/or “economic uncertainty” reserves and using funds for needed spending; maintain certain minimum levels in reserves

- Borrow prudently from enterprise, equipment replacement, or other special funds; recommend Governing Board policy for interfund loans; create Governing Board-approved plan to repay funds
- Other?

#### **4. Cut non-essential services and activities; redeploy staff**

- Reduce service hours (e.g., at library branches, front counters)
- Reduce levels of service (e.g., police department no longer takes certain loss of property or minor crime reports)
- Eliminate non-essential or mandated services (e.g., concerts in the park, police motorcycle traffic unit, School Resource Officers)
- Eliminate certain non-value-added administrative reporting
- Redeploy freed-up staff to other higher-priority activities and programs in department or in another department
- Create city-wide “talent pool”; if freed-up staff are not immediately redeployed to higher-priority work areas, they are assigned to talent pool and other departments can then bid on talent and fill vacancies or place them into training or development positions in the department
- Other?

#### **5. Review and cut service levels for mandated programs if agency is providing higher level of service than required by law or regulation**

- Cut back on street sweeping to meet minimum federal NPDES regulations
- Other?

#### **6. Re-engineer processes, free up and reallocate staff time**

- Re-engineer and streamline hiring, contracting, procurement processes and practices and allow for gradual elimination of positions or redeployment of staff to other areas
- Other?

#### **7. Increase revenue**

- Seek approval of tax revenue measures (e.g., sales, property, hotel/motel, business license, and/or utility user taxes)
- Review and eliminate subsidies for certain services and user activities (e.g., development fees, recreation fees, park user fees); pursue full cost-recovery including overhead
- Other?

## **8. Regionalize or share services**

- Partner with local governments in regionalizing certain services (e.g., fire, library, animal control)
- Develop shared services with other local government agencies (e.g., shared Leadership Academy for emerging leaders; collaborative purchasing of equipment; shared contracting for street resurfacing; shared recruitments for fire, police, management analysts, street maintenance workers)
- Offload a service by paying another agency to provide it (e.g., water testing, fleet maintenance)
- Other?

## **9. Leverage assets**

- Inventory all assets (e.g., equipment, facilities, technology; real estate, expertise)
- Sell expertise/services to other communities (e.g., other local governments contract with your agency for IT, recreation or fleet maintenance services)
- Share equipment for fee (e.g., fire ladder truck; sign-painting equipment)
- Lease to private entities parking lots, golf courses, utilities, or other assets, or use management contracts, still controlling issues of access, equity, and pricing
- Other?

## **10. Offload service responsibilities to other entities**

- Contract with County or another public entity for service and eliminate direct service responsibility (e.g., police, fire, animal control, water testing, libraries)
- Provide grants to non-profits or neighborhood groups to offer previously delivered service by local government (e.g., provide grant to non-profit to operate senior meals program or sports program for disadvantaged youth)
- Other?

## **11. Organizational strategies**

- Eliminate where possible a level of supervision or management; experiment with self-managed teams; provide guidance, training and online tools
- Redesign jobs and cross-train so staff can share workloads
- Other?

## **12. Manage service demand**

- Reduce staffing and other resources by managing service demand (e.g., raise cost of adult classes; redefine “crimes” such as marijuana use; raise fees)
- Other?

### 13. Invest for long-term gain

- Over-cut to free up funding for investment (in IT, employee development and upskilling, new service models and partnerships) that produce mid- to long-term savings or revenue
- Develop new services to stimulate local economy and thus mid- to long-term financial gain for agency (e.g., staff small business desk in Development Center to fast-track permits for small businesses)
- Hire new staff if they create net “profit” or revenue (e.g., new staff to provide IT services or police services to another jurisdiction)
- Other?

### 14. Automate and promote self-service

- Encourage service recipients to provide services for themselves (e.g., self-inspections using city inspection check-list form in certain low-risk situations)
- Develop self-service kiosks (e.g., for employees to handle HR-related transactions)
- Use drones to replace staff activities (e.g., fire surveillance in hillside areas)
- Other?

### 15. Other strategies

- Outsource (e.g., utility engineering)
- Insource (e.g., street tree trimming)
- Loan on temporary basis employees who are assigned to talent pool to other local governments or non-profits (e.g., loan local government employees to County Public Health Department to do COVID-19 contact tracing or to non-profit in order to serve homeless or high-risk youth); negotiate sharing of cost
- Create with other local governments a talent pool on regional basis or with just another local government; redeploy where needed non-assigned and qualified employees from pool; new host agency pays for newly assigned employee
- “Repurpose” some program areas based on Governing Board priorities, develop new service models, and redeploy staff with training and other support (e.g., repurpose service delivery staff to grant-makers to help non-profits or neighborhood groups provide previously delivered city services; repurpose staff to do small business outreach and connect small businesses with government assistance programs)
- Other?

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