

4 STEPS TO SUCCESS

FOR BUDGETING DURING A CRISIS



STEP 1



UNDERSTAND THE NEXT SIX TO 18 MONTHS

Forecast how revenues will be affected by the pandemic-induced economic downturn.

Develop a range of scenarios (i.e., no recession forecast; recession forecast) tied to assumptions (i.e., magnitude and duration of losses, by source by fiscal year; pre-recession growth rates by revenue source) about the downturn's severity.

Determine how soon General Fund resources might be depleted.

STEP 2a



REDUCE SPENDING

Reduce capital asset investments.

Defer some purchases.

Improve capital project management.

Reexamine maintenance and replacement standards

STEP 2b



FIND NEW RESOURCES

Increase interfund charges where there is a case for it.

Reassess internal service fund and cost allocation formulas.

Redesignate general fund reserves.

Consider monetizing assets.

Implement new or revised, fees where appropriate.

Consider short-term borrowing.

STEP 2c



REDUCE MATERIALS OR CONTRACTOR COSTS

Close facilities where social distancing isn't possible.

Eliminate lower-value or no-use programs.

Review contractor costs and re-negotiate, if possible.

STEP 3



COMMUNICATE AND ENGAGE

Use video conferencing, Facebook Live, and other technology to keep your elected officials, employees, and community members informed and to receive feedback.

Technology allows new voices to participate.

Use social media and your community's website to provide updates.

STEP 4



SUPPORT DECISION MAKING

Understanding impacts to revenues and possible scenarios is key to good decision-making.

Solutions supported by governing body form the basis action.