



Montgomery County Government

MEMORANDUM REPORT

June 20, 1994

TO: County Council

FROM: *MM* Michelle Martin, Public Administration Intern
Office of Legislative Oversight

SUBJECT: OLO Memorandum Report: A Review of Local Government Approaches to Rightsizing

I. AUTHORITY

Council Resolution 12-1202, FY94 Work Program of the Office of Legislative Oversight, adopted July 13, 1993.

II. SCOPE

Based upon a review of recent literature and written materials received from other local governments, this memorandum report:

- Examines the current definitions and use of the terms downsizing and rightsizing;
- Describes the rightsizing process undertaken by selected local governments; and
- Provides a bibliography of articles, books, and public documents relating to the methods and effects of downsizing and rightsizing.

III. DOWNSIZING vs. RIGHTSIZING

A. Overview

Following two decades of economic growth, most local governments are struggling in the 1990's to manage fiscal stress. Charles H. Levine, a noted scholar in the field of public administration, defined fiscal stress as

". . . the gap between the needs and expectations of citizens and government employees for government services and benefits and the inability of the economy to generate enough economic growth to expand tax-supported programs without putting unacceptable demands on taxpayers' take-home pay" (Levine,4).

The National Association of Counties' annual fiscal survey of 63 large urban counties reflected that in fiscal year 1993: 60% of respondents increased selected fines, fees, and charges, and 38% either laid off employees or offered some form of early retirement incentive. When respondents were asked their opinion concerning the future of the financial environment, 87% anticipated only a slight improvement over the next three years. 5% of the counties felt their fiscal situation would decline significantly, and only 8% indicated a belief that their fiscal condition would improve significantly.

The general consensus appears to be that the current fiscal stress facing local governments is not a temporary condition for which there is a quick fix. Instead, it evidences a long-term change in revenue and expenditure limits and signals the need for a permanent shift in the way that local governments do business.

On the positive side, those who study organizational structures note that stress, although unsettling, is also a time of increased energy and creativity. "To some, current talk of reinventing government is ill-timed; to others, crisis is viewed as a close ally of change" (Walters,30).

Both downsizing and rightsizing are approaches to managing fiscal stress. Because each approach uses similar "tools" for budget management, it is sometimes difficult to distinguish between the two in the short run. Some observers of local government suggest that rightsizing is "merely a euphemism for layoffs" and a more politically correct name for downsizing, yet the "two terms . . . are worlds apart" (Messmer,23).

B. Definitions

The term **downsizing** describes reactive crisis management techniques aimed at "battening down the hatches" until the storm passes. When used in the proper context, downsizing can prove quite an effective short-run solution. Downsizing techniques can be used to close manageable budgetary gaps such as mid-year revenue shortfalls. However, a prolonged demand for downsizing hints at the likelihood of deeper structural problems. Failure to address the root of revenue and expenditure imbalances can seriously cripple an organization's ability to effectively provide public services.

Excessive downsizing often results in declining employee moral and performance. Managers fear taking innovative risks with their budgets and their jobs, and employees become cynical and embittered for having to assume an increase in workload to make up for losses in personnel and other resources. Through it all, citizens continue to demand the same level of services because the severity of the changing financial situation has not yet been revealed to them. Public employees also experience what Charles H. Levine coined "The Tooth Fairy Syndrome", which is:

". . . the belief that someone, perhaps someone as imaginary as the tooth fairy, will appear mysteriously at night to remove the painful tooth of budgetary cutbacks from under the pillow and replace it with enough new, shiny quarters to fund an entire mouthful of new programs"
(Behn,615).

In contrast to downsizing, the term **rightsizing** describes a more pro-active and comprehensive approach to managing fiscal change. Ruth Ann Bramson, former assistant county administrator of Hillsborough, FL, and adjunct professor of public administration at Florida State University, explains that rightsizing "...goes beyond changing the size of the organization to require changes in management, allocation, evaluation, and communication" ("Rightsizing",2). Instead of simply cutting costs, rightsizing addresses the issue of cutting workload by strategically shifting resources in order to improve efficiency. In other words, the philosophy of rightsizing is based upon the fact that, "costs exist for a reason . . . if you don't take the reasons away, the costs will return" (Henkoff,41).

Besides the more obvious benefits to the community of planning and pro-active budgeting, one of the more attractive motivations for local governments to rightsize is the pressure to maintain an acceptable credit rating. "Economic credit factors, strong enough to qualify a government for a high credit rating under ordinary circumstances, can be undermined by weak financial practices" (Arthur,2). Realistic budgeting and planning practices serve rating agencies as positive indicators of a community's ability to maintain financial stability. "To evaluate a government's financial well-being, credit rating agencies look at trends . . . as well as management's ability to be innovative in response to those trends" (Arthur,3).

IV. THE RIGHTSIZING PROCESS

Although rightsizing projects come in multiple shapes and sizes, there are common characteristics to most rightsizing efforts. Based upon a review of rightsizing efforts undertaken in Charlotte, NC, Corvallis, OR, Prince William County, VA., San Antonio, TX, and Wilmington, NC, this section describes the rightsizing process in practice. The five major stages of the rightsizing process are depicted in Figure 1 (circle 5).

Central to the success of all five stages of rightsizing is community involvement and communication. Effective communication is characterized by an exchange of accurate information among all units within the organization and with the public. All communities engaging in rightsizing cite that it is equally essential that information remain consistent throughout the process.

As illustrated in Figure 1, efforts to improve the efficiency of government revolve around the public's desires and the limitations of the community. Through clear communication, taxpayers, customers, government employees, and political officials can work together to strike a balance between what the community wants government to be and that which available resources limit it to.

In Charlotte, NC, a special team was created to focus specifically on communicating the goals, principles, and timeline of the rightsizing initiative. (See Appendix A, circle 16.) In Corvallis, OR, a plan for public information/citizen collaboration included publishing a newsletter and citizen participation manual, establishing a "24-hour city hall", using cable television, and participating in neighborhood meetings. (See Appendix B, circles 17-18.) Each year for the past three years, Prince William County, VA, has distributed a summary document describing the County's rightsizing plans to citizen groups and community organizations.

A. Downsizing Revisited

Interestingly enough, downsizing as a crisis technique is often used as a precursor for rightsizing initiatives. This is because, "without imposing at least a token downsizing hit at first on every agency in a government, it is hard to build much of a constituency for the much more painful restructuring process that follows" (Lemov,31). It serves as the red flag for both the citizens and employees of the jurisdiction warning of the severity of the fiscal climate. Budget reductions that cross all agencies and departments "democratize" the pain of initial budgetary action by assuring that even the safest departments such as schools and public safety are affected.

Although renamed from time to time, three of the most well known budget management techniques are described as follows:

THE RIGHTSIZING PROCESS

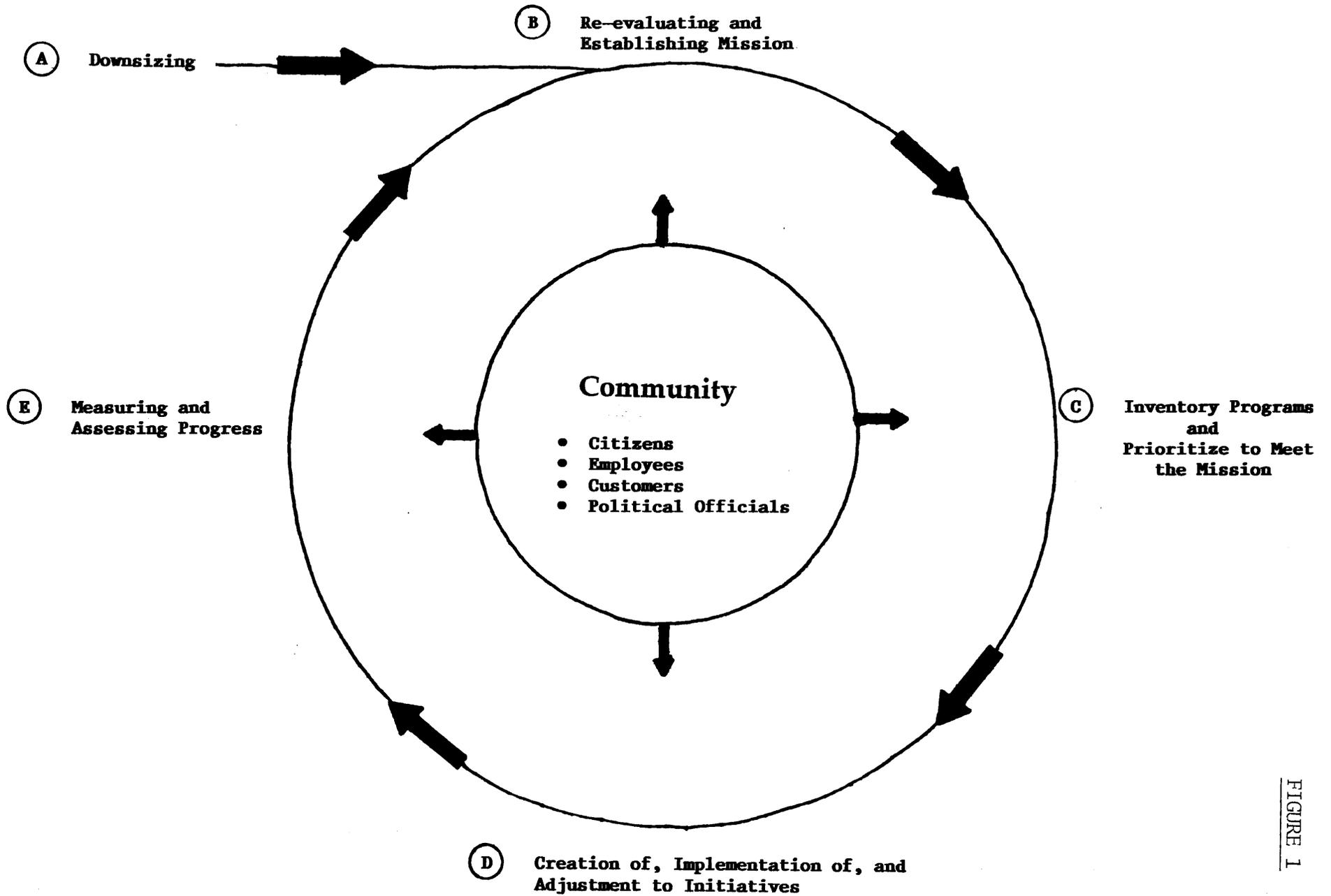


FIGURE 1

The "blunt meat ax cut" refers to the tactic of across-the-board budget cuts that leave no unit untouched. For the most part, across-the-board budget cutting does not require decision makers to engage in a rational process of prioritizing or to question the scope of the organizational mission. Because the level of reduction is standard regardless of the size of the unit, this form of budget cutting treats units that are funded at different levels inequitably.

The "sharp meat ax cut" refers to line-item budget cutting, where specific items are targeted for reductions. Most often, line-item budget cutting focuses on administrative lines, such as travel and supplies. While this method of cost reduction appears to address the "fat", it denies program managers the flexibility to decide how to absorb spending cuts with minimum disruption to efficiency and effectiveness. Due to variations in internal line-item distribution, even units that are funded at the same level may be treated inequitably.

The "deep freeze" includes hiring freezes and specified spending delays. When used strategically, this method can produce expenditure lag time to close fiscal year gaps in the short-term. However, leaving programs in the "deep freeze" for an extended period of time can result in long term damage as staffing, technology, and strategic planning fall below suggested levels.

Specific examples of relying initially upon downsizing can be found in the City of Charlotte, NC, and Prince William County, VA. As Appendix C (circle 19) illustrates, the City of Charlotte instituted a hiring freeze and implemented a retirement incentive program to provide time and opportunities for the community to develop a strategic plan for change. In FY92, Prince William County, VA, slashed its budget across the board and denied their employees a general pay adjustment to meet a \$14 million deficit. According to the County budget officer, it was essential that the immediate crisis be addressed before reform could be planned in a correct context.

B. Establishing a Mission

Rightsizing efforts generally include a process for reexamining the mission of government. "Downsizing, as an event, brings [organizations] in touch with what they are and, more often, what they are not" (Isabella,41). Fiscal constraint tends to produce mass anxiety and magnify points of contention concerning exactly what role the government should be playing in the community. "In order to have confidence, citizens and employees need to believe that the government knows where it is going and has a strategy for getting there" ("Rightsizing",5).

The process of reexamining its mission allows a jurisdiction to step back and review not only how much and what type of service it should deliver, but whether it should continue to provide certain services at all. It encourages the establishment of a vision for that community. When members of the San Antonio City Council participated in their first Goals and Objectives Worksession in 1990, they went so far as to develop a new mission statement for the City, causing city officials to reconsider the government's role. This prepared them for the process of program prioritization which was to follow. In Charlotte, NC, the City-Wide Organization Team, charged to develop a new model for the City, defined the vision and key principles of City government.

The process of reviewing a government's mission should, according to Charles Levine, include "reexaminations of our revenue raising, spending, and management systems", including:

- "the methods used for setting priorities for government action and public programs;
- "methods used for taxation and revenue generation;
- "the way public services are organized and public employees are compensated to produce services; and
- "the methods used for scaling down and terminating public programs that are no longer of high priority."

(Levine,4).

The process of redefining an organization's mission also demands a clear review of internal administrative practices, including the relationship between employer and employee. Valid issues to examine include how much personal responsibility the government wants to assume for its employees, and whether retention of employees in and of itself should always be the objective. Although issues such as these may raise uneasiness among public employees, they are questions that result from downsizing and cannot go unaddressed. Lynne Isabella asserts that organizations may have to venture beyond the traditional guidelines to "engender productivity, enthusiasm, commitment, and loyalty" (Isabella,40).

C. Inventory: Prioritizing to Attain the Mission

Another step common to rightsizing efforts is the completion of a program inventory followed by a process of prioritizing the programs to meet the established mission.

While an organizational mission defines where the community wants the government to be in terms of services, the prioritization process serves as the map for getting it there. The priority setting process is a difficult one; it is where public skepticism about government's ability to work toward

efficiency and effectiveness meets the challenge of targeting specific programs which will be sacrificed or even eliminated for the benefit of other public programs. It is at this stage of the rightsizing process that the political fever really begins to burn. "No matter how appealing it may be in principle, restructuring puts city council members and county commissioners in the hot seat" (Lemov,29).

Excerpts from two local government priority setting exercises are contained in Appendices D and E (circles 20 through 26). The program inventory prepared in Wilmington, NC described each major program administered by the government, identified the customer of the program and the results provided to the community, and outlined the total costs for both the staff and administration of each program. The City's elected officials were asked to assign each program to one of five categories ranging from highest priority to least related to the mission of the City. The results of Wilmington's prioritization process are contained in Appendix D-4 (circle 23).

San Antonio's extensive process of prioritization included incorporating a Council Goals and Objectives Process into the annual budget process. A strategic planning facilitator assisted San Antonio officials in the development of a City mission statement and in the identification of 13 key result areas in 1990, six of which were designated high priority. The 13 key results areas were then divided into 88 service categories, and each Councilmember was asked to rate the individual categories on a scale of 1 to 10. The Council as a whole designated weights to each of the areas, and then the survey results were compiled (Appendix E, circle 25-26).

Local government priority setting exercises are complicated by statutory requirements directed by higher levels of government, thus, any program inventory must be sure to include information about which programs are mandated and by whom. As Lemov writes, "The ability to use the rational process of listing priorities . . . is limited by the statutory requirements of state and federal government." Priority setters are not free to review all public programs and services from the same base if another level of the federal system has already established their significance (Lemov,31-32).

D. Initiatives: Creation, Implementation, and Adjustment

Once the mission and priorities of the community have been defined, the next step in the rightsizing process is to plan for action. This phase of rightsizing is often the most work intensive and also the most controversial.

1) Creation: In order for a community to create new ways of doing things, long held assumptions about private-public relationships and traditional management techniques must be re-evaluated. Ruth Ann Bramson refers to this as "busting paradigms" meaning "putting aside preconceived notions about government organizations and approaching redesign from a perspective altogether different from the bureaucratic tradition" ("Rightsizing",7).

As in all aspects of rightsizing, clear communication and broad participation are essential to the creation of a well balanced rightsizing plan. Input from front line managers and operators who work daily with the nuts and bolts of government services brings a practical knowledge of how functions can be run more effectively and efficiently. Citizen participation can be facilitated through neighborhood task forces and community surveying tools.

2) Implementation: Prince William County, VA, has been engaged in a three year development plan to streamline the government. Since its economic crisis began in mid-FY92, Prince William County has established a strategic plan and, according to the County budget officer, "FY95 is the first time [they] will be entering the budget process with the intent of taking money from low priority programs and giving it to high priority programs." Cutting low priority programs off the list is not the only objective of the implementation process of rightsizing. By working with government employees and officials, managers can engage in pro-active cost prevention. Creative measures such as privatization and intergovernmental program sharing can cut administrative costs while still providing the community with desired services.

Flattening management structures across the jurisdiction has been adopted as a rightsizing goal of a number of local governments. By allowing increased self management and bottom up initiatives, it fosters an environment of employee empowerment. As part of Charlotte's workforce/workload reduction plan, it was recognized that in order to lessen program costs, compensation funding would not only have to be cut, but there would also have to be reductions in paper flow, procedures, and internal requirements. By March 1, 1993, city officials were able to reduce the management in city departments to no more than 5 layers (Appendix F, circle 27).

3) Adjustment: As with most innovations, reforming local government is a process of trial and adjustment. To reach a productive balance within the changing organization, it is imperative not only that employees of the jurisdiction be educated as to rightsizing plans and projections, but also that the various agencies and departments within the jurisdiction cooperate and share information. While most jurisdictions rely on attrition and early retirement to reduce their workforces, employee displacement due to restructuring can also take the form of transfers and layoffs. Effective systems of employee training and outplacement counseling can serve as diluters of organizational stress.

According to a 1992 survey conducted by a Philadelphia consulting firm, only 44% of companies that had downsized in the previous five years had shared their plans with employees and only 34% told 'survivors' how they would fit into the company's new strategy. The result was a general loss of employee moral and trust in the organization (Rigdon,B1). To combat this effect of workforce shifts, rightsizing jurisdictions have established training programs intended to inform employees of upcoming changes in the work environment, provide stress assistance, and offer instruction in skills development. As Appendix G (circle 28-30) demonstrates, the City of Charlotte has experienced admirable success with their training programs.

For employees who must be separated, outplacement counseling and guidance programs can be used to assist with transition. Job-search training workshops and job clubs provide exiting employees with opportunities to network and to improve their interviewing and resume writing skills. Additionally, the moral of those employees that remain will be strengthened with the knowledge that the organization is taking active measures to remain loyal to separated employees.

E. Measuring Rightsizing Progress

Standard methods of measuring the progress of rightsizing initiatives must be established in order to encourage continued growth and reduce waste. Accurate restructuring is the ultimate goal of rightsizing, and only by targeting anticipated results both quantitatively and qualitatively can a jurisdiction be clear as to whether the chosen course of action is moving toward the established mission.

Because rightsizing is an incremental process, difficulties in measuring the strengths and weaknesses of newly instituted programs in the short-term can inhibit the momentum of controversial but necessary changes. Efforts to determine the effects that staff and other resource reductions have had on the quality of customer service may require a lengthy process of trial and error. In what appears to the community as hesitation, some public officials that have engaged in cutback management have found themselves under dire scrutiny if they did not immediately slash low priority programs from the fiscal year budget. To avoid miscommunication, the adopted performance measurement methodology should be related to the community as a series of steps in a long-term process.

The emphasis on developing a customer service orientation and performance measures focuses primarily on outcomes as opposed to outputs. Prince William County is using the annual budget process and placing an emphasis on outcomes to measure the success of rightsizing efforts. Specifically, the budget process is being used to track whether funding stays up in high priority programs and down in low priority programs. In addition, the County is conducting annual surveys to determine the level of customer satisfaction with government performance. Internally, the County is placing strong emphasis on developing performance measurements.

A renewed interest in performance measuring and budgeting has resulted in new Congressional legislation which calls for a series of pilot projects within federal agencies. On August 3, 1993, Public Law 103-62, the Government Performance and Results Act of 1993, was designated to provide for the establishment of strategic planning and performance measurement in the Federal Government.

Contrary to the more traditional methods of performance measuring, revised tools of analysis are intended to determine the value of what is produced whether it is low income housing, education, or fire prevention. Seeking consensus on which measures to use and to what extent they are valid presents a forum for political conflict. However, that conflict can lead to the evolution of increasingly effective measures. As Davis Osborne explains,

"Adoption of crude performance measures, followed by protest and pressure to improve the measures, followed by the development of more sophisticated measures" has demonstrated that "even a poor start is better than no start, and even crude measures are better than no measures" (Osborne,156).

In a 1993 General Accounting Office study of five states regarded as leaders in performance budgeting, many officials asserted that performance measures are more likely to be used and maintained if they are linked directly to agency missions and program objectives and are agreed upon by both the legislative and the executive branch. By involving representatives from all levels of a program in the development of performance measures, new relationships can evolve among the agencies, central budget offices, and legislative officials. The agreed upon performance measures will reflect an increased likelihood of attaining program goals, and lines of communication will be opened for continuous review and improvement.

Each jurisdiction must assess the influences of its own political, economic, and social power bases and determine how they might affect the successful implementation of rightsizing. By targeting strategies of measurement to where the jurisdiction is most 'vulnerable', the community can determine the strength of their rightsizing movement against political resistance, continuing economic uncertainty, and general social reluctance to change.

IV. SUMMARY AND CONCLUSION

Rightsizing is a comprehensive and participatory process of organizational planning and evaluation. While downsizing may address the short-term demands of fiscal stress, rightsizing is a strategy for managing long-term fiscal change. Although rightsizing initiatives are unique to each jurisdiction, a common rightsizing model is summarized at Figure 1 (circle 5). Effective communication to all members of the community is essential for the execution of a productive effort. Effective communication is characterized by an exchange of accurate information among all units within the organization and with the public. Customers of a public service, employees, elected officials, and citizens must have access to rightsizing strategy information and should have representation in the appropriate working groups of the initiative.

After the community has been made aware of the severity of the fiscal environment either through governmental campaigns to educate the public or through exposure to the effects of reduced resources, political officials can work to assess the structure and role of government and the limitations of public services. Having established the mission of the jurisdiction, they can proceed into the prioritization stage of rightsizing.

Budgetary and managerial functions of the government should reflect the public's desires and expectations of government service. Those desires and expectations include not only the types and levels of services provided, but also the types and levels of revenues raised. The mission definition and the prioritization process should clearly address both the revenue and the expenditures aspects of public services delivery.

Strategic and dynamic organizations are the end result or effective rightsizing initiatives. Unless the long-term implications of the fiscal environment are recognized and addressed, governmental organizations can not respond effectively to the shifting demands and expectations of the public.

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THE RIGHTSIZING PROCESS

INFORMATION/COMMUNICATION TEAM

TEAM MEMBERS:

CHARGE:

"Constant and Consistent Communication"

RESPONSIBILITIES:

1. Know what people "need to know"
2. Communicate the rightsizing goals, principles and calendar to all teams, employees, etc., using:
 - Posters
 - Fliers
 - Channel 32
 - Training Channel
 - "Around City Hall"
3. Determine the best vehicles of communication to use:
 - Among teams
 - Among teams and strategic staff
 - Among teams and departments
 - Among departments and strategic staff
 - For Council and the community



Source: Rightsizing Update, presented to the City Council of Charlotte, NC, March 1, 1993, Pg. 42.

PUBLIC INFORMATION/CITIZEN COLLABORATION

Citizen participation is the key ingredient to the success of forming strategic alliances in the 1990's. A precursor to the formation of strategic alliances is a considered assessment of the services provided by government, the desire and willingness of the citizens to continue using and paying for those services, and an assessment of the service arrangement that can most effectively provide those services.

Citizen participation requires the informed and active collaboration of all facets of the community. Citizen collaboration further requires that the education and participation process extend beyond those special interests normally active in local government and reach out to all citizens and customers impacted and needing City services.

Public education and information will take on several forms under this Financial Plan. These forms are intentionally diverse in nature in order to reach a variety of citizens and customers.

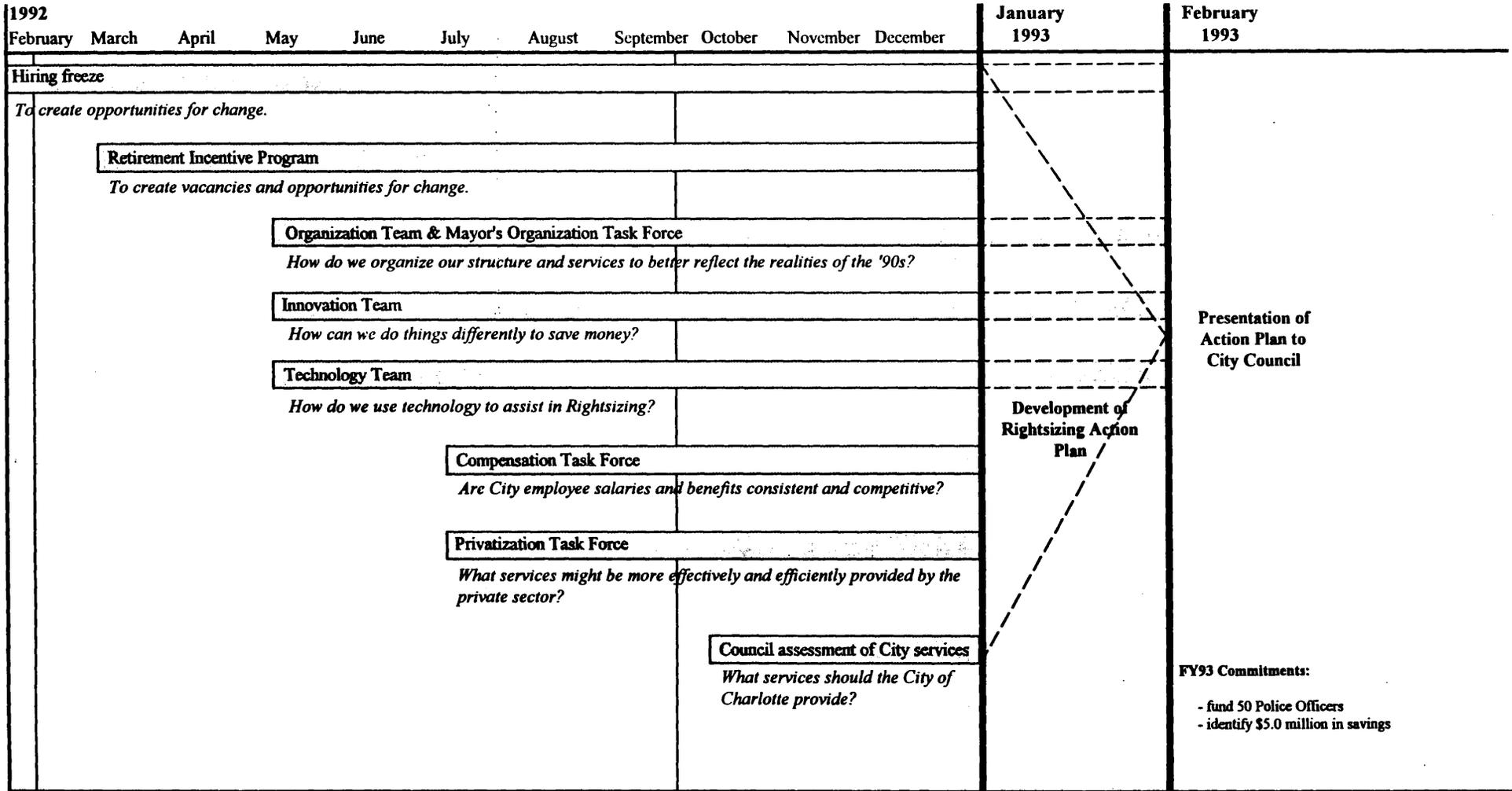
- **The City** - at least four issues of "The City" newsletter will be published and disseminated to all addresses in Corvallis.
- **24-hour City Hall** - interactive video kiosks will be placed in at least four locations throughout the City no later than 1993 providing up-to-date information on city government activities and information on accessing services most commonly used by citizens.
- **Public Access Programming** - Beginning in 1991, in cooperation with TCI Cablevision, the City will produce and air a quarterly half-hour program regarding current City issues of interest to citizens. The program will air repeatedly throughout the quarter on the public access channel.
- **Press Releases** - Press releases will be appropriately prepared and disseminated as "Hot Topics" that impact and are of interest to the City's customers.
- **Press Conferences** - Press conferences will be held when Hot Topics and major issues of interest to the City's customers develop requiring detailed explanation and input from City officials.
- **Public Meetings**
- **Open Houses**

- **Community Speaking**
- **Participation in Neighborhood Meetings**
- **Publication of Weekly Activity Calendars**
- **Government Activity and Service Information Telephone Line**

In addition to the outreach mechanisms listed above, the City will develop and fully implement in 1991 a Citizen Participation Manual which will guide every department in the City in incorporating broad citizen input into the planning and service delivery process. The Citizen Participation Manual will offer a variety of tools including focus groups, task forces, special projects through established committees, citizen surveys, issue reconciliation, etc.

Source: Volume I: Rightsizing II Compacting Financial Plan, City of Corvallis, OR, September 1991, Pgs. 17-18.

RIGHTSIZING



C-1

→ **Blueprint for Rightsizing developed.**

Council develops February 1993 milestone for initial results.

→ **Current Status:**

- 293 vacancies
- 150 retirement incentive program participants

Please Call The Rightsizing Hotline at 336-INFO with any questions or comments about the Rightsizing process, the Rightsizing Update, or to hear an audio version of this Update.

Source: Rightsizing Update, October 16, 1992, Pg. 2.

PATROL SERVICES

DESCRIPTION

The Police Department protects people and property from crime by providing continuous 24 hour directed and preventative patrol of the City. The department utilizes motorized patrol as well as walking, mounted, park, traffic and k-9 patrols. Patrol Officers perform preliminary investigation into crime and assist in crime prevention. This Division also provide patrols to the Wilmington Housing Authority, New Hanover School System and Independence Mall on a contractual basis.

RESULTS

- Respond to 57,237 calls for police services, perform 10,338 preliminary investigations of crimes and serve 6,384 criminal papers..
- Police strategic areas using the Problem Area Tactical Team.
- Provide 19 school crossing guards assisting New Hanover County schools.
- Provide police services at special events.
- Enhance police services through volunteer auxiliary police officers working over 1,000 hours annually.

REQUIREMENTS

STAFF	Total Work Years:	Permanent	106.4
		Temporary	2.1
COST:	Personnel & Benefits		\$ 2,849,790
	Operating		186,380
	Equipment		308,050
	TOTAL		\$ 3,344,220

INSTRUCTIONS - PROGRAM RATING

City staff have identified the major programs administered by City departments. There is a one-page description of each program, including the services provided and the resources required in 1991-92 to deliver those services.

The purpose of this exercise is to arrive at consensus on the relative priorities of these programs. We suggest that you focus on the results, rather than on the resources listed. The dollars and staff levels are provided mainly to give you a sense of the relative magnitude of the current level of service. Staff will use these priorities in recommending service levels and resources in next year's budget. In order to do this, we are asking that you distribute the programs carefully within the categories or priorities. Only a limited number of programs should be given very high or very low priority. Differences in priority will give staff the clearest direction where we must make difficult choices in the recommended budget.

You are being provided 76 program descriptions. Each of you is asked to assign a priority rating (using categories I-V) to each program. We will also provide you with the results of the management team's ratings in the next few days. Please bring these descriptions and your completed Rating Summary Sheet to the Council work session on Friday night. Staff will tally these ratings (anonymously) so that Council can discuss them and attempt to arrive at a consensus rating of each program on Saturday afternoon.

One of the easiest ways to do this rating is to work at a desk or table which is large enough for you to sort these program descriptions into five stacks. Before you start sorting, review the definition of the five categories and note the suggested limit in each. Then read each program description. If you have a clear opinion, put it in category I or V. Those for which you have little feeling, put in category III. Use categories II and IV when you have too many items in categories I or V. Once you are satisfied with your five stacks, please record your ratings on the summary form by putting an "X" in the appropriate category for each program. A second summary form has been provided so that you may keep a record of your ratings.

CATEGORIES I - V

- CATEGORY I: Programs assigned to this category are highest priority services, those considered most central to the City's mission. Budgetary reductions should only be achieved through improved efficiency, reorganization, streamlining processes, or other measures which do not appreciably reduce service levels. Limit: 8
- CATEGORY II: Programs assigned to this category are very important to the City's mission, but meet less critical or immediate needs than Category I. Budgetary reductions may affect present level of service delivery. Limit: 12
- CATEGORY III: Programs assigned to this category are important to the City's mission, but present levels of service may not be affordable. The majority of services fall in this category. Budgetary reductions would have moderate effect on this service. Unlimited number, but if other limits are used, there should be at least 36 programs here.
- CATEGORY IV: Programs assigned to this category are not considered essential to the City's mission, although they may address valid needs. Greater budgetary reductions affecting service levels could be tolerated here. Limit: 12
- CATEGORY V: Programs assigned to this category are considered farthest from the core mission of the City. These programs should be seriously examined for substantial reduction or elimination. Limit: 8

**SUMMARY OF PROGRAM RATINGS
SORTED BY COUNCIL AVERAGE**

PROGRAM NO.	PROGRAM	COUNCIL AVG	COUNCIL RANGE	MGMT AVG
18	Police Patrol Services	1.29	1-3	1.54
25	Fire Suppression	1.57	1-3	1.77
20	Community Services	1.71	1-3	2.15
4	Budget	1.86	1-3	3.62
62	Water Treatment Oper & Maint	1.86	1-3	1.31
19	Investigative Services	2.00	1-3	2.46
38	Waste Collection	2.00	1-3	2.00
39	Waste Disposal	2.00	1-3	2.31
61	Raw Water Supply	2.14	1-3	2.15
7	Property Tax Collections	2.14	1-3	2.62
8	Billing and Collections	2.14	1-3	2.62
2	Zoning Administration	2.29	1-3	2.69
23	Fire Investigation	2.29	2-3	3.08
6	Finance	2.29	1-3	2.69
63	Water Treatment Chemicals	2.29	1-3	2.69
21	Police Support Services	2.43	2-3	2.77
24	Fire Code Enforcement	2.43	1-3	2.54
66	Operations and Maintenance - Northside	2.43	2-3	1.69
67	Operations and Maintenance - Southside	2.43	2-3	1.69
75	Sewer Line Maintenance	2.43	1-3	2.38
76	Water Line Maintenance	2.43	1-3	2.31
1	Land Use Planning	2.57	1-4	2.69
26	Hazardous Material Program	2.57	1-4	3.23
64	Water Treatment Electrical Power	2.57	2-3	2.69
65	Water/Wastewater Treatment Laboratory	2.57	2-3	2.62
68	Wastewater Treatment Elec Power	2.57	2-3	2.62
70	Wastewater Treatment Pump Stations	2.57	2-3	2.54
72	Wastewater Treatment Odor and Corrosion Control	2.57	1-3	2.69
42	Traffic Signs and Signals and Street Lights	2.67	2-3	2.31
10	Personnel	2.71	1-4	3.00
22	Police Professional Standards	2.71	2-4	3.23
34	Street Repair	2.71	2-3	2.23
37	Drainage	2.71	2-3	2.69
5	Management Information Systems	2.71	1-3	2.85
74	Water and Sewer Services	2.71	2-3	3.08
12	Code Enforcement	2.86	2-3	2.54
28	Fire Equipment Maintenance	2.86	2-4	3.00
33	Stormwater Management	2.86	2-3	3.00
69	Wastewater Pretreatment	2.86	2-3	3.00
71	Wastewater Sludge Land Application	2.86	2-3	2.92
9	Purchasing	2.86	2-4	3.23

**SUMMARY OF PROGRAM RATINGS
SORTED BY COUNCIL AVERAGE**

PROGRAM NO.	PROGRAM	COUNCIL AVG	COUNCIL RANGE	MGMT AVG
11	Quality Improvement Program	3.00	2 - 5	3.08
17	Adm. of Federal & State Grants	3.00	2 - 3	3.46
29	Engineering Design Services	3.00	3	3.31
32	Subdivision Compliance	3.00	3	3.23
47	Recreation/Park Facilities	3.00	3	2.92
57	Park Patrol	3.00	1 - 5	3.54
31	Right-of-Way Management	3.14	3 - 4	3.69
35	Sidewalk Repair	3.14	3 - 4	3.08
36	Street Cleaning	3.14	3 - 4	3.46
40	Resource Recovery	3.14	2 - 4	2.46
43	Facilities Maintenance	3.14	2 - 5	3.31
44	Rolling Stock & Equipment Repair	3.14	2 - 5	3.00
3	Historic Preservation Program	3.29	2 - 5	3.69
30	Construction Management	3.29	3 - 4	3.38
46	Public Area Beautification	3.29	2 - 5	2.92
49	Cleaning Public Property	3.29	3 - 5	3.54
50	Greenfield Park	3.29	3 - 4	2.85
73	Water Meters	3.29	3 - 4	3.15
13	Rehab of Substandard Housing	3.43	1 - 5	2.38
14	Afford. Single-Family Housing	3.43	2 - 5	3.31
15	Afford. Multi-Family Rental Hous.	3.43	2 - 5	3.00
59	Golf Course Maintenance	3.43	3 - 4	3.85
27	Non-Emergency Services	3.57	3 - 4	3.54
41	Transportation Management	3.57	2 - 5	3.23
55	Recreation Centers	3.57	3 - 5	3.15
60	Golf Course Clubhouse	3.57	2 - 5	4.15
16	Community Development	3.71	1 - 5	3.23
45	Landscaping/Tree Management/Land Dedication	3.71	3 - 5	3.92
48	Tree Trimming	3.71	3 - 5	3.15
52	Therapeutic Recreation	3.71	3 - 5	3.46
54	Athletic Programs	3.71	3 - 4	3.31
58	Master Plan/Grant Admin.	3.86	3 - 5	3.85
51	Senior Services	4.00	3 - 5	3.92
56	Arts Center	4.00	3 - 5	4.08
53	Outdoor Recreation	4.43	3 - 5	4.69

Source: Budget Office, Wilmington, NC.

SERVICE CATEGORY CONSOLIDATED RANKINGS

June 26, 1993

SERVICE CATEGORY	KEY RESULT AREA	WEIGHTED AVG SCORE	OVERALL RANKING
YOUTH CRIME	> YOUTH	1.54	1
NEIGHBORHOOD POLICE PATROL	> PUBLIC SAFETY	1.85	2
YOUTH INTERVENTION PROGRAMS	> YOUTH	1.89	3
CRIME PREVENTION	> PUBLIC SAFETY	1.96	4
CRIMINAL INVESTIGATIONS	> PUBLIC SAFETY	2.29	5
HOMICIDE/VIOLENT CRIME	> PUBLIC SAFETY	2.29	6
STREET MAINTENANCE	> INFRASTRUCTURE	2.59	7
AFTER SCHOOL PROGRAM	> YOUTH	2.60	8
YOUTH RECREATION PROGRAMS	> YOUTH	2.72	9
MILITARY RETENTION/AVIATION IND. DEV.	> ECONOMIC DEVELOPMENT	2.91	10
SUMMER YOUTH RECREATION PROGRAM	> YOUTH	3.19	11
NARCOTICS ENFORCEMENT	> PUBLIC SAFETY	3.27	12
SUMMER YOUTH EMPLOYMENT PROGRAMS	> YOUTH	3.31	13
EMERGENCY MEDICAL SERVICES	> PUBLIC SAFETY	3.49	14
PROPERTY CRIMES	> PUBLIC SAFETY	3.49	15
BUSINESS/INDUSTRIAL ATTRACTION	> ECONOMIC DEVELOPMENT	3.78	16
DRAINAGE MAINTENANCE	> INFRASTRUCTURE	3.82	17
CHILD CARE SERVICES	> YOUTH	4.02	18
LOCAL BUSINESS DEVELOPMENT	> ECONOMIC DEVELOPMENT	4.07	19
PARK MAINTENANCE	> INFRASTRUCTURE	4.09	20

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SERVICE CATEGORY	KEY RESULT AREA	WEIGHTED AVG SCORE	OVERALL RANKING
MASTER PLAN DEVELOPMENT	> PLANNING	14.25	90
CITY-WIDE REZONING	> PLANNING	14.51	91
NEIGHBORHOOD/COMMUNITY GROUP COMMUNIC.	> COMMUNITY RELATIONS	15.27	92
SUBDIVISION REGULATION/ZONING	> PLANNING	15.53	93
PUBLIC INFORMATION DISSEMINATION	> COMMUNITY RELATIONS	20.18	94
CITY CABLE CHANNEL PROGRAMMING	> COMMUNITY RELATIONS	22.91	95

Source: Management Services Department,
San Antonio, TX, June 26, 1993.

CHANGES TO LAYERS OF MANAGEMENT

Goals for Rightsizing

Number of Employees

Less than 50

50 to 125

More than 125

Layers

2 or less

3 or less

5 or less

DEPARTMENT	NUMBER OF EMPLOYEES	LAYERS OF MANAGEMENT *	
		BEFORE RIGHTSIZING	AFTER RIGHTSIZING
Airport	225	6	5
Animal Control	56.5	3	2
Budget & Evaluation	11.75	3	2
CDOT	419.25	6	5
CIS	72.5	3	3
City Clerk	6	2	2
Community Development	50	3	3
Community Relations	12.25	2	2
CMUD	673.75	8	5
Customer Service	9	—	—
Economic Development	3	1	1
Employment & Training	25	2	2
Engineering & Storm Water	156	6	5
Finance & DIRM	128	5	4
Fire	800.75	5	4
General Services	231.75	6	5
Human Resources & Training	26	3	2
Legal	14	2	2
Mayor & City Council	18	—	—
City Manager	15.75	2	2
Neighborhood Services	20	2	2
Planning	41	2	2
Police	1201	6	5
PS&I	16	3	2
Purchasing	15	2	2
Solid Waste	431	5	4

* Numbers represent the greatest number of layers within the department's organization

Source: Rightsizing Update, presented to the City Council of Charlotte, NC, March 1, 1993, pg. 80.

What Have We Accomplished?

Training

* Focus of Rightsizing has been on providing opportunities for training and retraining

* Training has concentrated on:

-Managing Change and Stress, reaching 2,600 employees

-Work Team Basics (how to work in teams and team building) reaching 750 employees

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Training Summary

As a part of the Rightsizing efforts the Training Team began reporting to the City Manager's office in April 1992. Five employees from other City department's were added to the staff in a temporary assignment to accomplish the following training goals:

- provide training in managing change and stress
- provide training in team development
- continue literacy training

Change/Stress

The Training Team delivered 109 four-hour classes in Change/Stress Management and 38 two-hour classes.

Curriculum included characteristics of organizations in change, of individuals in change and recognizing and managing personal stress.

In a random sample of course evaluations, 90 percent of class participants rated the course as very good or good in usefulness and 98 percent rated the instruction as very good or good. Sixty percent of the participants listed strategies for handling stress as the most beneficial part of the course.

As a follow-up to the class, the training team conducted a 16 hour pilot class in managing personal stress. Curriculum provided more in-depth information on the strategies for handling stress and included practice sessions. As a result of the class, one participant quit smoking, one joined an exercise class and the group formed a support group that meets periodically during lunch hour.

Teams

Four, eight-hour classes in forming and developing teams were taught by Cornelius and Associates for the City's management staff, department heads and other key personnel. In a sample of evaluations, 100 percent of the participants rated the course as very good or good in usefulness. Four departments arranged follow-up meetings with the instructor.

The training team taught 34 four-hour classes in Workteam Basics for supervisory and remaining management personnel. The curriculum included the benefits of teams, team processes and team leadership. Eighty three percent of participants rated the material very good or good in usefulness and 96 percent rated the instruction as very good or good.

Since initial education efforts began, seventeen groups/teams in eight departments have notified the Training Team of continuing team training efforts. The Training Team is consulting/teaching ten of these groups and seven have used outside consultants.

Literacy

Training Team staff continue to coordinate the Communications Improvement program, an initial project to enhance the reading and writing skills of supervisors. The supervisors are taught basic communications skills using the vocabulary, forms and reports that they use on their jobs. Four departments are participating in the program.

CMUD has four tutors working one on one with individual supervisors. Their program resulted in experimental changes in the department's accident reports and crew sheets.

Solid Waste trained all its crew chiefs in writing accident reports and performance appraisals. The classes resulted in a review of the department's job standards.

CDOT has two tutors working one on one with individual supervisors. The department's coordinator, trained as a tutor previously in the program, used the skills he learned to help fifteen of the department's employees pass their commercial driver's license exams. All of the students who attended the tutoring passed with a score of 98 percent, the highest rate in the state.

Source: Rightsizing Update, presented to the City Council of Charlotte, NC, March 1, 1993, Pgs. 82-84.