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# CUT LOCAL TAXES

## without reducing essential services

By Robert W. Poole, Jr.

A National Taxpayers Union Handbook

*Cut Local Taxes* is a "do it yourself" handbook that could save the hard pressed American taxpayer tens of millions of dollars.

Increases in State and local government costs and especially state and local government employment are the areas where big capita government spending has gone up. In fact state and local government employment has doubled since 1960. It has gone up from 6 million to 12 million people and is now more than four times the number of federal employees. This is where the fiscal action is. This is a key to higher taxes and inflation.

This handbook is an intelligent attempt to come to grips with this problem. It is not a neanderthal approach which would cut spending by cutting services or causing anarchy. Instead it is an effort to get more bang for the state and local tax buck—an effort both long overdue and badly needed.

If this book were in the hands of every mayor, city manager, county executive and governor and they, in turn, acted on its constructive and innovative suggestions, the heavy burdens of state and local property, sales and income taxes could either be slowed or cut.

I recommend *Cut Local Taxes* as must reading for all those elected and appointed officials in a position to act.

Senator William Proxmire
D-Wisconsin

Those of us in the trenches, so to speak, of political life who want to reduce the burden of government taxation at every level have a distinct problem. Most voters are not ideologically motivated. They do not commit themselves to a position because of its consistency with some grand intellectual scheme. So when we face the prospects of putting our votes on the line—in Congress, in the state legislatures, in the county commissions—we have to defend our actions by using "dollars and sense" arguments, not simply the argument from ideological purity. The first argument, of course, should be moral in nature if it is to carry weight in the long run. It is not the task of the political authorities to redistribute the wealth of one group of taxpayers for the short-run benefits of some other group. Theft, whether performed with a gun directly or with the gun of the civil government, is still theft. But this argument does not carry much weight in the short run, and especially when we face bread-and-butter concrete issues.

Yet it is in the area of specifics that the "vote no" politicians have been least successful in presenting their case. One reason has been the lack of specific information concerning actual programs that have demonstrated their efficiency in the market for traditionally government-supplied services. It is one thing to claim, on faith, that a free market can supply such services more efficiently; it is something else again to be able to point to actual successes.

This little book pulls back the veil of false analysis that has covered our view of the versatility of the free market in supplying traditionally political or government-related services. It reminds us that voting no in today's bureaucratized, subsidized, and monopolized political economy, is actually a yes vote on productivity. We *can* cut taxes and get the services we need. This is a far more pleasant prospect than the one offered to us by the political monopolists: ever-increasing taxes and reduced services.

Honorable Ron Paul, M.D.
Member of Congress

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Further copies of "Cut Local Taxes" may be ordered from the National Taxpayers Union, 325 Pennsylvania Avenue SE, Washington, DC 20003. Two dollars per copy; $1.50 for two to ten copies; $1.20 for 11 or more. All prices postpaid.

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A final word on taxpayer activism. Many groups now seek property tax reform that would simply offset cuts in local taxes with a rise in income and sales taxes. If successful, such efforts will leave taxpayers no better off than they are at present. The only productive course of action is to reduce government spending, preferably without diminishing the quality of services. This is the goal of *Cut Local Taxes.* In surveying reforms that your community can adopt, the handbook shows how you can shrink your local budget.

If you want your local taxes to keep rising, you have only to do nothing. On the other hand, if you want to keep what you have earned and prevent your community from succumbing to fiscal ailments, you will find the ideas in this handbook most useful. They will do the work of a meat-axe with the precision of a scalpel.

Mark Frazier
Director, Local Government Center
221 West Carrillo Street
Santa Barbara, California 93101

# I. Fat in the Fire Department

**"When a fellow says it ain't the money but the principle of the thing, it's the money."**

**—Frank McKinney Hubbard**

The fire service is an area in which significant economies are possible, but are seldom achieved, since city administrations are generally reluctant to risk charges of "compromising the lives and property" of their citizens. Yet the experience of a small number of enlightened jurisdictions proves that fire protection can be provided economically *without* loss of public safety.

Before reviewing some of the methods which can be applied to reduce costs of an existing municipal fire department, let us consider some alternatives to creating such a department, which generally are more cost-effective.

## Options

• *Volunteers.* In smaller cities and rural areas, volunteer fire departments are still the rule, not the exception. As of 1974 there were some 21,000 volunteer fire departments in the United States compared with only 3500 paid departments. Since about 90 percent of the cost of a paid fire department is labor-related, a volunteer fire department costs only about 10 percent of what a paid fire department would. Although some volunteer departments are of poor quality, others are first rate. The Auburn, California (pop. 7000) 75-man volunteer department has an I.S.O. (Insurance Services Office) rating better than most paid departments. Because serving in the department is a matter of great community pride, there is a long waiting list—a situation common to many such departments. Smaller communities with volunteer departments should upgrade them if necessary (add personnel, improve training, hire a professional chief, or buy newer equipment), rather than give in to pressure to "professionalize" by paying salaries. And small communities with paid departments should seriously consider going volunteer, as Orcutt, California (pop. 27,000) recently did at a 60 percent first-year savings.

• *Private contract.* A second alternative to a municipal fire department is to contract for fire protection from a private firm. Because they compete for clients, such firms have major incentives to develop innovative methods for operating efficiently. The most successful is the Rural/Metro Fire Department of Scottsdale, Arizona (pop. 96,000), which provides fire protection to 13 communities in that state and one in Tennessee. In its largest city, Scottsdale, the company provides fire protection on an annual contract basis for about *one-fourth* the national average cost per capita (for cities in the 50-100,000 population group),[1] and about one-half the cost of municipal departments in nearly-identical cities. Other private fire protection firms exist in Grant's Pass, Oregon (pop. 14,000), and outside Billings, Montana (pop. 67,000). For seven years the Wackenhut Corp. has operated a 150-man fire department for the Kennedy Space Center at Cape Canaveral, Florida. Both Rural/Metro and Wackenhut welcome inquiries about providing service.

• *Government contract.* Another alternative is for a city to contract with an adjacent jurisdiction's larger fire department, thereby taking advantage of economies of scale (fewer administrative positions, no overlapping response areas, etc.) to obtain fire protection at lower cost. A number of California cities in Monterey, Orange, San Bernardino, and Riverside counties contract for fire service from the California Division of Forestry (CDF), at savings of 20-30 percent relative to comparable city departments. In 1975 the city of Placentia (pop. 28,000) in Orange County responded to a firefighters' wildcat strike by abolishing its city department and contracting with CDF. Contracting for fire service also exists in a number of cities in Illinois, Pennsylvania, Ohio, Minnesota, Virginia, Kentucky, Tennessee, Maryland, and New Jersey.

• *Inter-city consolidation.* Many of the cost advantages of inter-city contracting can be obtained by consolidation of adjacent fire departments in highly urbanized areas. The advantages of such an arrangement include elimination of overlapping/redundant stations, reducing administrative positions, centralization of dispatching, large-scale purchasing power, and greater flexibility in making use of men and equipment. All of these translate into hard dollar savings. In Orange County, California, the city of Huntington Beach (pop. 141,000) enacted a joint powers agreement with three adjacent cities in 1968 to consolidate dispatching and station location. The joint operation requires 14 rather than 18 stations and six rather than eight ladder companies for a savings of more than $1 million annually. A similar consolidation was achieved among six cities in Contra Costa County. In Los Angeles County, the Consolidated Fire Protection District now includes 36 cities which cover nearly 250 square miles and contain more than 900,000 people (and continues to grow as its success becomes better known.)

## Economizing within a department

Even if none of the above alternatives proves feasible, there are still many ways in which municipal fire departments can operate more efficiently. Three major areas for cost savings are discussed in the paragraphs below.

• *Personnel policies.* As noted earlier, labor-related expenses comprise about 90 percent of the cost of a municipal fire department. Consequently, the greatest potential for cost saving lies in reducing the cost of fire personnel. A host of methods is available to do this. One of the most significant is the use of two-man engine companies supplemented by paid reservists—the "Scottsdale Plan," pioneered by the city of Scottsdale, Arizona and the Rural/Metro Fire Department, Inc. The basic idea is to reduce to a minimum the number of men being paid full-time salaries and fringe benefits for sitting around waiting for a fire to occur. The full-time paid men are then supplemented by a large force of reservists who are paid a monthly retainer and an hourly rate for time spent attending monthly training sessions and responding to fires. In Scottsdale each reservist (who is generally a city employee) is on call for one week of every four. During his on-call week, the reservist is equipped with a portable paging unit that can summon him to a fire. Other cities operating such a program include Dennison, Texas (pop. 25,000), Carpinteria/Summerland, California (pop. 14,500), and Santa Maria, California

(pop. 34,000). The use of paid reservists can save 20-40 percent of a department's budget.

Other personnel changes can lead to additional, though less spectacular, savings. Manning some or all stations at night by volunteers or reservists paid the minimum wage can provide important decreases in costs. The Citrus Heights Fire Protection District in Sacramento County, California uses college students as night reservists; the students attend school during the day, pay rent for city-owned quarters, and receive the minimum wage for on-duty time at night. Downers Grove, Illinois (pop. 33,000) uses a similar concept for all of its night manning, at an estimated manpower cost savings of 33 percent. Another avenue for savings is to make more productive use of firefighters' on-duty time, thereby saving money for the fire department and/or *other* city departments. The Rural/Metro employees in Scottsdale spend some of their time building new fire engines, repairing city water meters, and assembling the specialized refuse containers used by the city. In Plainfield, New Jersey (pop. 47,000) the firefighters perform *all* city inspection functions (building and housing code enforcement, etc.), not just fire inspection. The Glenview, Illinois (pop. 30,500) firefighters operate an offset printing press as the city's printing department.

• *Station location.* Another way of reducing labor costs is to eliminate unnecessary fire stations, or to reduce the manning at marginal stations (those with less frequent activity). In many metropolitan areas, adjacent jurisdictions have fire stations located quite close together; as is done in the case of consolidated departments, such cities can work out mutal aid agreements to let one city's station serve a portion of the adjacent city's territory. Orange, California (pop. 77,500) does not fully man its six fire stations. Instead, it operates a two-man "flying squad" based at a central station, which is sent as needed throughout the city to supplement each station's assigned manpower. Savings are estimated at $50,000 per year.

Some larger cities are using a sophisticated computer program to determine the optimum location for new and replacement fire stations. Developed by Public Technology, Inc. (PTI), the program uses a variety of data inputs, such as street layouts and alarm history by area, to specify how many stations are necessary, where they should be located to avoid overlapping, the predicted response time, and the estimated number of alarms at each station. The PTI program is being used by several dozen cities, including Denver, New Orleans, Dallas, Long Beach, San Diego, and Wichita. Not all are using it to reduce costs, but those that are, such as San Bernardino, California (pop. 111,000), expect "major" savings in both capital and operating costs.

• *Technological innovations.* A final avenue to cost savings is the use of advanced technology for "manpower multiplication," that is, replacing labor with capital. One of the most impressive is a remote control firefighter, known as the Snail, now in service in Scottsdale, Arizona. The battery-powered device runs on tractor treads and drags several hundred feet of 2½-inch hose connected to a swivelling, controllable nozzle. Since it can withstand temperatures of up to 700°

F., it can be sent by remote control into areas where men cannot safely go. The prototype was developed by Rural/Metro at a cost of $5000; production rights are being negotiated with one of the large fire equipment manufacturers.

Another innovation is the use of smaller, less expensive two-man "attack trucks" to replace some conventional pumpers. In many cities, trash and weed fires constitute a large proportion of the alarms. Such calls are readily handled by a pickup-type truck with its own water tank and pump. Substitution of a $6000 attack truck not only saves the cost of a conventional pumper (about $60,000), but ties up fewer firefighters. Attack trucks are not generally available off-the-shelf, but have been successfully constructed on a pickup-truck chassis by fire departments in Des Moines, Iowa (pop. 201,000); University City, Missouri (pop. 46,000); Cayce, South Carolina (pop. 10,000); and Scottsdale, Arizona. Scottsdale's department has saved substantial capital costs by building most of its own pumpers, using commercially-available heavy truck chassis and regulation fire pumps and other equipment. The company is a licensed fire equipment producer, and can turn out a typical 1000 gallons per minute pumper for about $30,000—about half the price of off-the-shelf equipment. The company has also developed a unique dual pumper which features a complete second pump (750 gpm) mounted on a forklift on the tailgate; this second pump can be left at one hydrant while the truck rolls to a second hydrant to connect its midship 1250 gpm pump. This design provides the equivalent of two pumpers in one vehicle, for little more than the cost of a standard pumper.

Where water pressure permits, another manpower multiplier is the use of a 4-inch or 5-inch diameter fire hose, rather than the usual 2½-inch variety. Larger hose permits more water to be put on the fire from a given source, enabling a smaller number of men to put a given quantity of water on the fire, and in some cases can be used to justify wider spacing of fire hydrants. Four-inch hose with quarter turn quick-disconnect couplings was pioneered in this country by the Scottsdale department, and five-inch hose is now being introduced by the fire department of Tacoma, Washington (pop. 155,000). Both departments have also developed a radio-controlled hydrant device, which allows a firefighter to open and close the hydrant by remote control, making it unnecessary to station an extra man by the hydrant with a wrench. This device is not yet in production.

## Ambulance Service

In recent years a nunmber of cities have found themselves getting into the emergency ambulance business, especially as Federal government and public pressure for sophisticated paramedic-type service has increased. Yet there is no inherent reason for cities to be providing such services; independent organizations have shown that excellent ambulance operations can be run at modest cost.

One of the most impressive emergency ambulance/paramedic/rescue services is the Bethesda/Chevy Chase Rescue Squad, Inc. Serving an area that includes northwest Washington, D.C. and Bethesda and Chevy Chase, Maryland, this non-profit corporation has an all-volunteer staff supported entirely by private

contributions. Its income comes chiefly from an annual door-to-door fundraising drive, supplemented by donations and interest income. In 1974 the squad responded to more than 8000 calls, including about 5000 rescue calls and 1015 auto accidents. It operates a modern, medically sophisticated fleet of six paramedic vans, a mobile intensive care unit, a sophisticated crash truck, three conventional ambulances, and a rescue boat.

The Rescue Squad was started in 1945 with one used ambulance. Despite its location in a booming suburban and urban area, it has been able to make the volunteer concept work—to the point where applicants are now on waiting lists to join. During the 1960s and 70s, the service grew rapidly; 150 volunteers now belong to the squad, which has an annual operating budget of about $220,000. Taxpayers in the area save millions of dollars a year when compared with those serviced by an equivalent fully-paid municipal ambulance service.

On occasion, critics concede that private organizations can provide service in densely-populated areas, but that government must step in to meet the needs of rural areas. Yet 480,000 rural residents of Louisiana's 6000 square mile Acadiana area are receiving sophisticated paramedic service from the Acadian Ambulance Service, Inc., a private profit-making company. In cooperation with hospitals in nine parishes (counties), the company has set up a special emergency radio network which can transmit digitally-encoded medical data from the on-scene paramedic vehicle to a doctor at each hospital. Its 24 ambulances, located at 13 substations, are dispatched from the company's Emergency Medical Dispatch Center, which handles more than 60 calls per day. The program meets all Federal standards for professional Emergency Medical Service (EMS) operations.

In providing this service, the company uses neither local tax money nor federal subsidy. The finances come from its $15 per year subscription service, to which some 74,000 families subscribe. Although Acadian's basic emergency service is available to everyone in the region, member families receive free emergency transportation and reduced rates on routine transfers. That, combined with the desire to support a valuable service, has attracted enough members to make the service profitable—as well as a source of great community pride.

# II. Better Policing—For Less

**"A switch in time saves crime."**
**—Roy B. Newell**

As is true of fire departments, personnel expenses constitute more than 90 percent of the cost of a police department. Consequently, most measures for reducing the costs of police service must work to reduce personnel costs. Personnel costs may be cut (or kept from rising) in a variety of direct and indirect ways.

It is becoming increasingly common for police departments to employ civilians in many support roles. Switching to civilians can reduce costs for two reasons. First, many of the tasks involved are not dangerous and do not require the skill and training typical of sworn police officers. Hence, lower paid employees may be used in these specialized positions. Second, even when the task would require an equivalent salary level, most cities provide a higher level of fringe benefits (as much as 50 percent higher) for sworn personnel than they do for civilians. Replacement of a sworn officer by a civilian thus saves money even at identical salary levels.

Dispatching operations are one area where civilians can play an important role, particularly in those communities that have adopted the 911 universal emergency telephone number. Seattle, Washington (pop. 503,000) and Monterey County, California (pop. 262,000) are among those realizing savings through this system. A number of other police departments also have gone to civilian dispatchers, including Phoenix, Arizona (pop. 677,000), Huntington Beach, California (pop. 141,000), and Garden Grove, California (pop. 140,000). In Ft. Lauderdale, Florida (pop. 39,600), civilians have been hired to investigate auto accidents and enforce traffic laws. The 16 civilian traffic safety aides have been empowered by the state legislature to issue traffic citations. The program, known as Selective Traffic Enforcement Program (STEP), has relieved police officers of 75 percent of the tedious and time-consuming traffic work.

A large percentage of the time of a typical police officer goes to activities of a public service nature. These duties reduce the time each officer has for crime control work and can lead to the employment of more officers than the level of crime requires. Some cities are coping with this problem by hiring civilian aides to relieve sworn officers of much of this workload. The Scottsdale, Arizona (pop. 96,000) Police Department has developed a "police assistant" program in which 18 to 20-year-old civilians respond in patrol cars to non-crime calls for service. The assistants must meet the same entry requirements as officers, but receive only about half the hours of training given to officers. In its first year of operation, with four police assistants, the program saved $26,000. In Miami, Florida (pop. 354,000), a similar program recruits 19 to 20-year-olds as Public Service Aides. After a ten-week classroom training course, the PSAs go through seven weeks of in-service training with a senior police officer, before receiving street assignments. The PSAs handle traffic direction at accident sites, write reports, refer citizens to

various public agencies, and carry out crime prevention programs. In 1975 the PSAs handled 80 percent of the calls received by the department. A similar program exists in Inglewood, California (pop. 90,000). In each of these programs, many of the young para-professionals go on to become sworn officers when they turn 21, thereby resulting in additional savings in recruitment and training expenses.

Other approaches can serve to hold down the number of sworn officers. One of the more important is to cut down on the hundreds or thousands of hours that officers typically spend in court waiting to testify as witnesses. Tacoma, Washington (pop. 155,000) reschedules traffic cases according to which officers are required as witnesses, to allow an officer to testify in several cases on the same day. The Ft. Lauderdale, Florida department has assigned a court liaison officer to the prosecutor's office. Officers are allowed to remain on call with the liaison officer rather than having to spend all day in court waiting for the case to be heard.

Another way to reduce the need for sworn officers is to schedule patrol shifts in accordance with varying demands for service. Since the evening hours usually generate far more calls for service than other times of day, a number of departments have adopted overlapping shift plans to increase the number of on-duty men in the evening, without increasing the size of the force. Typically, such plans involve changing to 10-hour shifts—hence the designation "ten plan." In North Charleston, South Carolina (pop. 25,000), such a program was begun in 1973. The 24-hour day is divided into three ten-hour shifts: one from 6 a.m. to 4 p.m., a second from 4 p.m. to 2 a.m., and the third from 8 p.m. to 6 a.m. Thus, between 8 p.m. and 6 a.m. the number of men on duty is doubled. Every officer is assigned to one of five squads, which works either four or five ten-hour shifts per week, averaging a 42-hour work week. A similar plan has been in operation in Huntington Beach, California since 1970, with the officers working four ten-hour shifts per week. Officer acceptance is high, and there are indications that the increased night-time manning reduces crime as well as permitting better response to calls for service.

In small and medium size departments, personnel costs can also be cut by consolidating expensive support services to serve several departments jointly. Dispatching, which requires 24-hour-a-day manning, expensive equipment, and a secure facility, can often be done far more economically on a shared basis. Five small cities in Texas—Port Neches (pop. 11,000), Groves (pop. 18,000), Nederland (pop. 16,800), Pear Ridge (pop. 3700) and Griffin Park (pop. 2100)—set up a joint dispatch system in 1971. The cities pay for the dispatch system on a per capita basis. A similar arrangement was set up in 1969 among eight police deparments in Muskegon County, Michigan (pop. 160,000). Prior to the Centralized Police Dispatch program, only three of the departments could afford 24-hour communications, though among them they employed 19 uniformed officers as dispatchers. Today, after a reorganization in 1972, the program operates a modern 24-hour-a-day dispatch center with five radio frequencies and eight incoming 911 telephone lines. The use of civilian dispatchers, combined with the economies inherent in a

single center, has reduced personnel costs by 42 percent. The eight jurisdictions pay for the program according to a formula based on population, assessed valuation, and calls for service. A similar eight-city dispatching system is under development in the South Bay area of Los Angeles County, including such cities as Inglewood, El Segundo (pop. 15,000), and Redondo Beach (pop. 62,000).

Dispatching is not the only support service that can be economically consolidated. Dodge City (pop. 14,000) and Ford County (pop. 22,600), Kansas, have combined their law enforcement dispatching, records system, and headquarters into one facility, in addition to combining their courts and jails. In Connecticut, 14 police departments, including New Haven, have developed a computerized regional information system, known as the Case Incident Regional Reporting System (CIRS). The system allows officers in each department complete access to the records on cases and individuals of all the other participating departments, thereby saving considerable time and effort, and improving the investigative capabilities of each. It also provides for automatic preparation of statistical reports for management information purposes.

## Inter-Agency Consolidation

Consolidation of small, adjacent police departments into a larger single department is frequently presented as a means to obtain more cost-effective law enforcement (either a higher level of service for a given price, or the same service at less cost). To a degree complete consolidation can be cost-effective, though the case for it is less compelling than in the case of fire protection, where larger cost-saving potentials—such as doing away with overlapping station areas—may exist. Most of the economies of scale available in police services can be obtained simply by consolidating support services, as discussed above. A study by Professors Elinor Ostrom and Dennis C. Smith has found no empirical evidence to support the proposition that larger size is associated with lower costs for local police protection.[2] Further, they found major *diseconomies* in serving areas larger than 250,000 population by a single police department, due principally to increased administrative complexity.

Ostrom and Smith also studied police *performance* in the St. Louis metropolitan area, surveying residents in 44 neighborhoods served by 29 jurisdictions. They found that on most indicators of performance, the size of a department serving a neighborhood was *negatively* related to performance, that is, the larger the police department the poorer its performance. Similar results have been observed in prior studies in the Indianapolis, Chicago, Grand Rapids, and Nashville areas.

This does not mean that no consolidation of police departments would ever make sense. In some cases, especially in very small towns, the cost of maintaining even one patrol car on a round-the-clock basis can be more than it would cost to obtain such service as part of a multi-city department. Five small communities in Pennsylvania, ranging in size from 380 to 10,500 people, formed the Northern York County Regional Police Department in 1972. In this case, three of the five had only had on-call service from the state police, and one had had on-call contract service from a neighboring department. The regional department now provides

24-hour-a-day service in all five communities. In general, however, the economies promised by departmental consolidation can be obtained in other ways, which preserve local control and autonomy, such as consolidating support services (above), or in the following ways.

• *Contracting with larger agencies.* Many cities have found it to be less trouble and more economical to purchase police service from a neighboring, larger agency than to set up and operate their own police department. Probably the most publicized example of police contracting is the "Lakewood Plan" in Los Angeles County. When the city of Lakewood (pop. 82,000) incorporated in 1954 its founding fathers negotiated a contract with the County Sheriff's Department to provide a specified level and type of police services, for an agreed-upon price, on a year-to-year basis. The cost was far less than the cost of setting up a police department from scratch; this fact was not lost on other incorporating cities and today there are 29 cities in the county obtaining police services under contract from the Sheriff. The idea has spread to 16 other counties in California, with a total of 61 cities under contract. Similar contract service exists in Atlanta, Georgia (pop. 451, 000) where the city police department provides contract policing to areas within surrounding Fulton County. In Connecticut, the state police provide contract policing for 46 towns under that state's "resident trooper plan." Other states where such law enforcement contracting exists include New York, New Jersey, Pennsylvania, Maryland, Wisconsin, Michigan, and Minnesota.

Contract law enforcement is generally a significant money-saver, in part due to the economies of scale involved: the larger agency can spread the costs of support services (dispatching, records, and crime lab) over many users. In addition, the agencies providing contract policing generally price their service at the marginal cost of providing the additional patrol cars and officers, rather than including a fully-allocated share of their overhead expenses. Thus, the city buying the service saves even more. In addition, the recipient city retains a considerable degree of control over the nature and extent of services supplied. Rather than coping with a bureaucracy entrenched in the city government (which *must* be supported year after year), the city is dealing at arms length with a supplier of services—which must be responsive or lose the business. The supplier agency therefore has a greater incentive to operate efficiently and provide the type of service desired by the city. The city always has the option of not renewing the contract and either setting up its own police department or seeking an alternate supplier. A small city in a large metropolitan area, in fact, may have several alternate sources of supply: the county sheriff and the several larger nearby cities.

• *Private contracting.* One additional source of supply, for some or all law enforcement services, is the private security industry. Richard Velde, administrator of the federal Law Enforcement Assistance Administration, recently urged the law enforcement community to form and foster a partnership with the nation's private security industry. Velde noted that a recent two-city study completed for his agency found that security expenditures in the private sector amounted to $88 million, compared with $78 million in the public sector. The four largest private

security companies, which account for about half of the industry's revenues, are Burns, Globe, Pinkerton's and Wackenhut.

The thought of private companies providing police patrol still raises many people's eyebrows. Although the bulk of the security industry's work consists of guard, alarm, and investigation services, there is nonetheless a growing trend towards provision of contract patrol service. Generally, private security officers have only citizens's arrest powers, the same as any other private citizen. Such private officers, operating under control of the principal local law enforcement agency, can legally do patrol, investigation, and all of the usual police functions; the only difference is their restricted arrest authority. It is this type of private force that is frequently hired to supplement a city's regular police force. Lexington, Kentucky (pop. 185,000) hired one such company to patrol its high-crime housing projects, as did St. Petersburg, Florida (pop. 234,000) to patrol its parks. Many cities in West Germany have hired private firms to patrol parks, subways, stadiums, and other public areas.

Because of the arrest powers limitation, however, several companies have gone on to enroll some of their employees in police academies, so that they can become qualified (sworn) as full-fledged peace officers. Using such employees, Guardsmark, one of the industry's larger firms, has obtained a contract to police the unincorporated town of Buffalo Creek, West Virginia, and has held discussions with Del Mar, California (pop. 5000) about replacing the latter's contract with the San Diego County Sheriff's Department. Wackenhut Corporation has provided contract police services to three separate jurisdictions in Florida. After five years of such service in the village of Indian River, the 15-man contract department was hired on as a permanent municipal department. Wackenhut also provides the entire police department for the ERDA Mercury Test Site in Nevada—an area of some 1600 square miles. Its officers, who have full arrest powers, carry out patrol, traffic, investigation, and technical security duties. In Arizona, the Rural/Metro Fire Department, Inc., provides a contract police department for the town of Oro Valley, in addition to its (non-sworn) security patrol contracts at five unincorporated "new towns," including well-known Leisure World.

Contract law enforcement by private enterprise is still in an embryonic stage, and it is too early to tell if it will save as much money as private-contract fire protection. But the experience to date with both private police contracting and government-to-government contracting is suggestive of significant cost savings for cities choosing these routes.

# III. Lessons For School Systems

**"In the first place God made idiots; this was for practice; then he made school boards."**

**—Mark Twain**

Public schooling constitutes the largest item of expenditure for most local governments. Moreover, in the past 25 years its costs have grown far more than the increase due to inflation and larger enrollment combined. From 1950 to 1974 annual expenditures on public primary and secondary schools increased from $6.7 billion to $61.6 billion, while total enrollment grew only from 28.6 to 49.7 million. Thus, annual *per pupil* expenditure has increased from $234 to $1239 over this time period—more than a five-fold increase. Even when the effects of inflation are taken into account, per pupil spending is still nearly two and a half times what it was in 1950. Yet despite spending more than two and a half times more on each student, educational achievement has actually declined over the past 10-12 years, as measured by every available standard of performance. A massive 1975 study by the Hudson Institute documents these figures.[3] The results suggest that more money, in itself, is not the answer to our public schools' failure. Moreover, analysis of public school problems—and occasional innovations—indicates that public schools can be operated less expensively without reducing educational quality, and in some cases, with *better* results.

As is the case with many other public services, schools are highly labor-intensive. The vast majority of their budget consists of salaries. Important cost savings can be realized by teaching a given number of children with fewer salaried personnel. From 1950 to 1974 the average number of pupils per teacher in public elementary and secondary schools declined from 27.5 to 21.4—a 22 percent decrease. If average absenteeism is included, the 1974 average class size drops to 19.8. In addition to teachers, most public school systems employ a host of principals, assistant principals, consultants, supervisors, librarians, counselors, psychologists, coaches, paraprofessionals, etc., plus a large and growing central administration.

For purposes of analysis, let us make a few assumptions. Assume that 60 percent of a typical school system's budget goes to teacher salaries, 30 percent to non-teaching and administrative personnel, and 10 percent to capital expenditure (paying off bonds for school construction and so on). If class size were restored to the 1950 average, the required number of teachers would be only 78 percent of the present number, saving 22 percent of that portion of the budget, or 13.2 percent of the total budget (22 percent of 60 percent). Further, if non-teaching personnel could be cut by one-third (by eliminating assistant principals and slashing the central administration), another 9.9 percent (33 percent of 30 percent) could be saved. Together these savings would total 23.1 percent.

But wouldn't such cutbacks result in poorer education? There may be a justification for smaller class sizes at the elementary level (though not all the

teachers need be fully-paid professionals), but the necessary research to settle this point has not yet been done. Certainly the results of the Hudson Institute study noted above, showing declines in student achievement over the years when class size was being reduced, cast doubt on the need for smaller class sizes. The Hudson study, however, lumped together primary and secondary schools. More recently, Harvard University researcher Christopher Jencks and Marsha Brown of UCLA completed a massive statistical study of the effects of *high schools* on their students.[4] They found that per-student expenditure was statistically unrelated to any measure of educational attainment or occupational success—that is, students from low-expenditure high schools were just as likely to do well as those from high-expenditure high schools. Even more surprising was the effect of class size. Larger classes, not smaller ones, were found to be correlated with educational and occupational achievement. Thus, at least for high schools, there appears to be a strong empirical case for both increased class size and reduced (or at least not increased) per pupil expenditure.

Another way of educating with fewer teachers is the Lancaster system. Joseph Lancaster was one of the pioneers in developing mass educational methods, opening his first school in London in 1798. His schools taught thousands of children, many of them from poor families which had previously had no contact with formal education. Yet the cost of Lancaster's schools was amazingly low—so much so that poorer children were educated at no charge. (Taxation to finance schools was unheard of in Lancaster's day.) The secret of his school's success was the "monitor" system. Lancaster or his head-master began by teaching fundamentals to a few of the most promising older children. Once such a child attained the required degree of proficiency in a subject, he became a monitor, a portion of whose time was devoted to teaching a group of 10 younger children. There were separate monitors for each subject—reading, writing, spelling, mathematics, etc. Besides teaching, the monitors took roll, gave exams, and generally managed the education of their younger charges. The school was ungraded, with children advancing at their own pace in each subject.

Lancaster established more than 100 new schools in England and the United States. Within 12 years after his death in 1838, however, his system had largely disappeared. Education had become principally the responsibility of government, which set out to "professionalize" it, in league with status-seeking teachers. The monitor system was attacked as undignified and unprofessional, since it was viewed as reducing teachers to mere supervisors of "transient, ignorant, unskilled monitors." The monitor system was banned outright by the New York City Education Department in 1846.

Today's costly and bureaucratized schools are the legacy of this over-professionalization. The monitor system has been rediscovered only in some "free schools" and other schools outside the public school system. Reintroduced into public schools, it could save vast amounts of taxpayer's money by reducing the number of paid teachers, and very possibly improve the quality of education by improving pupil motivation. Any such radical change, of course, would be stoutly

resisted by today's unionized teachers.

## Classroom problems

Although classrooms and other parts of the school physical plant account for a relatively small share of the annual school budget (being financed through long-term bonds), they should not be overlooked as a source of potential economies. School buildings need not be as much of an expense to the taxpayers. In many cases new buildings can be done without, and existing facilities can frequently be used far more economically.

For example, in large cities it is possible to operate high schools with no "school building" whatsoever. Rather than spend a million dollars for a new 500-student high school, the Philadelphia Board of Education in 1969 set up its now-famous "school without walls"—the Parkway School. This school takes advantage of the city's numerous downtown museums, institutes, universities, and businesses as locations for teaching courses. Thus, a student may learn geology at the University of Pennsylvania, architecture at an architect's office, crafts in a leather shop, printing in a print shop, home economics at the Philadelphia Gas Works, and so forth. Because of its experimental nature, Parkway's class size has been kept smaller than usual, with the result that the school costs about the same as a conventional high school. If normal teacher-student ratios prevailed, however, there would be a 10-15 percent savings—assuming that conventional rates were paid to the many people who taught courses. Lower rates could be paid if some businesses could be persuaded to donate their instruction time, thereby leading to even greater savings. A Parkway-type high school has also been set up in Chicago, and school boards in other large cities have shown active interest.

Another approach to reducing the need for school buildings is to make more extensive use of the ones that are already there. Why should most or all of the classrooms stand empty from 3 to 10 p.m. and all summer long? Few private organizations would invest so heavily in facilities and underutilize them to this extent. School districts could charge realistic rates for use of classroom and auditorium facilities for such purposes as adult education and public (or private) meetings. Charging only for janitorial service, or nothing at all, represents a subsidy from the general taxpayers to the group making use of the facilities.

In addition, there are few good reasons for most schools to shut down for three months every summer (except perhaps in primarily agricultural areas—covering about five percent of the population). About 100 schools in California are now operating on a year-round basis, including six elementary schools in the San Diego Unified School District. Those schools operate on the "45-15 plan," wherein pupils are assigned to one of four attendance groups, each of which attends school for nine weeks (45 days), followed by three weeks (15 days) of vacation. The four groups are staggered so that at least one is away on vacation at any given time, thereby requiring 25 percent less classroom capacity for the same number of pupils. By this method enrollment capacity can be increased without building new facilities. San Diego Unified estimates savings of $355,000 from not having to build an additional elementary school.

In some parts of the country the problem today is too many classrooms, not too few. The peak years of the postwar baby boom have now passed, leaving a number of elementary schools with excess classroom capacity. Rather than letting these classrooms stand idle, school districts should rent them out as private day-care facilities—a use for which much unmet demand exists. In some cases entire schools are becoming surplus; in such instances they should be sold or used by other government agencies instead of building new facilities such as community centers.

## Offering incentives

One possible reason for the public schools' failure to teach children to read and write is that the system gives teachers, assistants, and administrators little incentive to accomplish specific educational results. In the past five years there have been quite a few experiments with altering the incentive structure to deal with this problem.

In Dade County, Florida, an experiment at several schools involved decentralizing spending decisions to the level of individual teachers. The teachers were given a budget which they could spend as they saw fit, and specific educational performance goals to achieve. A portion of the budget was available for increased teacher compensation, in proportion to the results achieved. This program is one form of "performance contracting."

A more widespread form of performance contracting involves hiring an outside firm to teach either particular subjects or the entire curriculum, with the company's profit or loss tied to demonstrated pupil achievement. The idea is to reward *output* (achieving a given reading level, etc.) rather than *input* (so many hours of lecture). The Office of Economic Opportunity carried out a one-year demonstration project with performance contracting in 1970-71 and concluded that, overall, "there were no significant differences in the achievement gains" between pupils in the privately-run classes and pupils in conventional classes. But the OEO experiment was hastily conceived and implemented, lasted only a year, and involved only a few companies and schools. OEO's overall conclusion tends to mask the fact that some individual contractors did very well. In reading performance, pupils in 10 of the 18 contract schools outperformed their public school counterparts while the reverse was true in only six cases. Overall, 61 contract grades did better than their control groups, while 44 public grades did better. Further, the schools that did poorly with private contractors were those with a high degree of teacher resistance and conflicts between school administrators and contractors. In addition, the OEO cost-effectiveness study (which was never made public) showed that some of its performance contracts provided equivalent education at less cost per unit of achievement.

Other schools, not part of the OEO experiment, have achieved better results. Gary, Indiana's (pop. 178,000) mostly-black Banneker School was operated under contract for three years by Behavioral Research Labs of Menlo Park, California. The firm raised educational levels at a per-pupil cost that is ten percent less than the city pays in its other schools. In Philadelphia, BRL contracted to teach 15,000

children, mainly with very poor achievement records, and doubled their rate of improvement. Dorsett Educational Systems of Norman, Oklahoma, one of the pioneers of performance contracting, was excluded from the OEO experiment because of its heavy reliance on "controversial" audio-visual equipment. All six of its performance contracts yielded achievement gains greater than had previously been experienced in the schools in question. A Rand Corporation study of performance contractors with eight programs in 15 schools found that they made "pretty good, if not enormous gains."

In short, performance contracting, despite a mixed reception to date, appears to offer a means for increasing educational achievements, especially of disadvantaged pupils, at the same or less cost than conventional public school methods.

# IV. Cleaning Up Garbage Services

**"Never ask of money spent/where the spender thinks it went."**
**—Robert Frost**

In several previous cases, we have seen that independent contractors are beginning to get into the business of providing public services. In the case of garbage and trash collection, private contractors have long been active in the field. A recent nationwide survey conducted by Columbia University found that private firms collect residential refuse in twice as many cities as municipal agencies do, and that they collect non-residential refuse in three times as many cities.[5] Since municipal refuse operations tend to exist in larger cities, however, the number of people served by them is slightly greater.

Until recently, there was much debate about whether private or public refuse collection was more economical. Isolated comparisons (for instance, between San Francisco's franchised private operators and New York City's Sanitation Department) gave a substantial edge to the private sector, but said little about the relative economics of refuse operations in small and medium sized cities. Fortunately, the Columbia University study also investigated this question in detail. To understand the study's findings, we must define the four basic types of refuse operations.

1. *Municipal* refers to government-provided refuse collection service.
2. *Contract* refers to the hiring of a single private firm to collect refuse for the entire city, with payment of the firm by the city.
3. *Franchise* refers to the grant of exclusive rights to a firm to collect refuse in a specific area of the city, with the firm paid by its individual customers.
4. *Private* refers to refuse collection by one or more firms without government involvement; multiple firms may compete for businesses in the same area and each is paid by its individual customers.

There are significant differences in the efficiency of refuse collection among these operations, but the differences vary, depending on the size of the city. There are three basic cases:

- *Cities under 10,000 population.* Contract and franchise operations are about equally efficient, and are more efficient than either municipal or private operations.
- *Cities of 10,000 to 50,000.* No significant differences in efficiency seem to exist.
- *Cities of over 50,000.* Contract service is significantly more efficient than the other three types, with municipal and private operations being equally costly and franchise service falling somewhere in between.

One conclusion stands out markedly from the above cases: for most sizes of city, refuse collection by private firms is more efficient than collection by a government department. The study identified a number of factors that contribute to this difference, for cities over 50,000 population. Absenteeism rates are far higher among employees of municipal agencies than in contract firms (12 percent versus

7.5 percent). The municipal departments also have larger crews (an average of 3.26 versus 2.18) and serve fewer households per shift (632 versus 686). They spend more time servicing each household per year (4.35 man-hours versus 2.37), and fewer use labor incentive systems (80 percent versus 89 percent). Finally, municipal agencies tend to use trucks with smaller carrying capacity (19.8 cubic yards versus 23.1 cubic yards), leading to more frequent trips to the dump.

As a result, it costs the average municipal agency in these cities *68 percent more* than it costs the average contract firm to provide twice-a-week curbside collection service. In addition, the study found that the typical city budget breakdown, for a city with municipal garbage service, understates the actual cost of such service by 18 percent, making cost comparisons relying on city budget data somewhat conservative.

Based on these results, what should a city with a municipal department do if it is seeking to cut costs? A city smaller than 10,000 population can generally save money by changing to contract or franchise collection, so long as the local refuse collection industry is competitive. Cities of under 30,000 population could well consider joining together to form a larger market on the order of 50,000 people, and either form a joint municipal agency or hire a single contract operator. Cities between 50,000 and 100,000 population can achieve significant economies by contracting with a single private firm, as Utica, New York (pop. 86,000) recently did. Since few economies of scale exist beyond 50,000 population, cities larger than 100,000 should divide their territory into districts of about 50,000 people each, and contract with several different private firms. Montreal, Quebec (pop. 1,214,000) is divided into 198 districts, of which the city operates 18 while 180 are contracted out. The largest contractor covers 68 districts, but some firms are single-district operations. St. Paul, Minnesota (pop. 287,000) has 40 to 50 companies, Minneapolis, Minnesota (pop. 434,000) has 50, and Wichita, Kansas (pop. 261,000) has 80. San Francisco (pop. 687,000), which uses franchise rather than contract companies, is divided into only two districts, but the two companies still operate very efficiently, charging an average of only $40 per household per year. In 1972, Akron, Ohio (pop. 262,000) reorganized its municipal refuse department; it now operates 18 routes with municipal crews and six with private contractors, with annual review of comparative costs to determine whether to expand private service.

The private refuse collection industry is growing rapidly. The three largest firms are Browning-Ferris Industries of Houston, Texas; Waste Management, Inc. of Oak Brook, Illinois; and S.C.A. Service, Inc., of Boston, Mass. All three are chain operations, which have grown by acquiring local companies in numerous cities and states. Such firms can afford sophisticated new types of equipment, especially by means of large-scale purchasing at up to 25 percent off list prices. The growing sophistication of large private contractors has helped convince officials of such cities as Boston, Omaha, Detroit, Dallas, and Charleston, South Carolina to move increasingly to private contractors in recent years.

## Doing more with less

If converting to contract service is unfeasible for a city, there are still many things that can be done to increase the efficiency of city refuse collection. The list of reasons why municipal refuse departments tend to be more costly than private firms provides a number of clues to making the operation more efficient.

One of the largest areas of potential savings is crew size. Figures gathered by the International City Management Association (ICMA) in its annual survey of 1000 American cities show that 11 percent of the cities responding had crews of four or more men for backyard pickup, and two percent had five or more men for *curbside* pickup. Yet with more than two men for curbside pickup and more than three for backyard pickup, the amount of time crewmembers spend on such non-productive activities as riding and waiting increases considerably. On the other hand, many cities have been able to switch to *two-man* crews for backyard service and *one-man* crews for curbside collection, thanks to new types of equipment and skillful labor relations. The 1975 *Municipal Yearbook* reported that some 50 cities now operate one-man refuse collection trucks; by now, the total is probably higher.

Some examples will illustrate the methods used to achieve the economies of reduced crew size. Huntington Woods, Michigan (pop. 8600) redesigned the routes and replaced two two-man rear-load trucks with a single one-man, side-load truck, achieving net annual savings of 28.4 percent with no reduction in service level. Inglewood, California (pop. 90,000) switched to one-man side-loading vehicles over several years, encountering no labor resistance at all. The city transferred as many collectors as possible to other public works jobs, and otherwise reduced manpower by attrition through retirement and normal turnover. The city also established a career-ladder plan whereby refuse collecting is considered an entry-level public works job; the city provides in-service training and subsidizes outside education to increase job-related skills. Consequently, morale with one-man crews is actually higher than in the days of two-man crews. And the city's labor man-hours for refuse collection have been cut in half. Among the other cities to have switched to one-man crews are Miamisburg, Ohio (pop. 14,800), New Brighton, Pennsylvania (pop. 8000), and Visalia, California (pop. 34,800).

A number of cities have invested in specialized equipment in order to make one or two-man collection easier and more productive. Partially mechanized systems, using 80 gallon carts which are rolled to a lifting device for emptying into the trucks, have been introduced in Ft. Lauderdale, Florida (pop. 140,000), Shorewood, Wisconsin (pop. 15,000), and Albemarle, North Carolina (pop. 11,000). These systems are being used for once-a-week, curbside collection. For alley collection, fully mechanized pickup systems using 300 gallon containers that serve three or four homes can be employed. Among the users of such systems are Odessa, Texas (pop. 78,500) and Littlefield, Texas (pop. 7000). Fully mechanized curbside collection systems, based on 90 gallon roll-out containers, are being used in Phoenix Arizona (pop. 677,000); Taft, California (pop. 4000); and Alliance, Ohio (pop. 7000). Covina, California (pop. 32,000) is using a fully mechanized

system that picks up plastic bags of refuse from the curbside while moving at a continuous 10 m.p.h. The system can accomplish in a single hour what once took eight. Covina has been able to cut back from six two-man trucks to two one-man vehicles, one of which serves only for back-up purposes. Other cities using plastic bags—but not mechanical pickup—are Dennison, Texas (pop. 25,000) and River Rouge, Michigan (pop. 15,000). The latter has not reduced the size of its three-man crews, but has cut their number from six to three, reducing costs by 58 percent due to the time savings in handling light-weight bags rather than 50 lb. storage drums. Scottsdale, Arizona (pop. 96,000) has developed two mechanical pickup systems which automatically empty special polyethylene containers into the trucks.

Another equipment innovation which can reduce manpower requirements is the transfer station. The basic idea is to reduce the number of lengthy trips to the incinerator or landfill site by providing one or more in-town sites where the collection trucks can offload the refuse and return to their routes. The refuse is then compacted and transported to the ultimate disposal site in larger, special purpose trucks. Among the many cities using transfer stations are University City, Missouri (pop. 46,500) and Hamilton, Ohio (pop. 68,800). The neighboring Texas cities of Plano (pop. 40,000) and Richardson (pop. 63,500) share a transfer station equipped with multi-load heavy duty compactors. Each city pays in proportion to the tonnage of refuse it delievers. Abilene, Texas (pop. 92,000) has installed compactors at 15 decentralized locations on the premises of large business customers. The compactors will reduce the volume of refuse at these locations so that pickups can be decreased from four per week to one every six days. The storage containers can be loaded mechanically, enabling the route to be served by a one-man truck.

Redesign of route structure offers further economies for many collection agencies. The National Center on Productivity has found that most city routes are not economically arranged, tereby wasting costly manhours and fuel, and causing increased vehicle maintenance. Such poor routing generally results from three factors: the routes do not minimize travel time between the area served and the disposal site, the districts served are imbalanced (with uneven workloads, etc.), and individual route paths are not designed explicitly to minimize the distance and time required to serve them.

Optimal route design can be a formidable job, especially for cities lacking in computer analysis capabilities. Fortunately, technical assistance has recently become available from the Environmental Protection Agency (EPA) Office of Solid Waste Management Programs. The specific program is called the Major Technical Assistance Program (MTA), and has so far been used in 19 cities. Under the program, Portland, Maine (pop. 65,000) redesigned its collection routes, permitting an increase in service level while saving $23,000 a year. (Much greater savings would have been possible if the service level had been held constant.) Similarly, the 14 member communities of the Southeast Oakland County, Michigan, Incinerator Authority reduced their average collection costs by 16 percent

over a six-month period by using these methods. Little Rock, Arkansas (pop. 140,000) is saving more than $180,000 and Akron, Ohio, which also switched to curbside pickup, is saving more than $12.2 million per year. Wichita Falls, Texas (pop. 97,500) has been able to reduce its collection work force to 1961 levels—again because of a computer-designed rerouting plan.

Although this handbook has tended not to discuss changes that would curtail service levels, it is worth making an exception in the case of refuse collection. The Columbia University study found that municipal governments tend to "overproduce" public services such as garbage pickup. Twice-a-week service is considerably more costly than once-a-week service; only 33 percent of the cities which provide a choice of service levels have a twice-a-week service, whereas more than 50 percent of the cities affording no choice provide twice-a-week service. Thus, it may well be possible to cut back on service frequency or to require placement of garbage containers at curbside on collection day without incurring the wrath of the citizenry. Such changes can frequently lead to major economies, especially in connection with the other types of changes discussed in this chapter. Dallas, Texas (pop. 844,000) was able to switch from collection once every five to once every six days, thereby reducing the number of vehicles from 210 to 140 and introducing a 4-day, 40 hour work week. The cities switching to mechanized pickup systems have required the use of a special container at curbside or alley way (or plastic bags), which in many cases represented a change from backyard pickup. Yet most citizens seem to prefer the savings generated by such changes—Akron, Ohio now saves $30 per household per year—to the extra convenience of the older, more costly methods.

A final area for cost savings is vehicle maintenance. According to the National Center on Productivity, a surprising number of cities operate fleets of costly refuse collection vehicles without regular servicing or preventive maintenance. Others choose poor quality equipment or keep trucks in service beyond a reasonable service life (about five years). And many government repairs shops are incompetently managed. New York City's Sanitation Department exemplified the latter problem, with the result that 36 percent of the vehicles were in the shop at any given time in 1969. Productivity analyses by outside experts led to the introduction of modern scheduling, inventory control, and work standards which had reduced downtime to seven percent by 1973. Lancaster, Texas (pop. 13,500) has implemented a preventive maintenance program that resulted in savings of $7900 in its first six months. Victoria, Texas (pop. 48,500) switched to a four-day collection work week (Monday, Tuesday, Thursday, and Friday), permitting vehicles to be serviced all day on Wednesday without requiring overtime by maintenance employees. The four-day week also results in less commuting time and higher employee morale.

# V. Revamping Public Works, Utilities, and Parks

**"There is no fun in having nothing to do—the fun is having lots to do and not doing it."**

**—Francis H. Bradley**

These departments have been grouped together because they share several important characteristics. Most importantly, all rely on field crews to carry out day-to-day operations such as maintaining water mains, trimming trees, patching pavement, and so on. In addition, they operate fleets of vehicles, many of them radio-equipped. The problems of managing field work forces and maintaining their equipment are therefore similar among these services, and a variety of methods can increase their efficiency and productivity.

One of the most important methods is generally referred to as work measurement. An outgrowth of the time-and-motion study branch of industrial engineering, work measurement in local government refers to the systematic analysis of job functions, their redesign for greater efficiency, and institution of a continuous performance measurement system. A well-designed work measurement system can be used by management for program planning and budgeting, staffing analysis, route balancing, daily work scheduling, performance reporting, evaluating alternatives, and maintenance planning and control.

Why does work measurement improve productivity? Primarily because the jobs under consideration in this chapter are frequently poorly designed—or not really "designed" at all. Often, no priorities exist among tasks, skills are used inefficiently, personnel switch back and forth between unrelated tasks, and too many or too few people are assigned to specific jobs. The jobs may be improperly sequenced or badly coordinated, and obsolete procedures may still be in effect. Equipment or office layouts may be inappropriate for the work at hand, and forms used to document and control the work may be inadequate. By correcting such deficiencies and setting up efficient procedures, a work measurement program can typically result in savings of *20 percent* of a department's budget—enough to pay for the (one-time) costs of the program in a single year.

Many cities have begun to institute work measurement programs. One of the most extensive is in Phoenix, Arizona (pop. 668,000), where it applies to about 40 percent of the municipal workforce at a savings of about $2 million per year. Other, more limited programs are under way in Anaheim, California (pop. 167,000), Kansas City, Missouri (pop. 507,000), King County, Washington (pop. 1,157,000), and Wichita Falls, Texas (pop. 97,500). All of these jurisdictions, with the exception of Anaheim, have inventoried all streets and their characteristics, in order to schedule street maintenance on the basis of predicted need—and then developed work standards for their crews. Elsewhere, cities have applied work measurement techniques for their park maintenance crews, including Santa Rosa,

California (pop. 65,000), Syracuse, New York (pop. 197,000), and Wilmington, Delaware (pop. 80,500). The latter reports annual savings of 27 percent due to its park work scheduling system.

Other general approaches to reduce costs in these departments include the following:

- *Cut travel time.* Fairfax County, Virginia (pop. 455,000), as part of its work measurement analysis, has concluded that a four-day work week for park and maintenance crews would reduce travel time and increase equipment utilization. This conclusion applies to the other public works-type functions as well. Large amounts of employee time are lost each day in travelling from the city yard to the day's job site, and in returning to the yard at the end of the day. A four day (40-hour) work week reduces this lost time by 20 percent. Springfield, Missouri (pop. 120,000) has instituted a four-day week in its street maintenance division. As a result, work crews spend less time each week waiting for asphalt patching material to warm up; they switch on the equipment only four days instead of five.

- *Decentralize the city yard.* This applies most effectively to large cities. Phoenix, Arizona public works crews operate out of four service centers, located in the four quadrants of the city. The use of radio-equipped vehicles also results in an improved ability to put the right men in the right place, thereby saving valuable time.

- *Pool motor vehicles.* Public works, parks, and other departments typically operate large numbers of vehicles, ranging from sedans to costly, sophisticated, special purpose trucks. Over the past five years a number of cities have taken a hard look at the number of vehicles actually required, and have developed useful ways to economize. One of the most significant is the in-city rental concept. Under this approach, one city department or division "owns" all of the vehicles and rents them to the other divisions. The goals of such a program are to decrease the total number of vehicles, utilize the vehicles more efficiently, eliminate high-cost single-function vehicles, and control losses that may be incurred by poor selection of vehicles or untimely replacement. It does this by providing dollars-and-cents incentives for operating managers to justify their vehicle needs, and use only what is really necessary. Among the users of this approach are Santa Barbara, California (pop. 74,000), Ft. Lauderdale, Florida (pop. 140,000), and Keene, New Hampshire (pop. 20,500). The latter sets monthly rates for some vehicles and hourly rates for others, depending on the type. In addition to economizing on vehicle usage, such a system makes it easier to replace vehicles when they wear out, since the rental charges include depreciation. Replacement funds therefore accumulate in the operating budget.

Another way of minimizing costly special-purpose vehicles has been developed in Scottsdale, Arizona (pop. 96,000). That city's public works department has constructed five modular trucks which are completely interchangeable. The trucks consist of an all-purpose chassis with interchangeable bodies, cabs, running gear, and other components. For example, the refuse truck modules can be removed and the street-patching modules installed in less than an hour. Vehicles

with such features are starting to become commercially available. Ft. Lauderdale operates a combination vacuum and brush street sweeper. Seattle's lawn mowers can be equipped with attachments for cleaning reservoirs. Covina, California (pop. 32,000) has new one-man refuse collection trucks that also function as street sweepers.

Finally, as an outgrowth of higher fuel prices, several cities have discovered the advantages of bicycles for short trips between in-town offices. Sacramento, California (pop. 254,000) and St. Petersburg, Florida (pop. 234,000) have each set up bicycle pools for employees. The bikes are used for making inter-office deliveries and for attending meetings.

• *Reduce unnecessary overtime.* In order to provide round-the-clock emergency response capability (for events such as watermain breaks), many public works departments pay specialists from every division—parks, streets, water/sewer, electrical maintenance, etc.—to be on call during night and weekend hours. Santa Barbara, California formerly paid such stand-by specialists for two hours work for every eight hours they agreed to be on call. Several years ago the city decided to replace this system with a small Emergency Services Crew. It cross-trained three employees in all of the repair skills and assigned them to night and weekend duty. When not responding to emergencies, they are assigned to repair water meters. The city estimates net savings at $50-60,000 per year.

• *Let users pay.* Rising public works costs can also be met with revenues from users of the services, rather than from property taxes on the general taxpayer. Most airports and harbors are already self-supporting, as are many water and sewer systems. Other city functions which can be largely or entirely self-supporting include streets (through gasoline taxes) and parking lots (through parking fees). In the parks department, recreation activities can be made self-sufficient through user charges, as can special purpose recreation facilities such as golf and tennis courses, zoos, pools, and beaches (from entrance and other fees). In addition to easing the pressure on local property taxpayers, such charges would in many cases help to ease congestion at tennis courts, pools, parking lots, and so forth by providing an incentive against wasteful use of the facility in question. Seventy percent of the public works budget of Santa Barbara now comes from special funds supported by direct or indirect user charges.

In addition to the generally applicable ideas discussed above, some cities have developed specific money-saving innovations in particular public works, utilities, and park maintenance areas.

## Water and Sewers

Damage to pumps can run from $10-20,000 every time valves fail to open. Garland, Texas (pop. 81,000) decided to install a process control computer to monitor 156 control points in its water system. In case of trouble, the computer sounds an alarm and shuts down the pump before damage occurs. In its first five months of operation the computer saved the city more than $60,000, due to a 15-20 percent reduction in equipment breaks, and reduced manpower and electrical

power needs. Orlando, Florida (pop. 200,000) has installed a similar trouble-detecting computer system to control seven remote, unmanned waste treatment plants. Besides saving pumps from damage, the system allowed the city's water system to be expanded with no increase in personnel. The wastewater treatment plant at Oxford, Ohio (pop. 16,000) is now equipped with malfunction alarm devices monitored at the police department. This remote monitoring has enabled the city to save money by reducing plant staffing from three to one and a half shifts per day. The system cost only $400.

A number of cities have increased the productivity of their sewer cleaning operations by means of better equipment. Automatic, high-pressure hydraulic sewer cleaners (capable of generating 1000 psi) can accomplish the cleaning job with fewer workers, and can cover more miles per day—thus quickly earning back the money required for their purchase. Among the cities adopting them are New Castle, Pennsylvania (pop. 38,500) and Glenview, Illinois (pop. 30,500).

Water meter reading offers a further potential for cost savings. Routes can be revised for greater efficiency, as was done in Dallas, Texas (pop. 885,000), thereby reducing the number of readers needed. Several cities have put their water meter readers on motorbikes, as in Monroe, North Carolina (pop. 11,000), or on electric carts, as in Scottsdale, Arizona thereby increasing both productivity and morale. In these cases, too, the cost of the vehicles is more than offset by the need for fewer personnel.

Those cities still operating older-style mechanical drive water meters may be able to reap significant savings by replacing them with magnetic drive meters. The latter are more accurate and far less prone to breakdowns. Nashville, Tennessee (pop. 448,000) expects to save $70,000 annually from such a changeover. In Orlando, Florida the meter replacement program has resulted in 39 percent fewer trouble calls, and five percent greater revenues due to increased accuracy in metering.

Over the past five years, public works departments have come under ever-stricter federal and state regulations regarding waste-water treatment plants. Many cities, even with relatively modern plants, have had trouble in consistently meeting these requirements. The trouble usually arises from a lack of fully-qualified personnel, able to cope with the modern technology typical of today's sewage treatment plants. Cities in such a position should consider the option of contract operation of their plant. One of the firms operating this service is Envirotech, a leading manufacturer of wastewater equipment based in Brisbane, California. The company guarantees that the plant will operate at designed efficiency, that effluent quality will meet regulatory requirements, and that cost for operations and maintenance will not overrun the budget.

## Streets

Quite a few cities are saving money by investing in labor-saving machinery for street maintenance. Gainesville, Florida (pop. 64,500) bought a portable concrete mixer which is placed at the job site, thereby making concrete available whenever needed. Previously, late delivery of concrete to the site had resulted in a

large amount of idle time and overtime. Worcester, Massachusetts (pop. 177,000) uses Sylvax, a cold-mix patching compound for blacktop roads. The material lasts much longer than conventional cold mixes; hence, less labor is needed for overall street maintenance. Minneapolis, Minnesota (pop. 434,000) street crews use a router to repair wide cracks on blacktop streets; the process takes only one-fifth as long as using pavement breakers, and saves 90 percent on material. Stanton, California (pop. 23,000) has developed new methods of repairing sidewalks damaged by tree roots, in which only the damaged section is replaced, at a savings of 50 percent.

Other cities have saved money on snow and ice removal. Milwaukee, Wisconsin (pop. 717,000) has converted nearly half of its tailgate salt spreader trucks to insert-body type spreaders with sensor controls. Salt flow is now controllable by the driver, eliminating the need for extra employees to ride along on the back of the truck. The city estimates its annual savings at $80,000. Brown Deer, Wisconsin (pop. 12,500) and White Fish Bay, Wisconsin (pop. 17,000) have made a similar change, adding a control panel for the driver to regulate salt spreading.

## Parks

As is the case with street maintenance, park maintenance can be made more efficient by the introduction of labor-saving equipment. A surprising number of cities continues to rely extensively on hand-watering in parks. Automated sprinkler systems offer many important benefits: they save up to 50 percent of water costs compared with manual watering, they increase park availability (because watering can be done only at night), and they pay for themselves via labor cost savings in seven years or less. New machinery also saves manhours in other applications. Winston-Salem, North Carolina (pop. 133,000) uses a centrifugal force spraying unit to apply insecticides and fungicides in less time than before. St. Petersburg, Florida uses commercial residual herbicides in some applications instead of cutting and trimming. Applying the herbicides takes less time, and their effect is longer lasting—for a substantial net savings.

Further savings can be realized in the design—or redesign—stage of parks planning. In addition to planning for automated sprinkler systems, park design should include tree planting configurations which make mowing and trimming easier, avoidance of grass areas inaccessible to large mowers, rimming of flower beds with walkways, and other features which minimize future maintenance. St. Petersburg is one of the pioneers in this area.

# VI. What the Desk Sector Can Do

**"Skewered through and through with office pens, and bound hand and foot with red tape. . . ."**

**—Charles Dickens**

Aside from the departments discussed in the preceding chapters, "administration" accounts for a sizeable portion of the typical city budget. Included in this category are such areas as finance, personnel, data processing (if centralized), the city council, and the city administrative office. A number of methods and techniques for saving money in these areas have been developed by innovative cities over the past decade.

Before examining the specific cost-cutting methods, a basic reform deserves mention. Although not a money-saver in itself, *program budgeting* can be an important means of identifying and making more visible "where the money goes" and therefore a tool for cost savings. The basic idea of program budgeting is to identify expenditures according to the specific function or program area in question. A well-designed, sufficiently detailed program budget can provide ready answers to a citizen's (or manager's) question such as "How much are we spending to enforce laws against victimless crimes?" or "How much of the public works budget goes for street sweeping?" A conventional line-item city budget typically cannot provide the answers to such questions, but goes into great detail regarding how many new desks are being bought for the police department, and how many hours of overtime are expected in the public works department. Program budgeting is being used in such large cities as Phoenix, Arizona (pop. 677,000) and San Diego, California (pop. 697,000), medium size cities like Sunnyvale, California (pop. 105,000) and Boulder, Colorado (pop. 80,000), and small cities like Newport, Rhode Island (pop. 34,000) and Loon Rapids, Minnesota (pop. 30,500).

Closely related to implementation of program budgeting is the introduction of measures of effectiveness for various municipal services, so that department managers can be held accountable for achieving specific goals and objectives within a given budget. Among the cities using such measures are Washington, D.C. (pop. 757,000), Lakewood, Colorado (pop. 140,000), and Palo Alto, California (pop. 56,000).

Here, then, are important techniques for saving money in municipal administration:

• *Impact analysis*. Before deciding upon any new program or activity, some cities insist upon an estimate of the effect the proposed service would have on the budgets of existing departments. Frequently, without such procedures, an important source of "surprise" cost increases is an increase in one department's workload occasioned by an unexpected new program of another department. Walnut Creek, California (pop. 46,000) now requires that all city departments prepare a maintenance impact statement for each new program or capital project.

The department must analyze the total cost of the program, including maintenance, allowing the city's maintenance staff to propose modifications that would reduce maintenance costs. Phoenix's uniform reporting system requires that all staff reports in favor of new programs or capital projects include a financial impact statement, delineating the program's total city-wide cost impact. In Lakewood, Colorado, each capital budget request must include an operating budget impact statement which lays out the total requirements for personnel, operating and maintenance supplies, and other charges and services, in addition to just the capital outlay.

• *Use of consultants.* Many of the innovations discussed in this booklet—from consolidated police communications centers to computerized garbage routes to work measurement systems—have generally been developed and implemented by outside consultants rather than city administrators or department heads. Cities interested in making significant cost savings and/or productivity increases should seriously consider the option of bringing in outside consultants to study their problems and develop solutions.

Instead of hiring expensive consultants, why not give information on productivity improvements to department heads and let them develop solutions? For several reasons. First of all, the department head may be one of the reasons why costs are high and productivity is low in the first place. The outside consultant represents a chance to take an objective look at the performance of city departments, not one that is inherently a vested interest's view. Secondly, the consultant's business is *change*, not maintaining the status quo on an even keel (as is the department head's). The experienced consultant invariably has a much broader range of experience in his field; chances are he has worked in scores of cities, not just two or three. He has ready access to the experience of those cities in implementing innovative programs. He can bring to bear all of this experience in dealing full-time with the problem to which he is assigned.

Citizens may sometimes ask why, if the consultant is so good, he shouldn't be hired on as a full-time staff member. This question misses an essential point about the use of consultants. The outside consultant, because of his greater expertise, commands a higher compensation (per day or month) than a city staffer of equivalent years of service. Hiring the consultant on a *permanent* basis would therefore be very costly. Instead, the consultant offers to share his expertise for a limited time period, at a premium price, to solve specific problems. A good consulting contract will ensure the city of specific, usable results for its money. Thus, when the consultant is finished, the city will be better off, but without the added burden of new full-time employee positions.

A fourth advantage of using consultants is psychological. Frequently, use of an outside consultant permits a city administration to gain acceptance of innovations more readily than if they had been developed in-house. A reform proposed by a department head may be viewed as part of an internal power struggle between the manager and his employees (or as some other kind of political ploy), while the same proposal coming from an outside professional may be evaluated much more

seriously on its merits, The department head in many cases would rather have sweeping proposals for change originate with outside experts who can shoulder the blame if reaction to the proposals turns out to be negative. In this way, the department head's risk is reduced.

A wide range of consulting services is available to cities, ranging from large multimillion dollar general management consulting firms to individual specialists in particular fields. A list of some leading consultants is provided in the reference section.

• *Joint purchasing*. Some cities have reaped important economies from combining small orders for supplies and equipment in order to take advantage of quantity discounts. Evanston, Illinois (pop. 80,000) buys traffic tickets jointly with several other cities, at savings of 50 percent (the smaller cities save over 66 percent). The joint large-volume purchase allows the city to obtain a two-year supply, rather than having to purchase and store a 20-year supply in order to obtain a quantity discount. Gainesville, Florida (pop. 64,500) has centralized all city purchasing in order to obtain quantity discounts on commonly-used items. West Milford township, New Jersey, (pop. 20,000) purchases its paper supplies jointly with the township board of education, achieving savings of 30 percent.

• *Cash management*. Local governments are frequently inept at managing their money, compared with business firms. Yet businesslike cash management is just as significant a money-saver in the public sector, and local governments should be held to task in this area. The state of North Carolina assists local citizens in doing so, by publishing cash management performance data on local governments each year. Such comparative exposure gives lagging local officials an incentive to make changes. Sparks, Nevada (pop. 24,000) has taken a hard look at its banking practices and modified them so successfully that it now makes about a 10 percent return on its cash. Baltimore County, Maryland (pop. 681,000) sought competitive bids for its banking services an was able to consolidate its accounts from 51 to 10, and significantly reduce its average daily balance. The county expects to earn an additional $50,000 to $100,000 on its money, thanks to shopping around for banking services.

• *Working hours*. Local governments tend to have higher-than-average levels of sick leave and other absentee problems compared with private firms, all of which ends up increasing the costs to taxpayers. The level of absenteeism is generally an indication of employee morale, which tends to be poor in many civil service jobs. One successful way of dealing with these problems is the introduction of *flextime*–a system in which employees are given flexibility in setting their working hours. Employees must be on the job during certain core hours, but are allowed freedom to set their own starting and quitting times, provided they put in the required total number of hours. Firms using flextime report up to a 25 percent reduction in days lost due to absenteeism, and tardiness virtually disappears. Workers tend to become task-oriented, rather than watching the clock, and take more responsibility for their work. Productivity gains of one to five percent have also been reported from flextime. One of the cities which pioneered flextime is

Inglewood, California (pop. 90,000). Using flextime, the city was able to keep city hall open from 7:30 a.m. to 6 p.m., for better service to the public without adding personnel—and at an estimated annual savings of $20,000 in overtime. A flextime pilot project in the libraries of Prince Georges County, Maryland resulted in a sharp reduction in sick leave, and led to the permanent adoption of the program. Other cities using flextime include Torrance, California (pop. 135,000), Baltimore, Maryland (pop. 906,000), and the city and county of Honolulu, Hawaii (pop. 633,000). Various federal and state agencies are also using the system.

- *Labor relations.* Many of the ideas discussed in this booklet save money by reducing unnecessary personnel. Their implementation thus must be accomplished despite the fears and possible resistance of city employees—employees who are, these days, quite likely to belong to a union, and frequently willing to strike. For this reason, a city's ability to deal effectively with unions can be a key factor in its success in improving productivity and cutting costs.

Unfortunately, many city administrators are ill-equipped for such a task. Too often, the mayor or city administrator takes it upon himself to lead the city's bargaining, even though he may have no experience in labor negotiations. Instead, cities should follow the advice of San Jose, California (pop. 446,000) Mayor Ronald James: "Pay for negotiating experience and back it—come hell or high water." A growing number of large cities employ full-time, labor relations professionals, including Boston, Detroit, and New York. Cities lacking the resources for a full-time negotiator can utilize on-call consultants, as recommended by Sam Zagoria, head of the Washington-based Labor-Management Relations Service. LMRS also provides training to local officials on how to deal constructively with employees.

There are many ways in which confrontations with unions over productivity and cost-cutting can be avoided. Involvement of workers in the productivity improvement process can foster a spirit of cooperation, especially if incentives for increased productivity are provided. Nassau County, New York (pop. 1,400,000) is developing a Productivity Benefit Increase Plan, whereby a portion of all dollars saved from productivity improvement is deposited into a deferred compensation trust fund, the proceeds of which are made available to participating employees when they leave the job. Detroit, Michigan (pop. 1,500,000) incorporated a provision in its sanitation workers' contract whereby savings resulting from the use of larger trucks are shared with employees. In the first year of the contract, the city saved $300,000 and each worker received a productivity bonus of $300. In departments with a high natural turnover rate, significant personnel reductions can be accomplished simply by attrition—not replacing employees who quit or retire.

Cities whose employees are not unionized should consider ways and means of keeping their workers satisfied, to reduce the appeal of unionization—not because unions are dysfunctional in principle, but simply because there is a strong tendency for unions to be supporters of the status quo and opponents of flexibility in work assignments and productivity improvements. The best defense against unionization is a motivated, satisfied work force. Workers who are given responsibility and

a certain degree of autonomy (as with the flextime system), who participate in redesigning jobs for greater efficiency, and who are rewarded for increases in productivity, are not prime candidates for unionization.

Cities should also improve their bargaining positions by making themselves less vulnerable to strikes, thereby safeguarding themselves from being stampeded into excessive wage settlements for fear of chaos. This can be done by avoiding arrangements that make a city overly dependent on a single large workforce (e.g. merging all area police departments into one metropolitan force). Retaining small and medium-size departments and resisting city-county mergers are elements in such a strategy. So is the use of private contractors, as discussed in earlier chapters of this booklet. Cities should develop detailed, written contingency plans for dealing with strikes in vital public services—police, fire, garbage collection, and so forth—drawing on alternative sources of supply and making use of civilian volunteers (such as police or fire reserve forces) wherever possible.

• *Inspections.* Although building and zoning functions account for only a small percentage of a city's expenditures, in many cities they are needlessly costly and burdensome to the citizens. Several cities are attempting to deal with these problems. Raleigh, North Carolina (pop. 122,000) and Phoenix, Arizona have cross-trained their building inspectors to handle all types of building and construction permits. Consequently, it is unnecessary for several different inspectors to each visit a construction site. The savings include reduced personnel expense per building project and reduced vehicle usage. In addition, the morale of both the employees and the builders has improved. Phoenix has also designed a single form to replace several types of complicated building permit forms. Chula Vista, California (pop. 68,000) has instituted a single permit system under which the general contractor or owner can take out all permits needed for a job in a single visit.

Several cities have gone further in consolidating inspections. In Dallas, Texas (pop. 844,000) inspectors from all of the following departments are cross-trained: litter control, fire, health, zoning, urban rehabilitation, plumbing inspection, electrical inspection, building inspection, and action center. As a result, a single inspector can handle all of these functions, identifying and reporting common multi-code violations. Over 80 percent of the violations reported are now brought into compliance by the originating inspector, without involving the other departments' personnel. Normal, Illinois (pop. 26,500) has combined all inspection functions into a single Inspection Department, while Plainfield, New Jersey (pop. 47,000) has consolidated all inspection activities, into its fire department.

• *Data processing.* The age of the computer caught many city governments unprepared. Although the greatest fiascos caused by technically unaware managers attempting to run city data processing departments are now history, many cities are still operating costly, inefficient computer systems, often "captive" of a single supplier which may take advantage of unsophisticated users. A city administrator lacking computer training may be hard-pressed to determine whether his data processing department is operating with obsolete equipment or software, or

whether his data processing manager is vainly chasing the latest in sophisticated systems, for the pure joy of having the newest model.

One way out of this dilemma is for the city to get out of the data processing business by hiring a private "facilities management" contractor. One such firm is Computer Sciences Corp., one of the nation's largest computer service bureau and time-sharing firms. In 1973, CSC entered into a seven-year contract to take over the data processing operations of Orange County, California (pop. 1,421,000). The rapidly-growing county had been faced with rapid obsolescence of its computer systems, and after an outside consultant's study, decided to try the private sector. Two companies submitted bids, and CSC was chosen. The resulting contract, for $26.6 million, is expected to save the county $11 million over its seven-year life, compared with continuing its former operations—a 30 percent savings. CSC hired nearly all of the 127 county data processing employees, and found that morale soon measurably improved. The employees found that within the company, their career prospects were more varied than they had been as civil servants. CSC also has contracts with Torrance, California and Newark, New Jersey (pop. 382,000).

• *Old facilities.* One further area for cost savings is in the re-use of old facilities instead of constructing new ones. Greece, New York (pop. 75,000) converted its sewage treatment plant to a new police headquarters, at a cost of only $200,000. The cost of constructing a new facility had been estimated at over $1 million. Thornton, Colorado (pop. 13,500) converted two abandoned wastewater treatment tanks into a new shop complex. One tank became the vehicle maintenance garage and the other the meter repair shop. The concrete facilities required roofing over, cutting of doors and windows, and addition of heating and air conditioning. But the cost was considerably less than that of constructing a new facility. Another alternative is to lease unused facilities to private users. Mt. Kisko, New York (pop. 9500) leased its abandoned incinerator building to a recycling and resource recovery firm. Over the three-year lease period the village will realize $5000 in rental income.

# VII. Fight City Hall—And Win

**"It's getting harder and harder to support the government in the style to which it has become accustomed."**

**—Farmer's Almanac**

By now, it is clear that local taxes can be trimmed substantially without affecting the quality of services. If adopted in their entirety, the innovations cited in the previous chapters would cut your local budget by more than 20 percent. Chances are remote that so large a reduction could be implemented; special interest groups are too strong. But many of the ideas are politically appealing. With some work and skill on your part, they could be saving money for your community within months.

How should you go about showing voters that the local budget can be cut? In the following paragraphs, we will focus on two promising approaches, and briefly mention other possibilities.

## Running for Office

The average taxpayer has little desire to enter politics. He or she prefers to make a living while others promise their way into office. So long as some extra money was available to pay for the promises, such an attitude made a small amount of sense. But now the money is gone. If politicians are to be kept from reaching deeper into your pocket, you, and others like you, must act.

Running for office, in most areas, is not too difficult. You may have to pay a small fee, register with the city clerk, and circulate a petition to get the minimum number of signatures to appear on the ballot. (Try to get at least 50 percent more signatures than you need; invalid names will bring down your total.) You should then acquire a copy of your local budget and begin thoroughly researching how your municipal services are delivered. It is essential to investigate your subjects thoroughly; once cost-cutting proposals are made public, the municipal services in question will produce reams of self-serving statistics and try to attack the soundness of the potential reform. You should therefore solicit all the information you need from them before "going public." The departments will not be very helpful to you after they realize your intentions. After this research is completed, you will be able to identify the areas that promise the biggest savings. Choose three or four of these areas to emphasize in your campaign, selecting them on the basis of which will appeal to the most voters.

In small or medium-size communities, you can announce your candidacy simply by preparing a press release and delivering it, along with a black and white photo, to the editor of your local newspaper. (Information on preparing a press release appears later in this chapter.) Deliver the press release to the editor in person, asking if he could spare five minutes to hear the reasons why you declared your candidacy. Editors tend to be unimpressed by overbearing, under-researched presentations, so do your homework beforehand and stay friendly even if the editor shows disagreement. Press coverage often makes or breaks a campaign. In large

communities, a candidate generally holds a press conference to announce his candidacy. The press conference is usually held at a downtown hotel and consists of about 10 minutes of prepared statement (have copies on hand for reporters) followed by up to an hour of questions. Several days before the conference, hand-deliver a press release about it to local newspapers and broadcasters, and make sure to follow up with phone calls several hours before the conference begins. It is advisable to have your spouse and supporters in the room during the press conference, as well as some campaign literature and policy papers.

As the campaign progresses, you will want to hold meetings to acquaint voters with your views. Newspaper ads can be used to supplement word of mouth to draw people to the gatherings. During your talks, emphasize that you are just a taxpayer who discovered that politicians aren't providing services as cheaply as they could. In addition to outlining the areas where cuts could be made without lowering service quality, explain that you need the help of the audience to succeed. The audience will be impressed by your ideas and your research, and rally to contribute time and money.

Volunteers can be used to organize informal livingroom meetings with other voters, deliver campaign material door-to-door, stuff envelopes, and telephone friends and neighbors. Donors can pay for advertising in local newspapers to get your message across. The best type of publicity, however, is free. After each meeting of any size, you should prepare a press release to give to your newspaper, detailing the subjects discussed, the time and place, and the number of people present. In the closing weeks of the campaign, moreover, you should announce reforms that you had previously left unmentioned—showing that you could not only save the money already promised, but more besides. This will generate additional publicity and put the other candidates further on the defensive.

## Organizing a Taxpayers Group

Campaigning is not the only way to bring change to your local government. Anyone wishing to battle against wasteful spending and heavy taxation can set up an organization to do so in his or her community. Obviously, to be effective, you will want to attract the largest number of taxpayers possible to your group. A well-organized and well-publicized meeting, open to the public, should accomplish this goal. But don't concentrate simply upon filling up a hall with people; few things are more annoying than attending a large meeting with a poorly organized agenda. Here are some things to achieve before your first meeting:

- *Decide on an address.* You may want to use either your office or home address for the organization; if a better location presents itself later, you can always move.
- *Get some reference materials.* In addition to this booklet, you should read the latest edition of "The Guide to Productivity Improvement Projects," from the International City Management Association. Reading a magazine called *The American City* will keep you up to date on cost-cutting innovations. (Addresses for ordering the magazine and the productivity guide are listed in the reference section of this handbook.) The ICMA also publishes the *Municipal Yearbook,* an expen-

sive but comprehensive source of statistics on local governments across the nation. A host of trade journals exist for specialized areas such as sewage treatment and public works—see the reference section for some of the most prominent.

• *Order a rubber stamp with the name and address of your group.* This will be used for envelopes and correspondence, and can be purchased at art or office supply stores. Alternatively, order letterhead stationery from a local printer.

• *Select interim officers in private before the first meeting.* Don't waste time with long parliamentary debating over selection of officers at your first meeting—have the officers chosen and take it from there. Plenty of time will be available to decide on new officers in the future if your original selections are not fully satisfactory. The people who attend your public meeting want action in fighting high taxes and spending. Chances are they do not want a grueling debate over who is to preside. A failing of some local organizing efforts is that they "turn off" otherwise interested taxpayers with the impresion that those organizing the effort are self-important loudmouths. You can avoid this damaging impression by holding the formalities and ceremony to an essential minimun. If you want to be chairman, then by all means designate yourself. You have a right to that post if you think you can fill it—anyone who was more deserving of being chairman would have already organized a local group. On the other hand, you may want to designate the chairmanship as an honorary post and offer it to a prominent citizen (if you don't feel your name would be widely recognized in the community). Then you could serve as treasurer or executive secretary and operate the organization as if you were chairman.

• *Open a checking account.* With the contributions of your first members, start an account in the organization's name at a local bank. Designate your treasurer and/or chairman as the official signatory of all checks.

• *Try to get a free hall for your meetings.* Local businessmen, or school officials, may be able to provide accommodation for regular meetings. The less shifting of meeting sites, the better.

• *Publicize your meeting.* Notify as many people as you can personally, and ask your friends to do the same. Radio talk shows—and even community television programs—can be used to announce the meeting. Next, prepare a press release. It should be typed on one side only of 8½ by 11 inch white paper (legal size paper is also acceptable). Use your group's stationery if it has been printed; if not, type the name and address of your organization at the top of the page. Below this address, type the name of the individual in the group to contact for more information. Indicate the time when you want the story released for publication in one of the upper corners of the page. Example: "For immediate release" or "For release after 2 p.m. November 14, 1976." You should devise a brief headline summarizing the main point of your article in a few words. Headline writing is an art; what you use at the top of your story probably will not be run as the printed headline. It is merely to give the editor a quick idea of the contents of your story. The body of your press release should begin with a dateline, such as "Fall River, Colorado, September 3." Double space the body of your story, and if it does not fit fully on

one page, type the word "more" in the bottom margin and continue on to the second sheet. Use the symbol # # # to indicate that you have finished the story.

Of course, content and style are important too. If no one on your publicity committee has experience with journalism, it might be wise to consult some texts on the subject of release writing. Your news release should follow the style of a straight news story; the essence of the message should be placed in the first paragraph (called the "lead" by journalists). Subsequent paragraphs should contain other pertinent information in order of descending importance. The lead should contain information that is newsworthy and of interest to the general public to make the editor feel that there is a reason to publish the story. Compare the following leads:

(1) President John Doe of the newly-formed Fall River Tax Action Group, a six member organization seeking lower local government taxes, announced today that the group's first public meeting would be held on Thursday night at 8:00 p.m. at the home of Mrs. Mary Smith, the chapter's secretary. Dicussion of the school bond issue will be on the program.

(2) Fall River citizens will discuss the controversial school bond issue at the first public meeting of the Tax Action Group on Thursday night.

The first lead is an example of bad style. It highlights some of the mistakes to be avoided. First, it downplays the most newsworthy detail—the school bond issue. Second, the names of the group's officers are not important enough to warrant the distraction caused by their mention. Unless a member of your group is extremely prominent and has a wide following, keep names out of your lead. Third, the sentences and the paragraphs should be kept short.

In addition to hand-delivering the press release to the editor of your local paper, and spreading news of your meeting by word of mouth among friends, neighbors, and business organizations, you should consider the possibility of newspaper advertisements. Copy for a classified ad might run as follows: "What did the Government do for you last year? If you are like most taxpayers, you don't think you got your money's worth for your taxes. Fight for fiscal responsibility—meet with other citizens concerned about government spending at the first meeting of the Tax Action Group, 26 Church Street, Thursday Sept. 3 at 8 p.m." Another possibility: "Tired of high taxes? Want to do something about them? Come to a meeting of the Tax Action Group. . ." These themes can be amplified for large display ads, if your group has the inclination and the money.

Your publicity efforts will come to fruition at the first meeting. The meeting should be well organized, but not programmed. Outline the purpose of your group and have proposals for projects that members may want to start. Each community has certain tax issues that are in the forefront of debate. Open the meeting with a brief but strong statement about the need to make local government less costly, pointing out that other communities have already found ways to do so. Suggest that the organization should investigate their innovations and apply them to your city.

Other points to remember are:

- *Emphasize that no matter what an individual's contribution, his support*

*will be welcome*. Some members of the audience may feel ill at ease and uncertain about their ability to do something useful. Assure them that they can.

- *Give prospective members a chance to speak.* No one wants to listen to someone else talk the night away. Many people will have come to your meeting with specific complaints about government spending and taxes. Together you can decide on the direction to take in your area.
- *Zero in on specific issues.* After an open discussion of the possibilities, choose an issue upon which to make a concerted attack. Your group will probably be small at first, so it will be best to focus your energies on one target. Your members will derive satisfaction from seeing their efforts pay off, and your organization will obtain a good reputation from the outset.
- *Assign responsibility to each member.* If your membership is large enough, form committees for research, publicity and public relations, education, and so forth. If your group is small, one individual can be assigned responsibility for each of the above areas. Find out the occupations of your members: they may have special talents or services to offer.
- *End the meeting on a constructive note.* Members should agree on a specific, realizable goal to be achieved before the next meeting. If you can announce the time and the place of the second meeting, it is also advisable. Thank the members for having come, ask them to invite friends to the next gathering, and leave them with the feeling that they have just made a concrete step towards lowering their taxes.

Throughout, try to remain in control of your meeting. Obviously, a regimented, authoritarian approach is not the answer. But people will quickly lose interest in the organization if it seems to be without direction. It would be wise to prepare a rough agenda and estimate the amount of time necessary to complete each item. A sample agenda follows:

1. Opening remarks and introduction of officers (15 minutes)
2. Open discussion—selection of target issue (45 minutes)
3. Appointment of committees and chairmen (20 minutes)
4. Initial meetings for committee organization (30 minutes)
5. Closing of meeting (5 minutes)
6. Social period (If at all possible, see that refreshments are provided so that members can get acquainted after the business meeting. Social ties tend to solidify an organization. In addition, have a desk near the door where people can leave their names and special interests.)

The first meeting should lay the groundwork for a successful program of operations. Subsequent meetings should be largely informational, consisting of progress reports and suggestions for new issues to attack. For the most part, the group's work will be done outside meetings, with each member pursuing an assigned task. The group will gradually grow in effectiveness and prestige—and sooner or later, candidates will appear to carry its proposals into political campaigns. In the meantime, the organization will put great public pressure on the local government to sew up some of the holes in the taxpayer's pockets.

## Other Approaches

Alternative methods of helping to cut taxes include a variety of low-profile techniques. Letters to the editor are the most widely-read feature in local newspapers; an articulate spokesmen for money-saving reforms can win a number of converts by putting the ideas to paper. Another possibility is to join and work for an established group such as the League of Women Voters, the Jaycees, or the Republican or Democratic parties, gaining their trust as a reliable and level-headed person willing to work hard for their organization. Advising political candidates is another potential avenue for change: some politicians recognize the capital to be made from the anti-tax mood of the electorate. And finally, one can purchase additional copies of this booklet and the previously-mentioned *Guide to Productivity Improvement Projects*–and send them to people who might make good use of the ideas they contain.

In any case, the momentum is now with the taxpayer. If he makes an intelligent case for reducing taxes, and shows that vital services need not be affected, he will be heard in whatever arena he presents his case. You *can* get more for less from your local government. The choice is up to you.

# REFERENCES

## Footnotes

1. Scottsdale's total fire protection cost for 1974-75 was $640,677, of which the company's contract constituted $498,355. The balance covered hydrant rentals and other city expenses.
2. "Viewpoint on Small Police Departments," Elinor Ostrom and Dennis C. Smith, *Criminal Justice Newsletter.* May 26, 1975, p. 4.
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4. "Effects of High Schools on Their Students," Christopher S. Jencks and Marsha D. Brown, *Harvard Educational Review,* Vol. 45, No. 3, August 1975, p. 273.
5. *Evaluating the Organization of Service Delivery: Solid Waste Collection and Disposal,* Emmanuel S. Savas, Center for Government Studies, Graduate School of Business, Columbia University, October 1975.

## Innovative Cities

(The following list is not exhaustive, but it does feature some of the outstanding leaders in the search for money-saving innovations.)

*Arizona*

PHOENIX
Charles E. Hill
Budget and Research Director
251 W. Washington St.
Phoenix, AZ 85003

SCOTTSDALE
Frank Aleshire
City Manager
3939 Civic Center Plaza
Scottsdale, AZ 85252

*Arkansas*

LITTLE ROCK
Dan Bunten
Office of Management Support
Denham Building
Markham and State Streets
Little Rock, AK 72201

*California*

FREEMONT
Art Lorenzini
Administrative Assistant
39700 Civic Center Drive
Freemont, CA 94538

SAN DIEGO
Larry Haden
Financial Management Director
202 West C Street
San Diego, CA 92101

SUNNYVALE
Camille Cates
Intergovernmental Relations
P.O. Box 607
Sunnyvale, CA 94088

INGLEWOOD
Paul Eckles
Assistant City Administrator
One Manchester Boulevard
Inglewood, CA 90302

SANTA ROSA
Michael Gleason
Assistant to City Manager
P.O. Box 1678
Santa Rosa, CA 95403

*Florida*

FT. LAUDERDALE
Richard E. Anderson
City Manager
P.O. Drawer 1181
Ft. Lauderdale, FL 33308

ST. PETERSBURG
Paul V. Yingst
Management Improvement Director
P.O. Box 2842
St. Petersburg, FL 33731

*Massachusetts*

WORCESTER
Francis McGrath
City Manager
City Hall
Worcester, MA 01608

*New Jersey*

PLAINFIELD
Lawrence Bashe
City Administrator
515 Watchurg Avenue
Plainfield, NJ 07061

*New York*

UTICA
Edward Hanna
Mayor
City Hall
Utica, NY 13502

*North Carolina*

RALEIGH
Joyce Dursley Maret
Research and Information
P.O. Box 590
Raleigh, NC 27602

*Texas*

DALLAS
Stephen D. Hunt
Administrative Assistant
Municipal Building, Room 18
Dallas, TX 75201

*Virginia*

FAIRFAX COUNTY
Samuel A. Finz
Director, Office of Research
4100 Chain Bridge Road
Fairfax, VA 22030

*Washington*

TACOMA
Regina Glenn
Technology Transfer
County-City Building, Room 255
Tacoma, WA 98402

# Publications

*American City & County*
Berkshire Common
Pittsfield, MA 01201
(Subscription: $18/year)

(Outstanding magazine covering local government affairs; features and news items on cost-saving municipal projects)

*"Employee Incentives to Improve State and Local Government Productivity"*
National Commission on Productivity and Work Quality
2000 M Street NW
Washington, DC 20036
(Write for price)

(Low-cost survey of incentive plans; contains valuable descriptions of pitfalls and potentials in different service areas)

*"Guide to Productivity Improvement Projects"*
International City Management Association
1140 Connecticut Avenue NW
Washington, DC 20036
(Copies of the 1976 Guide are free; future Guides, with regular updates, cost $20 per year)

(Thorough listing and brief description of municipal innovations that are improving productivity, plus contact names, addresses, and phone numbers for further information)

*"Improving Municipal Productivity"*
National Commission on Productivity and Work Quality
2000 M Street NW
Washington, DC 20036
(Write for price)

(Booklet on how to implement a work measurement system in local government)

*Management Information Service*
ICMA
1140 Connecticut Avenue NW
Washington, DC 20036
(Write for price)

(Monthly reports on solutions to problems of city administration, plus special reports at irregular intervals. Goes mainly to city administrators; too expensive for most private groups)

*Municipal Year Book*
ICMA
1140 Connecticut Avenue, NW
Washington, DC 20036
($26 per copy; $24.50 with prepayment)

(Comprehensive data on American and Canadian cities and regional council, plus features on new services available to muncipalities)

*Nation's Cities*
1620 Eye Street NW
Washington, DC 20006
(Monthly: $12 per year)

(Runs informative news column, "City Hall Exchange," plus some features on productivity programs)

*Public Technology Inc. News*
1140 Connecticut Avenue, NW
Washington, DC 20036
(Write for price)

(Short monthly newsletter on new products to improve delivery of government services)

*Target*
ICMA
1140 Connecticut Ave. NW
Washington, DC 20036
(subscription: free to people in law enforcement)

(Monthly report on new developments in police services sponsored by the Law Enforcement Assistance Administration)

*Waste Age*
Three Sons Publishing Co.
6311 Gross Point Rd.
Niles, Illinois 60648
(subscription: $10 a year)

(Informative bi-monthly on profitable recycling systems, and new methods of collecting and disposing of municipal wastes)

## Useful Organizations

American Association
of School Administrators
1801 N. Moore Street
Arlington, VA 22209

American Public Works Association
1313 East 60th Street
Chicago, IL 60637

American Water Works Association
2 Park Avenue
New York, NY 10016

Bethesda-Chevy Chase Rescue Squad
4910 Auburn Avenue
Bethesda, MD 20014
*(The largest volunteer ambulance/paramedic service in America)*

Building Officials and Code
Administrators International
1313 East 60th Street
Chicago, IL 60637

Diebold Institute for Public
Policy Studies, Inc.
430 Park Avenue
New York, NY 10022
*(A foundation studying the application of market methods and incentives to government problems, with an emphasis on contract provision of public services)*

Institute for Local Self-Government
Claremont Hotel Building
Berkeley, CA 94705
*(Actively studies contract police and fire service, consolidation of inspection services, and other innovations)*

International Association
of Chiefs of Police
11 Firstfield Road
Gaithersburg, MD 20760

International Association of Fire Chiefs
1725 K Street NW, Suite 1108
Washington, DC 20006

International City
Management Association
1140 Connecticut Avenue NW
Washington, DC 20036
*(Publishes a large variety of useful materials, including the invaluable Guide to Productivity Improvement Projects)*

International Personnel
Management Association
1313 East 60th Street
Chicago, IL 60637

Labor-Management Relations Service
1620 Eye Street NW
Washington, DC 20006
*(Offers information and training for improvement of labor negotiations)*

Municipal Finance Officers Association
1313 East 60th Street
Chicago, IL 60637

National Association
of Regional Councils
1700 K Street NW
Washington, DC 20006

National Association
of Recycling Industries
330 Madison Avenue
New York, NY 10017

National Center for Resource Recovery
1211 Connecticut Avenue, NW
Washington, DC 20036

National Commission on Productivity
and Work Quality
2000 M Street NW, Suite 3002
Washington, DC 20508
*(Publishes valuable, readable guides to improving services in local government; has worked with local groups seeking to disseminate information about productivity reforms)*

National Institute of Municipal
Law Officers
839 17th Street NW
Washington, DC 20006

National League of Cities
1620 Eye Street NW
Washington, DC 20006

National Municipal League
47 East 68th Street
New York, NY 10021

National Recreation
and Park Association
1601 North Kent Street
Arlington, VA 22209

National School Boards Association
1233 Central Street
Evanston, IL 60436

National Solid Wastes
Management Association
1730 Rhode Island Avenue NW
Washington, DC 20036

National Training and Development
Service for State and Local Government
1140 Connecticut Avenue NW
Washington, DC 20036

Public Technology Inc.
1140 Connecticut Avenue NW
Washington, DC 20036
*(Sponsored by ICMA and five other organizations to develop technology-based solutions to local government problems)*

Urban Institute
2100 M Street NW
Washington, DC 20037
*(Has developed useful references on measuring the effectiveness of local government services)*

## Contractors, Consultants, and Negotiators

| *Contractors:* | *(Service)* |
|---|---|
| Behavioral Research Laboratories<br>3280 Alpine Road<br>Menlo Park, CA 94025 | Education |
| Browning-Ferris Industries<br>Fannin Bank Building<br>Houston, TX 77025 | Refuse Collection |
| Computer Sciences Corporation<br>650 N. Sepulvide Boulevard<br>El Segundo, CA 90245 | Data Processing |
| Dorsett Educational Systems<br>P.O. Box 1226<br>Norman, OK 73070 | Education |
| Envirotech Systems, Inc.<br>100 Valley Drive<br>Brisbane, CA 94005 | Wastewater Treatment |
| Guardsmark, Inc.<br>22 South 2nd Street<br>Memphis, TN 38103 | Police |
| Rural/Metro Fire Department, Inc.<br>P.O. Drawer F<br>Scottsdale, AZ 85252 | Fire and Police |
| SCA Services, Inc.<br>99 High Street<br>Boston, MA 02110 | Refuse Collection |

| | |
|---|---|
| Wackenhut Corporation<br>1027 Arch Street<br>Philadelphia, PA 19107 | Police |
| Waste Management, Inc.<br>900 Jorie Boulevard<br>Oak Brook, IL 60521 | Refuse Collection |
| *Consultants* | *(Area)* |
| Booz, Allen, Hamilton, Inc.<br>135 S. LaSalle Street<br>Chicago, IL 60603 | Management Consulting;<br>General Financial<br>Analysis |
| Case and Company, Inc.<br>30 Rockefeller Plaza<br>New York, NY 10020 | Work Measurement |
| Kapner, Dull, and Wolfberg, Inc.<br>13455 Ventura Boulevard<br>Sherman Oaks, CA 91423 | Work Measurement |
| Arthur D. Little, Inc.<br>25 Acorn Park<br>Cambridge, MA 02140 | General Management<br>Consulting |
| Mission Research Corp.<br>735 State Street<br>Santa Barbara, CA 93101 | Fire Service Innovations |
| Peat, Marwick and Mitchell<br>345 Park Avenue<br>New York, NY 10017 | General Management<br>Consulting; Financial<br>Analysis |
| Planning and Management<br>Consulting Corporation<br>3704 State Street<br>Santa Barbara, CA 93105 | Criminal Justice |
| Robert W. Poole, Jr.<br>1169 Summit Road<br>Santa Barbara, CA 93108 | Contract Fire and Police<br>Public Safety and<br>Criminal Justice |
| Stanford Research Institute<br>333 Ravenswood Avenue<br>Menlo Park, CA 94025 | General Management<br>Consulting;<br>Communications Studies |
| Arthur Young and Co.<br>277 Park Avenue<br>New York, NY | General Management<br>Consulting; Financial<br>Analysis |