Engaging Your Community on Complex Financial Questions

Elizabeth Holleb - Finance Director, City of Lake Forest
Mark Welch – Solutions Architect, OpenGov
Meet Our Speakers

Elizabeth Holleb
Director of Finance
City of Lake Forest, IL

Mark Welch
Solutions Architect
OpenGov
What Does an Ideal Budget Cycle Look Like?

Strategic Planning
Forecasting
Personnel Planning
CIP Planning

Online Budget Book
Transparency Portal
Stories

Rolling CY into FY estimates
Capturing Projections
Scenario analysis
Trend Analysis

Budget vs. Actuals
Operational Reporting
Interactive Dashboards
What’s So Hard About Being Strategic?

No Systems
Top-Down decision making
Misunderstanding of what drives numbers
GFOA Financial Foundations Framework

Pillar 1: Establish Long-Term Vision
- Give people a reason to cooperate.

Pillar 2: Build Trust and Open Communication
- Create the conditions for cooperation.

Pillar 3: Use Collective Decision Making
- Develop forums for participation.

Pillar 4: Create Clear Rules
- Reinforce constructive behavior.

Pillar 5: Treat Everyone Fairly
- Promote and protect mutual trust and respect.
Comprehensive Fiscal Planning is more than just the annual budget!

- Five Year Strategic Plan
- Long Term Fund Forecasts
- 5 Year Capital Plan
- Department Narratives/Goals
- Annual City Council Goals
- City Council Fiscal Policy
- Service Analysis/Personnel

Annual Budget
IGFOA ANNUAL CONFERENCE • SEPTEMBER 13–14, 2021

Long Term Planning
- Strategic Plan
- Five Year CIP
- Financial Forecasts
- Fiscal Policy

Goals
- Organization Goals
- Department Objectives
- Performance Measures

Annual Budget
- Revenues
- Expense Allocation

Service Levels
- Core/Elective Service Analysis
- Personnel Allocation
Communicating the budget

• Traditional methods:
  • Paper copy of budget
  • Budget hearings or town hall meetings

• More recent methods:
  • PDF budget on web site
  • Social media
  • Online surveys
  • Budget-in-Brief and Popular Annual Financial Report (PAFR)
Poll Question: Do you currently issue either a Budget-in-Brief or PAFR?

Yes or No
Lake Forest Financial Transparency Journey

• Budget Book enhancements
  • Department summaries; Household Impact; add charts and graphs (all manual/excel)
  • GFOA Distinguished Budget Presentation Award – 1st applied FY 2017 Budget
• October 2014 – OpenGov demo for executive staff
  • Key Driver: current ERP reporting deficiencies
  • November 2015 – OpenGov demonstration to City Council – FY17 Budget enhanced
  • September 2017 – Website demonstration to management staff
  • January 2019 CC Finance Committee - changes in financial transparency web site
  • June 2020 – added OpenGov stories/dashboards functionality
  • August 2020 – FY21 Budget in Brief published on web site – 1st OpenGov Story
  • March 2021 – FY20 Popular Annual Financial Report published on web site
### Comprehensive Fiscal Plan

#### Mission Statement
The Office of the City Manager fosters an enduring organizational culture that adheres to the City’s Core Values, promotes excellence in the delivery of services and provides sound leadership while fulfilling the expectations of the community in a fiscally responsible manner.

#### Vision Statement
The Office of the City Manager will continue to provide high quality service to the residents, business community, City government and City employees and adapt to the changing needs of the community for services at City Hall.

#### FY2020 Highlights
- Completed first year of "MetroMore" commuter service Pilot Program
- Participated in Northern Illinois Benchmarking Cooperative (NICB)
- Completed land transfer of City-owned McCormick Ravine
- Participated in inter-departmental team to implement a shared digital repository for City documents
- Implemented online application process for annual landscape and liquor license program
- Assisted the Police Department in launching an internal Parking Advisory Committee

#### Performance Measures
- Average % of Followers Reached Per Facebook Post
- Average % of Followers Reached Per Instagram Post
- E-Newsletter Open Rate
- Average number of days to respond to FOA request

#### FIRE DEPARTMENT

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<tr>
<td>001 PROPERTY TAXES</td>
<td>1,537,958</td>
<td>1,646,568</td>
<td>1,618,537</td>
<td>1,895,171</td>
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<td>006 LICENSES AND PERMITS</td>
<td>110</td>
<td>500</td>
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<td>010 CHARGES FOR SERVICES</td>
<td>1,042,412</td>
<td>1,198,994</td>
<td>1,230,838</td>
<td>1,244,584</td>
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<td>113 FINES &amp; FORFEITS</td>
<td>200</td>
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**TOTAL ESTIMATED REVENUES:**
- 2018-19: 2,580,480
- 2019-20: 2,846,062
- 2020-21: 2,850,175
- 2020-21: 3,140,255

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<td>100 SALARIES AND WAGES</td>
<td>3,807,045</td>
<td>4,138,318</td>
<td>4,023,935</td>
<td>2,022,275</td>
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<td>101 EMPLOYEE INSURANCE</td>
<td>625,440</td>
<td>680,298</td>
<td>660,243</td>
<td>701,090</td>
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<td>102 OTHER EMPLOYEE BENEFITS</td>
<td>62,228</td>
<td>68,083</td>
<td>70,675</td>
<td>70,466</td>
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<td>103 EMPLOYER PENSION COSTS</td>
<td>1,725,614</td>
<td>1,837,108</td>
<td>1,835,018</td>
<td>2,086,443</td>
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<td>200 CONTRA ACCOUNTS</td>
<td>(29,528)</td>
<td></td>
<td></td>
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<td>300 OTHER OPERATING</td>
<td>75,088</td>
<td>84,500</td>
<td>87,500</td>
<td>81,000</td>
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<td>400 CONTRACTUAL SERVICES</td>
<td>11,307</td>
<td>11,500</td>
<td>11,500</td>
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<td>500 INTERNAL SERVICES</td>
<td>231,200</td>
<td>256,619</td>
<td>256,439</td>
<td>260,974</td>
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<td>601 UTILITIES</td>
<td>6,140</td>
<td>7,424</td>
<td>7,424</td>
<td>8,561</td>
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<td>600 SUPPLIES</td>
<td>106,693</td>
<td>91,411</td>
<td>91,411</td>
<td>88,911</td>
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**TOTAL APPROPRIATIONS:**
- 2018-19: 6,621,227
- 2019-20: 7,176,075
- 2020-21: 7,044,335
- 2020-21: 7,511,220

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<td>300 EMERGENCY TELEPHONE FUND</td>
<td>1,571</td>
<td>2,500</td>
<td>42,355</td>
<td>44,835</td>
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<tr>
<td>701 CAPITAL IMPROVEMENTS</td>
<td>1,571</td>
<td>2,500</td>
<td>42,355</td>
<td>44,835</td>
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**TOTAL APPROPRIATIONS:**
- 2018-19: 6,621,227
- 2019-20: 7,176,075
- 2020-21: 7,044,335
- 2020-21: 7,511,220
Financial Transparency Web Site Portal

Annual Tax Levy Allocation

Property Tax Revenue accounts for more than 50% of the City's General Fund revenue. The City is a home-rule municipality and may impose any type of property tax levy without a rate limitation, except where specifically prohibited by State Statute. This rate is imposed equally upon all taxable properties based on the equalized assessed valuation (EAV). The County is required by Statute to collect real estate taxes on behalf of the City. The collection rate for this revenue source is nearly 100%, making it a reliable, stable and predictable revenue source. The graph below demonstrates the allocation of property tax dollars to specific purposes.

City's Annual Tax Levy Allocation

Data Updated last year

46.42% • $13,913,627.93

General Fund in 2018

Click to explore data →
# New GFOA Budget Award Criteria

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<thead>
<tr>
<th>New GFOA Distinguished Budget Criteria</th>
<th>Best Practices for Budget Teams</th>
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<tr>
<td>Performance measures and strategic planning are now mandatory criteria.</td>
<td>Link the budget to strategic goals and initiatives and track those explicitly. See how Ukiah, CA does this and watch a video on Ukiah’s award-winning budget process.</td>
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<tr>
<td>Table of Contents links are now explicit criteria</td>
<td>Go beyond bookmarking with links directly to interactive charts and graphs and descriptions that provide context and color. See how Roswell, GA and Sandpoint, ID have done this.</td>
</tr>
<tr>
<td>An overview should be presented within understandability and usability criteria</td>
<td>Use other forms of communication including videos, social media, etc. to call attention to key elements. See East Providence, RI’s “Budget in Brief”</td>
</tr>
<tr>
<td>Process narratives are required in many criteria (strategic goals, capital projects, long-range forecasts, etc.) and are a general focus for the award</td>
<td>Make sure your charts and supporting narratives are simple, clear, and well annotated. Read Ashland, OR’s succinct descriptions</td>
</tr>
<tr>
<td>ADA compliance is a key part of understandability and usability</td>
<td>Meet ADA standards automatically by adopting a platform that ensures your data is shown in ways that it can be consumed. See how Colma, CA ensures compliance.</td>
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</table>
Poll Question: Are you currently building an online interactive budget?

Yes or No
Roswell, GA’s Interactive Online Budget

- Table of Contents
- Approved Budget Summary
- Fire Department General Fund
Hayward, CA Capital Planning Story

By creating a Story for a Capital Improvement Plan, cities and counties can showcase investments in the community as well as share updated financial information. We also see this being used to communicate long-term planning.
Colerain Township Fire & EMS Levy

A series of web pages containing information on the upcoming levy for the Colerain Township Fire & EMS Department to provide the public with information to make an informed decision.
Quarterly Financial Reports

A report for the Board and public to provide a pulse check on how we’re doing with year-to-date cash balance compared to target and other details around capital planning, spend, and debt investments.
Key Learnings

1. **Beyond Budget Building**: Comprehensive Fiscal Planning is more than just an annual budget process, and new processes and systems are needed.

2. **Gain Trust & Earn Distinction**: Interactive budgets enable government leaders to link data and add context (and earn GFOA distinction).

3. **Measure & Track What Matters**: Evaluate performance continuously across the year to identify gaps and stay focused (and keep stakeholders focused) on higher-order strategic goals.
QUESTIONS?