

Session

Reducing Personnel Costs

Moderator

David E. Keller

Assistant City Manager / CFO
City of Weston, Weston, FL

Speakers

Sue Iverson

Finance Director / Treasurer
City of Arden Hills, Arden Hills, MN

Eric R. Johnson

Assistant County Administrator
Hillsborough County, Tampa, FL

Linda Mesegadis

Director of Citywide Payroll and Administrative Services
City and County of Denver, Denver, CO

Reducing Costs with Part Time and Temporary Labor

- I. Identify if there are tasks and duties that can be assigned to lower lever or part-time staff. (Ex. Transactional processes)
- II. Identify the skill sets required for the position (tasks that are easy to train and at lower rate of pay – ex. Utility meter readings, data input, filing, microfiche scanning)
- III. How long is the need or project/job
- IV. Utilize college interns – establish an internship program (partner with State organizations, host or attend job fairs)
- V. Establish a relationship with area schools (partnerships with high schools can be very beneficial as it provides opportunities for students to learn job skills and can be a source of temporary staff for lower paying jobs for the city)
- VI. Evaluate/consider the use of other temporary employees or contracts (seasonal workers in parks, independent contractors as engineers for a specified time period to work on projects)
- VII. Benefits to the organization are savings on salaries, fringe benefits, additional expertise that might not otherwise be found on staff, additional capacity on non-recurring projects, reduces overtime costs.
- VIII. Case Study – City of Arden Hills, MN

Short-term and Long-term Strategies for Reducing Personnel Costs

- I. Surveyed cost reduction strategies – ICMA study shows Aaa-rated governments have used more measures to address the fiscal crisis – many of them reflecting personnel cost reduction strategies.
- II. Position-related short-term and long-term strategies
 - A. Leave vacant positions unfilled – the most widely used strategy for addressing fiscal crisis
 - B. Eliminate positions
 - i. Adjust programs to reflect variable demand (e.g., building permitting/inspection)
 - ii. Improve productivity (e.g., cases per case manager)
 - iii. Streamline administrative activities
 - iv. Downsize management
 - C. Lay off staff
- III. Compensation-related short-term and long-term strategies
 - A. Freeze salaries/benefits – a strategy used by a majority of Aaa-rated cities and counties
 - B. Implement furloughs
 - C. Reduce salaries/benefits
- IV. Lessons learned in Hillsborough
 - A. Reductions-in-force and the consequences of widespread “bumping”
 - B. Furloughs – Cost reduction versus productivity and service losses
 - C. Overtime pay – Not really what FDR had in mind with the Fair Labor Standards Act

Reevaluating Your Workforce Costs

- I. Extending the value of the Denver's ERP system
 - A. Removing manual processes
 - B. Decentralization vs. centralization
 - C. Process ownership
- II. Creating a new team for citywide payroll operations
 - D. Customer service
 - E. Compliance
 - F. Empowerment of employees and managers
 - G. Efficiency
 - H. Technology
- III. Improved payroll processes
 - I. Control labor costs
 - J. Minimize compliance risk
 - K. Improve workforce productivity
 - L. Increased accuracy in leave balances
 - M. Increased controls in management of leave administration
- IV. Savings and ROI