



*Arts & Innovation*

# ***Update to Best Practices in Communicating Your Budget Effectively***



***2015 CSMFO Conference  
February 19, 2015  
Monterrey, CA***

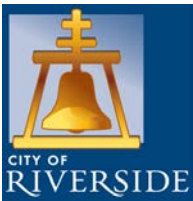
***Presented by:***

***Michael Gomez, City of Riverside***

***David Cain, City of Fountain Valley***

**[www.CSMFO.org](http://www.CSMFO.org)**





# Who We Are

## Michael Gomez

Financial Resources Manager

City of Riverside

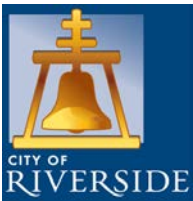
2014 CSMFO Professional Standards & Recognition Chair

## David Cain

Director of Finance/Treasurer

City of Fountain Valley

2014 CSMFO Conference Site Selection – Senior Advisor



# Today's Topics



- Changes in technology affect budget communication
  - Technology is changing everything
- Building trust through budget communication
  - Internal
  - Public
- GFOA Review Criteria
  - Sustainable Budgeting
  - 10 year planning
- Suggested solutions and thoughts
- Questions



# Changes In Budget Communication



- <https://www.youtube.com/watch?v=XrJjfDUzD7M>





# Riverside Electronic Communication



- 24 x 7 Virtual City Hall
- 17.3 million page views per year
  - More than 47,000 per day
- 39% of all visits are from mobile devices
- Social Media
  - Facebook
  - YouTube
  - LinkedIn
  - Instagram
  - Pinterest



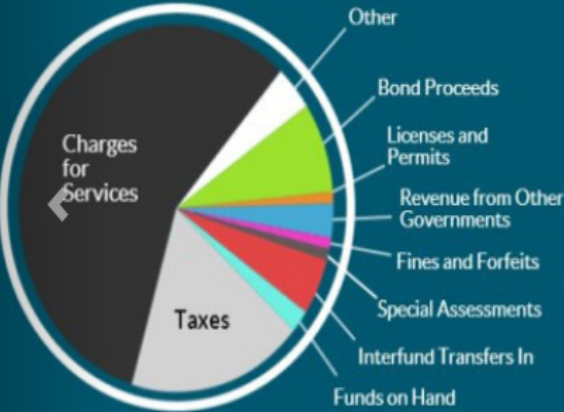
# New Budget Communication



GOVERNMENT ONLINE SERVICES RESIDENTS BUSINESS VISITORS MEDIA JOBS

Search [RiversideCA.gov](http://RiversideCA.gov)

## Budget In Brief



**\$915**  
Million

2014/2015 Total Budget

## Welcome to Engage Riverside

The City of Riverside is committed to providing the public with as much information as possible to promote accountability and trust in government. Engage Riverside is designed to make this information accessible to the public in a central location and provide a launching pad for future transparency efforts. From the city budget to the City Manager's employment agreement, documents that track how city government works can be found on this site. If you have suggestions for information you would like to see on this site, please [email us](#). Through your feedback and suggestions, Engage Riverside can improve accessibility to the information you need most. Thank you for investing in the transparency portal!





# Everyone communicates few connect



## Building trust through budget communication and connecting

- **Via our Internal Customers**
- **Public / Elected Officials / Residents**

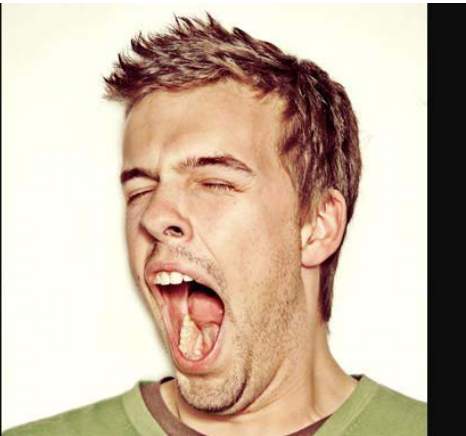




# Internal Budget Communication Challenges



Why  
*should*  
I care?







# Internal Communication Suggestion



Home - Annual Budget P...

intranet/projects/BudgetPprocess/default.aspx

City of Riverside Intranet

NewsfeedOneDriveSitesGomez, Mike A.

BROWSEPAGEFILESLIBRARY

Finance  
Fire  
General Services  
Human Resources  
Innovation and Technology  
Office of the City Attorney  
Office of the City Clerk  
Office of the City Manager  
Office of the Mayor  
Parks, Recreation, and Community Services  
Police  
Public Works  
Riverside Airport  
Riverside Metropolitan Museum  
Riverside Public Library  
Riverside Public Utilities

Current ViewFind an item

Category : Budget Directive (1)

pdf

Budget Directive

...

December 17, 2014

☐

Price, Vincent J.

Category : Budget Documents (2)

pdf

Preliminary 2014-15 Annual Budget 5-19-2014

...

December 10, 2014

☐

Price, Vincent J.

pdf

Final 2014-15 Annual Budget 12-18-2014

...

December 23, 2014

☐

Price, Vincent J.

Category : Charges To/From Spreadsheet (1)

excel

Charges to and from Export

...

December 10, 2014

☐

Price, Vincent J.

Category : Guide to Budget Preparation (6)

pdf

Attachment 1 - Staff Assignments

...

January 12

☐

Price, Vincent J.

pdf

Attachment 2 - Benefit Calculations

...

January 14

☐

Price, Vincent J.

pdf

Attachment 3 - HR Position and Reclassification Memo

...

January 14

☐

Price, Vincent J.

pdf

Attachment 3 Form

...

January 14

☐

Price, Vincent J.

pdf

Final Guide to Budget Preparation FY 2015-16

...

January 14

☐

Price, Vincent J.

pdf

TeamBudget User Guide

...

January 14

☐

Price, Vincent J.

Assigned To

Active Approval Tasks

intranet/projects/BudgetPprocess

City of Riverside

Annual Budget 2014/15

Seizing Our Destiny: The Movement for Riverside's Prosperous Future

Budget Deliverables

2/9/2015 5:00 PM Salary and Benefits Projections

2/16/2015 5:00 PM Charges To/From Updates

2/23/2015 5:00 PM Budget Submittals

3/2/2015 5:00 PM Budget Increase Requests

3/9/2015 5:00 PM Revenue Projections

3/16/2015 5:00 PM Departmental Narratives

3/23/2015 5:00 PM CIP Submittals

+ Add new event





# LUNCH & Learn





# When Faced with Challenges



- Met with key stakeholders
- Be honest and up front
- Look for solutions
- Don't cry wolf – they get it



# How the public perceives us



# Public Communication

baloocartoons.com

by Baloo

©2014 BALOOCARTOONS.COM



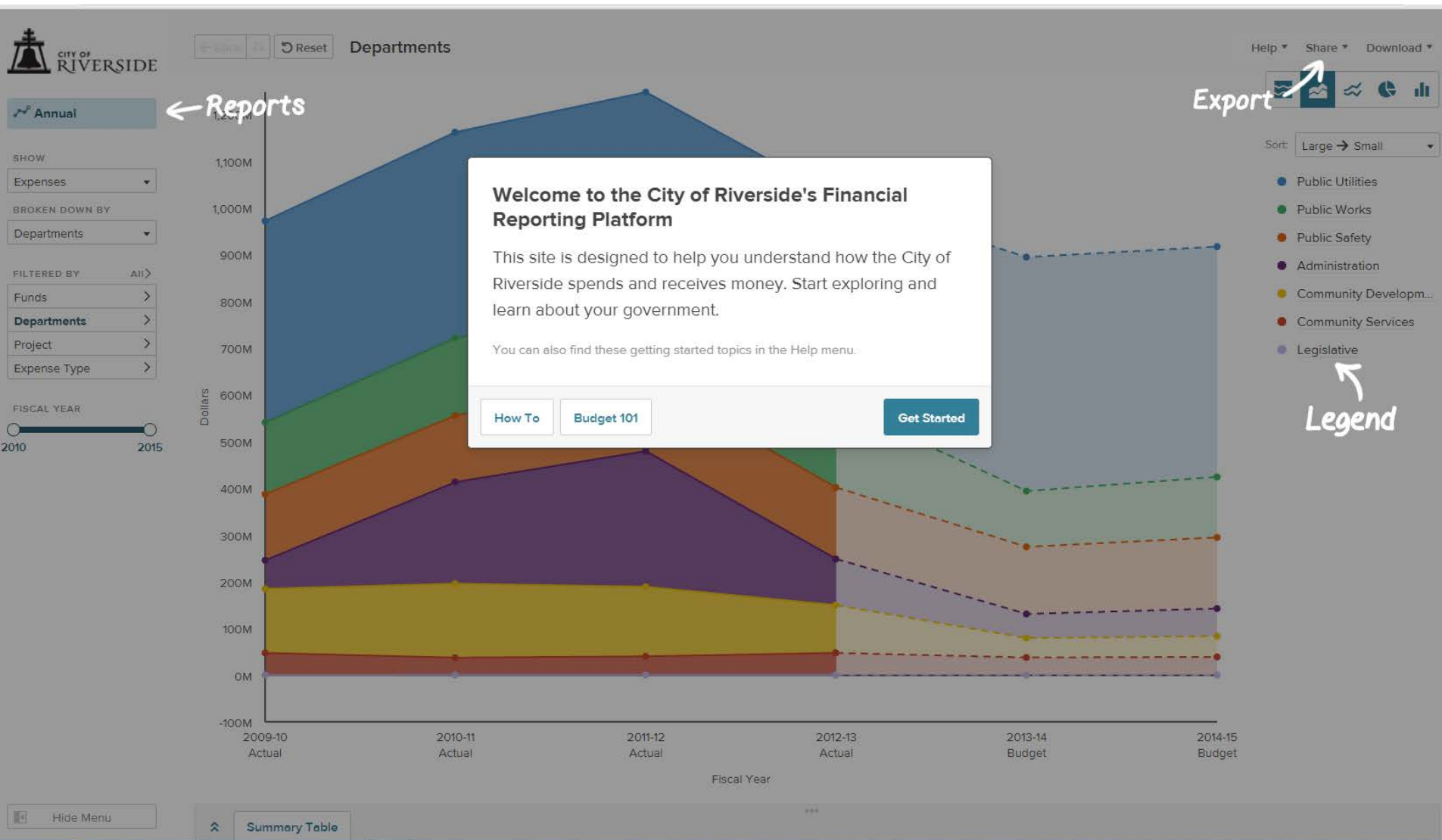
B. loo

"You know how I promised to balance the budget no matter what?"





# Build Trust and Engagement



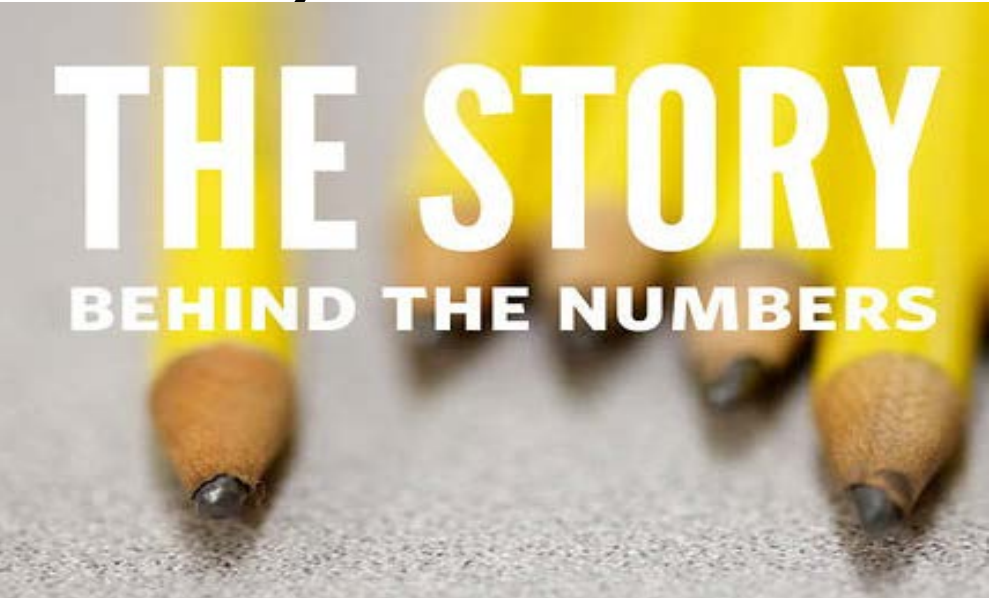
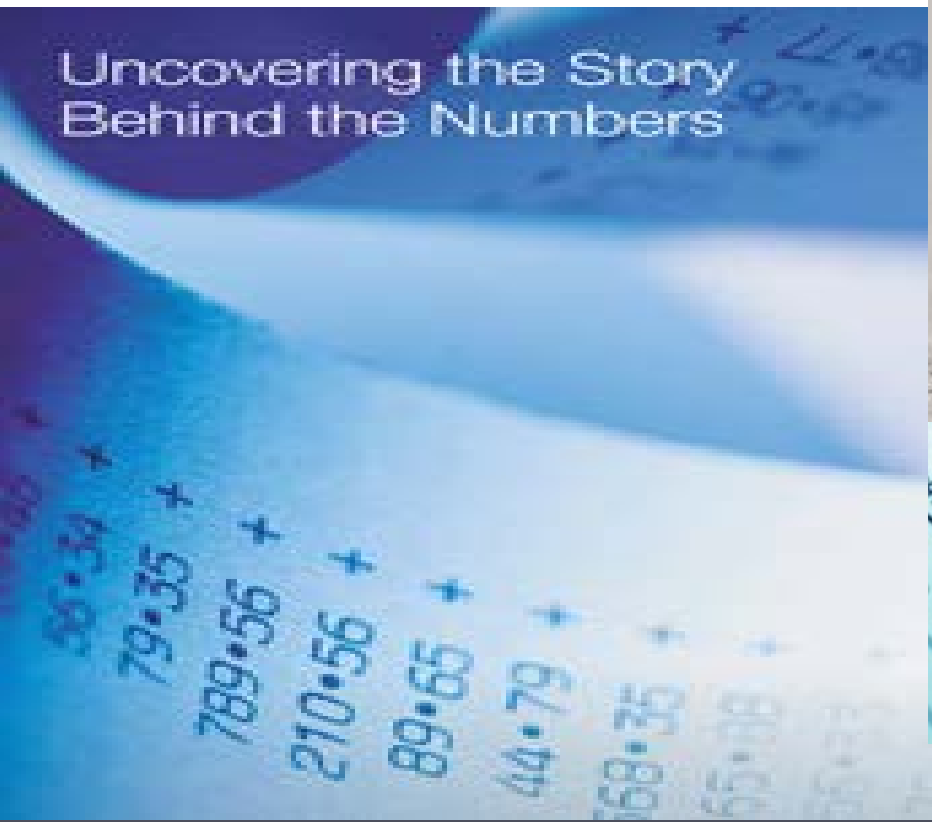


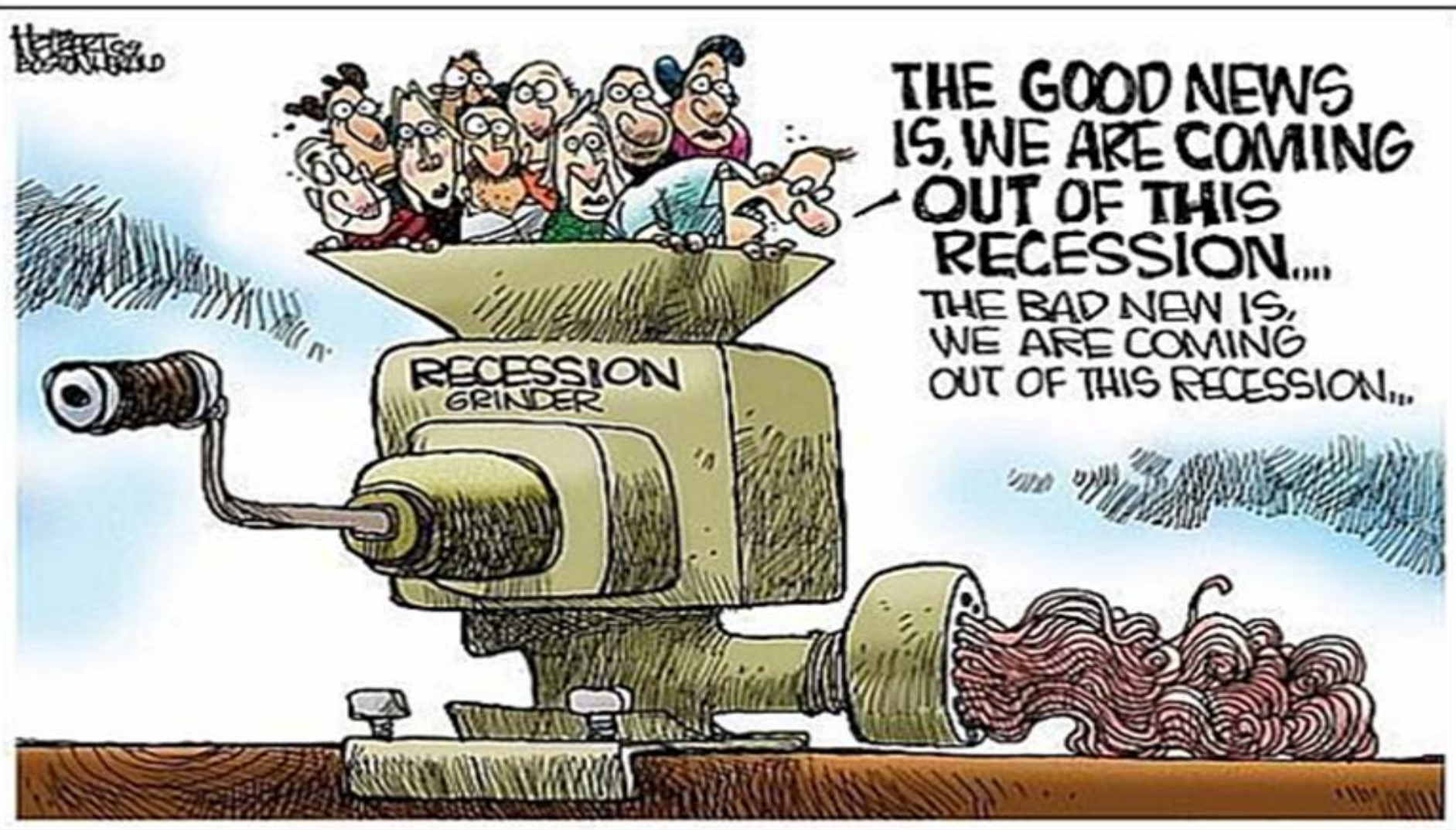


# Key public communication points



Budgeting is not about just the numbers but







# A New Environment

- The recession is ebbing, but we will not return to the status quo that existed before the great recession.
- The world we live in today is





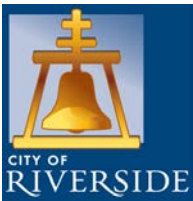


Who is the



*What do they do?*





# Budget Awards Programs

- CSMFO offers the Operating Budget & Capital Budget Excellence Awards



- GFOA offers the Distinguished Budget Presentation Award



# What the awards are not



- A measurement of the soundness of a budget's recommendations or the underlying policy direction
- An indication the organization is financially sound or service solvent



# What the budget document should be



- Does the organizations budget have the key information required to clearly communicate to elected officials, the public and staff . . . . .
- Does your budget document really tell the story?







# Changes to the GFOA Criteria



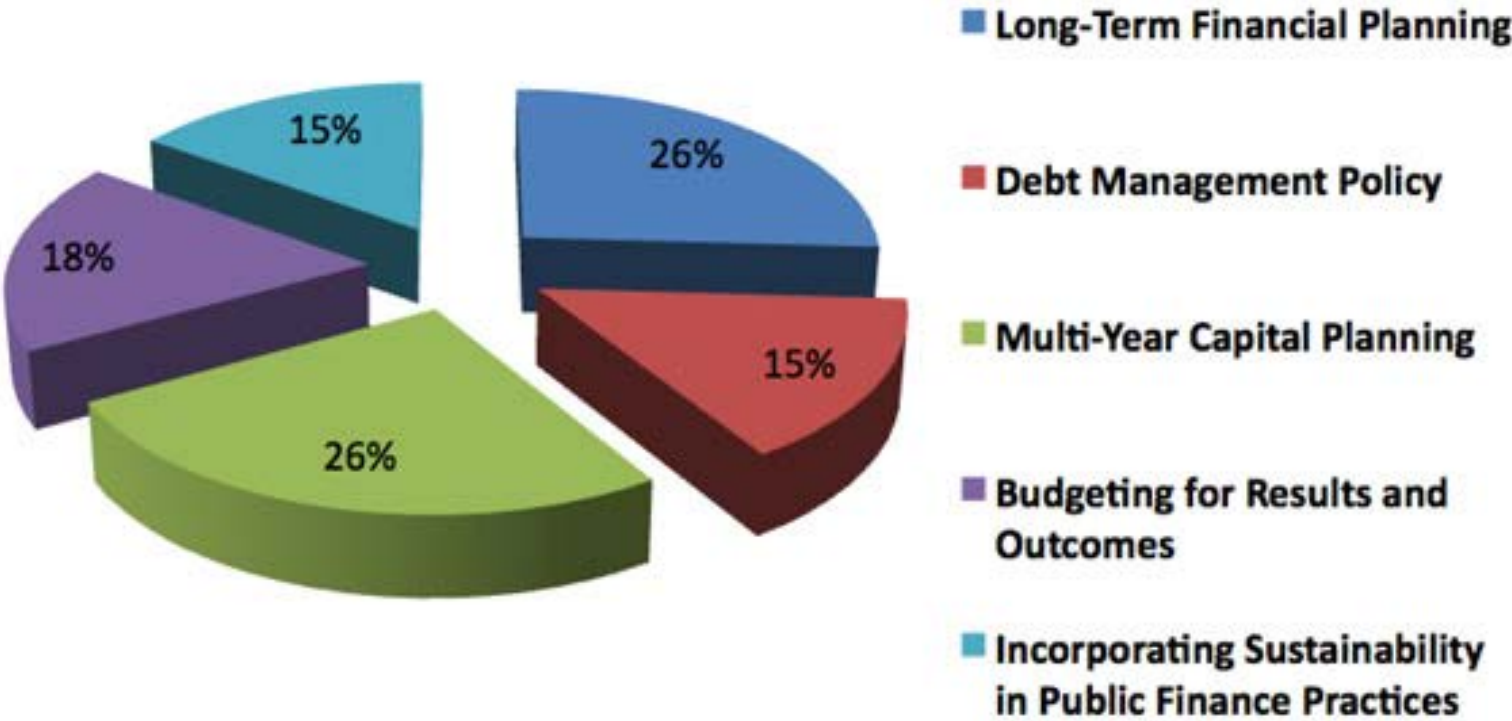
- Moved away from four categories of criteria to a more holistic expectation of what a budget document should contain
- A outstanding budget document needs to be more than just numbers – its about best practices, understandability and usability.



# Contained in GFOA Budget Criteria



## Top 5 Best Practices





# GFOA Budget Awards Criteria



- Strategic Goals and Strategies
- Sustainability
- Long Range Planning
- Budget and Financial Policies

# Strategic

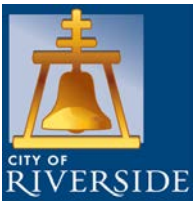




*Arts & Innovation*

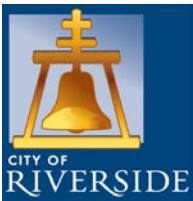
# Create S.M.A.R.T. Goals





# Riverside

- For example, Riverside’s strategic plan – **Seizing our Destiny** – is extremely complex and contains a number of “routes”
- Rather than overly complicate the budget’s strategic goals, our City Council has adopted five clear strategic goals to govern the budget process
  - Economic Development
  - Environmental Leadership
  - Transportation
  - Livable Communities and Neighborhoods
  - Arts & Innovation



# FV Organizational Goals



- Enhance economic development
- **Achieve financial stability**
- Attract, develop and retain quality staff
- Maintain and enhance infrastructure and facilities
- Enhance community outreach and engagement





- From these goals the City Council and staff develop specific, measurable strategic initiatives that relate back to each of the five core goals.
- These are reviewed monthly and changed and modified every six months.





# Goals Tied to Council Focus Areas



## Department Goals FY 2013-2015

### **City Council Goal – MAINTAIN AND IMPROVE THE CITY INFRASTRUCTURE**

- Add City Ordinance and Resolutions for online access
- Fundraise towards capital improvement priorities
- Develop dedicated Teen Area within existing space
- Evaluate and implement enhancements to the City's website

### **City Council Goal – MAINTAIN FINANCIAL STABILITY AND SUSTAINABILITY**

- Implement software "Collection HQ" for streamlining materials selection and weeding
- Identify alternate funding sources for library from community organizations and grants
- Complete and implement Library Strategic Plan to align library services and goals with fiscal and staffing resources.
- Implement options for paying fines and fees through online payments and credit cards

### **City Council Goal – ATTRACT, DEVELOP AND RETAIN QUALITY STAFF**

- Develop training plan for each employee and identify technological skills needed to complete tasks
- Encourage full time staff to utilize City's tuition reimbursement program for approved programs
- Promote opportunity for part time staff to receive training through funds currently available from local philanthropic organizations



# Tell the story of your successes



---

## ACCOMPLISHMENTS: FY 2013-14

---

*The following list highlights the City's accomplishments during the past fiscal year. These accomplishments reflect the efforts of the entire Brea organization – City Council, City Manager, Executive Directors, and all employees. It is not intended to be a comprehensive list since it does not even touch on the day-to-day routine service delivery functions that nearly all of City departments provide.*

---

- ♦ *Served 93,000 customers through the city-wide facility rental program including 69,000 at the Brea Community Center and 24,000 at other City facilities including the Civic Center, Pioneer Hall, and Senior Center.*
- ♦ *Refunded Tax Allocation Bonds for \$96,620,000, which lowered annual bond payments by \$750,000.*
- ♦ *Designed and instituted a new post-Yorba Linda Police department logo including letterhead, vehicles and signage. Also issued new Police Department badges that include the image of the Brea Civic and Cultural Center.*
- ♦ *Remodeled the front counter in Administrative Services to be ADA compliant.*
- ♦ *Responded to more than 3,700 calls for emergency fire or medical service.*
- ♦ *Coordinated the implementation of low-income and multi-family energy programs and the free installation of energy-efficiency products at Brea Senior Apartments.*
- ♦ *Conducted the City of Brea's first two "Coffee with a Cop" events.*
- ♦ *Obtained agreements from other North Orange County Cities to begin the process of forming a North Orange County Cities Energy*



# Sustainable versus Balanced Budget

# Balanced Budget Defined



- At the most basic level a balanced operating budget is one where normally occurring revenues are equal to your normally occurring expenditures within a budget period.



# A budget that is balanced isn't always one representing a healthy spending plan.

**DEBT**



**OPEB**



# Balanced Budget Defined

- A balanced budget is not just about cuts.
- We need to put away our scalpel, or even the hatchet, and **fully consider our organization in terms of the ideal structure needed to provide essential community services.**





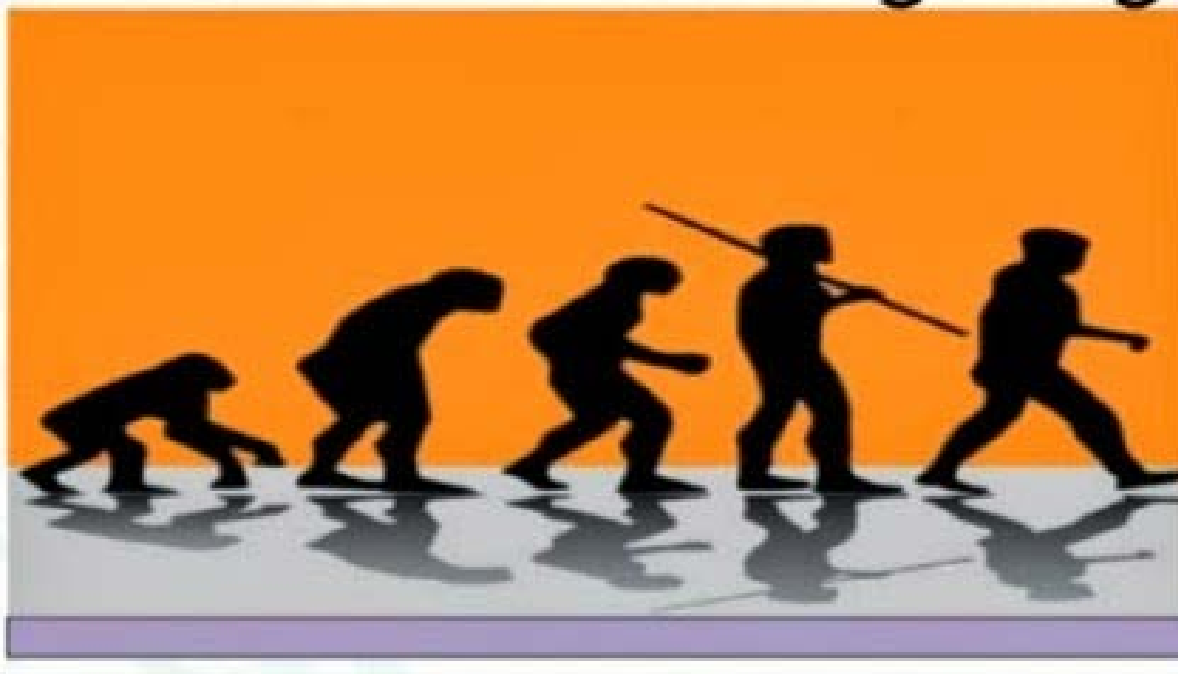
# Sustainable Budget Defined



Sustainable budgets are ones that allow for **service solvency** levels that meet the community needs and are funded on an ongoing basis.



# Evolution of Budgeting



**Line-by-Line  
Budgeting**

**Incremental  
Budgeting**

**Zero Based  
Budgeting**

**Results Based  
Budgeting**

**Priority Based  
Budgeting**





- Prioritize programs and services to identify which ones offer the highest relevance to the results the community expects.
  - Show the cost of all programs in the budget
  - Example Cincinnati, Ohio



# Departmental Budgets

## Finance

### Program 3: Payroll Preparation

**Description:** Processes biweekly payroll for approximately 6,500 employees, interprets and implements government regulations, and reconciles all employee deductions and tax deposits.

**Goal:** To provide professional accounting support to agencies to allow for timely processing of payroll.

### Program Budget Summary

	2014 Approved Budget	2015 Approved Budget	2015 Approved Update	Change 2015 Approved to 2015 Approved Update
<b>Operating Budget</b>				
Personnel Services	114,300	118,460	128,720	10,260
Employee Benefits	44,720	48,450	19,770	(28,680)
Other Expenses	6,900	7,150	7,150	0
Properties	0	0	0	0
Debt Service	0	0	0	0
<b>Operating Total</b>	<b>165,920</b>	<b>174,060</b>	<b>155,640</b>	<b>(18,420)</b>
Internal Service Funds	0	0	0	0
<b>Total</b>	<b>165,920</b>	<b>174,060</b>	<b>155,640</b>	<b>(18,420)</b>
Capital Projects	0	0	0	0
Consolidated Plan Projects	0	0	0	0
Program Revenue	0	0	0	0
Total Full-time Equivalent Positions	2.00	2.00	2.00	0.00

### Adjustments to Costs to Maintain Current Program Services

Budget	FTE Fund	Description
(18,420)	0.00 All Funds	This program reflects an all funds decrease, which is primarily due to a citywide net decrease in personnel and benefit costs. There is no change in FTE.





operations  
covering  
financial  
plan  
Long-term  
future  
years





# Long-Range Budget Plan



- 10 year budget plan credited with city's ability to deal effectively during the Great Recession
- Weathered the storm by planning and acting on the plan
- 10-year plan helped us last month to articulate the impact of the CalPERS UAL increases over the next five years



# Pinpointing Priorities – Long Term



- Ten year budget plan
  - Realistic
  - Evaluate opportunities for restructuring
  - Infrastructure investment must be included
  - Long-Term Liabilities
  - Development of a program level costing
    - Needs to be detailed
    - Employee costs
    - Include CIP / Equipment / Vehicles



# Long Term Plan – Lessons Learned



- **Be Bold** – This is no place for half-measures or incremental
- **Build the Baseline** as the starting point – develop alternatives
- **Think Beyond the Horizon** – think beyond 3-5 years



# Long Term Plan – Lessons Learned



- **Maintain a Cushion** – be willing to make adjustments
- **Commit Fully to Implementation** – There will be the need to continually evaluate, communicate, and re-sell the plan's initiatives







# Take Advantage



- Review GFOA's Best Practices
- CSMFO resource room and e-mail list serve
- Become a CSMFO or GFOA budget reviewer
- Be active in your CSMFO chapter meetings



- to re-imagine our organizations
- to determine service prioritization through long term planning
- to remove the silos as we think about being sustainable – long term
- to be **BOLD**



QUESTION?  
COMMENT?  
SUGGESTION?  
**CLICK HERE**





*Arts & Innovation*



# Michael Gomez

City of Riverside

(951) 826-5113 -- [mgomez@riversideca.gov](mailto:mgomez@riversideca.gov)

# David Cain

City of Fountain Valley

(714) 596-4418 -- [david.cain@fountainvalley.org](mailto:david.cain@fountainvalley.org)

[www.CSMFO.org](http://www.CSMFO.org)

