



The Care and Feeding of Newly Elected Officials

Julie Zolghadr and Rachel Musiala

Today We Will...

- ▶ Learn how we can best assist those new to government
- ▶ Provide useful and meaningful orientation information
- ▶ Establish strong lines of communication from day one

Newly Elected - Now What?

- ▶ Who are your new officials?
- ▶ Professional background?
- ▶ Is there support staff?
- ▶ What do you do now?

Finance/Budget 101

- ▶ Budget Law
- ▶ Fund Accounting
- ▶ General Terminology
- ▶ Revenue Sources and Impacts
- ▶ Expenses and Cost Drivers
- ▶ Simple financial reports
- ▶ Auditing
- ▶ Internal Controls

Budget Law

- ▶ First and foremost a budget is a law
- ▶ Origins of the budget law
- ▶ State Statute
- ▶ Local ordinance
- ▶ Operating vs. Capital vs. Long-Term budgets
- ▶ Other legislative impacts

Fund Accounting

- ▶ All those acronyms
- ▶ Sifting through the rules
- ▶ A simple primer
- ▶ Less is more

General Terminology

- ▶ Fund Balance
- ▶ Cash Position
- ▶ Appropriation/Budget
- ▶ Encumbrances
- ▶ Financial polices pertaining to the above

Revenue Sources and Impacts

- ▶ Taxes - General Revenues
- ▶ Fees & Fines
- ▶ Special Revenue
- ▶ Enterprise Funds Revenue
- ▶ Grants

Expenses and Cost Drivers

- ▶ People deliver services
- ▶ Pensions
- ▶ Health care
- ▶ Overhead
- ▶ Capital Equipment and Infrastructure

Simplified Financial Reports

- ▶ Revenues vs. Expenses
- ▶ Budget vs. Actual
- ▶ Forecasting Revenues
- ▶ Expenditure Trends

Auditing

- ▶ Purpose of the audit
- ▶ Role that the auditors perform
- ▶ End result - the CAFR and Management Letter
 - ▶ High level review
 - ▶ Financial condition, problems, and strategies
 - ▶ Background on other financial concerns and issues that will face them during their term

Internal Controls

- ▶ Who's responsibility is it?
- ▶ What role do the elected officials play?
- ▶ Reasonable assurance vs. absolute assurance that NO bad things will ever happen to us

Effective Communication

“If you can't explain it to
a six year old,
you don't
understand it yourself.”

-- Albert Einstein

Keep It Simple Stupid

- ▶ The layers of authority in local government are overwhelming
- ▶ Effective communication NEVER involves technical terms
- ▶ We are the financial experts, but they won the election
- ▶ Earn respect by teaching with respect

Resources

- ▶ Illinois Municipal League
- ▶ California's Institute for Local Government
- ▶ Carl Vinson Institute of Government (University of Georgia)
- ▶ Indiana Association of Cities and Towns
- ▶ GFOA Elected Officials Guides

Thanks!

Julie Zolghadr
Supv. of Fiscal Services, Budget Division
Office of Budget & Management, City of Springfield
217-789-2191 ext. 6209
julie.zolghadr@springfield.il.us

Rachel Musiala
Director of Finance
Village of Hoffman Estates
847-843-4802
rachel.musiala@hoffmanestates.org