

BY RICH CARSON

10 STRATEGIES FOR SMALL TOWN USA

Creative ways to survive these hard times

“My Hometown” is a song written by singer Bruce Springsteen. In it, his words encapsulate the current reality of small cities. Springsteen sings, “Now Main Street’s white-washed windows and vacant stores. Seems like there ain’t nobody wants to come down here no more.”

My view of these words: Small towns in the United States are going broke, and they need help. They don’t have the necessary fiscal or new resources to survive the current recession.

ABC News reported that since January 2009, “636,000 state and local jobs have been cut. In 2011 alone, 113,000 jobs were cut in local schools, 68,000 jobs were cut in local government administration, and 78,000 jobs were cut in state government administration, according to a Commerce Department report.”¹

Anyone who works for a local government organization knows about these hard times. In order to preserve a minimum level of essential services they have pursued strategies that are often counterproductive:

- Tried to creatively find new revenue sources that fail at the ballot box.
- Laid off employees considered nonessential.
- Eliminated expenses for training and travel for most employees.
- Deferred maintenance of public infrastructure.
- Cut contracts to consultants.

All of these strategies undermine the local government’s ability to effectively provide cost-effective services to residents.

America boasts a considerable number of small city and county governments. According to the U.S. Department of Agriculture, 50 million people live in nonmetropolitan areas. These areas—“widely used to depict rural and small-town conditions and trends—contain 17 percent of the U.S. population but extend across 80 percent of the land area.”¹

One of my more recent jobs was serving as the interim city manager for an Oregon town of 1,100 people, where my job was to hire a full-time city manager, complete the annual budget, and prepare performance audit recommendations to increase efficiency. Based on my 30 years of local government experience, here are several ideas on how a small town can survive.

1. Evaluate whether your community needs only a part-time manager. A part-time city or county manager could, for example, save a community about \$50,000. That money could then pay for hiring another local government employee with specific responsibilities, for example code enforcement or city planning.

Keep in mind that many former managers don’t want to or can’t work full-time. I tell you this as a matter of personal experience. I am 65 years old and semi-retired. I retired from a state public retirement plan, and I am limited by law to work less than 1,040 hours a year in a public position. If I fail to comply, then my retirement payments are suspended.

To complicate things, Social Security limits what I can make until I reach my full retirement age of 66 years old. I’m

certain there are other retired managers like me, so there is a pool of talented and experienced local government managers available.

Let me clarify one thing. I do not advocate replacing a full-time or part-time manager with an elected official or mayor at any price. Elected officials who don’t have management experience can end up costing more money than they save in terms of litigation and simple mismanagement.

2. Outsource the police or fire department to a county or regional authority. Keep in mind that economies of scale are being considered here. This is about less administrative overhead and not about response times or service levels. You can negotiate the latter.

3. Consider switching to a volunteer fire department. In a small town, volunteer firefighters probably live close by. I do think it is important to have a full-time, paid fire chief and at least a part-time administrative person to take care of expenditures and billings.

EMT services can be provided by a local government or they can be outsourced to another agency or company. EMT services are reimbursed by medical insurance companies and can pay their way. But if a volunteer fire department is used, don’t operate it too cheaply. Pay association dues and training for volunteers. People without training shouldn’t respond to fire calls.

4. Consider splitting government administrative offices with another city, county, or port operation. Money can be saved by sharing administrative functions, including receptionist, computer hardware and software, phone system, finance (e.g., billings, budget), supplies, legal and technical consultant services, meeting space, and building costs (e.g., heating, cooling, janitorial, maintenance).

A city or county can remain a separate legal entity by having separate

offices for the city or county administrator. It also might be possible to consolidate other personnel and equipment over time.

5. Contract out code enforcement work. Records might demonstrate that a part-time or contract employee would be economical. It would also be important to have the code-enforcement person actually issue fines so the position creates some revenue.

6. Use a time- and equipment-management software program.

This enables staff time to be tracked by both fund categories and types of activities. The same can be done for equipment use.

Staff expenditures can be budgeted to the appropriate fund. An administrator would know, for example, what activities take up most of his or her

time and charge time to the appropriate accounts.

7. Develop a multiyear strategic and budgetary plan.

Local governments are functioning year-to-year in a fiscal death spiral without a plan. Strategic planning will help chart the path forward to a balanced budget and a functioning community.

8. Undertake leading management practices in all departments.

Local governments waste taxpayer money if they are on a constant course of damage control. Identifying leading practices can also lead to hiring employees who understand the specific operational needs of each department.

9. Establish precise performance measures for staff.

What gets measured gets done. Quite frankly, if administrators don't

know how well their local government does at achieving hard-and-fast established objectives, then how do they know a community is getting its money's worth?

10. Consider creating regional authorities.

Cities and counties can evaluate merging fire, parks, water, or sewer with other entities. These new entities will have their own tax base and their own independent boards, thereby depoliticizing and decreasing the competition between services. **PM**

ENDNOTES

1 <http://www.ers.usda.gov/AmberWaves/March11/DataFeature/>



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