

# Strategies to Streamline Your Local Government Budget Process

*Wednesday, February 24, 2021  
2:00 – 3:30 pm*



# Thank You for Joining!

## Webinar Host & Moderator

**Melissa Kuehne**  
Program Manager  
Institute for Local Government



# Webinar Overview

government budget process? This year's budgeting cycle will likely be more challenging than ever for cities, counties and special districts. Today's webinar will feature strategies to help you simplify the process. We'll explain some important updates to the Government Finance Officers Association's (GFOA) criteria for the Distinguished Budget Presentation Awards and offer strategies to streamline the annual budgeting process by automating workflow.

# Today's Agenda

Welcome & Overview

About ILG

Presentations by:

- Chris Bullock, Co-Founder & CEO of ClearGov, Inc.
- Shannon Buckley, Assistant Administrative Services Director, City of Lake Elsinore, CA
- Wendy Cumming, Certified Public Accountant/Consultant, City of San Juan Bautista, CA
- Will Fuentes, CPFO, MBA, Finance Director, City of Campbell, CA

Q&A

Wrap Up & Contact Information

ClearGov Demo

# How to Ask a Question During the Webinar

- All webinar participants will be on MUTE during the entire call.
- Please TYPE any questions into the question box at any time during the webinar.
- The moderator will read your questions during the question period at the end of the webinar.



# Non-Profit, Non-Partisan & Here to Help

ILG is the non-profit training and education affiliate of...



**California Special  
Districts Association**  
*Districts Stronger Together*



*We provide practical and easy-to-use resources so local agencies can effectively implement policies on the ground.*

# ILG's Programs & Services



*Our mission is to help local government leaders navigate complexity, increase capacity & build trust in their communities*

# Today's Presenters

**Shannon  
Buckley**

Assistant Administrative  
Services Director  
City of San Francisco

**Chris Bullock**  
Co-Founder & CEO  
ClearGov, Inc.

**Will Fuentes**  
CPFO, MBA  
Finance Director  
City of Campbell

**Henry  
Cumming**  
Certified Public  
Accountant/Consultant  
City of San Juan



# Strategies to Streamline Your Local Government Budget Process

Presented by Chris Bullock, CEO



# A Quick Introduction to ClearGov

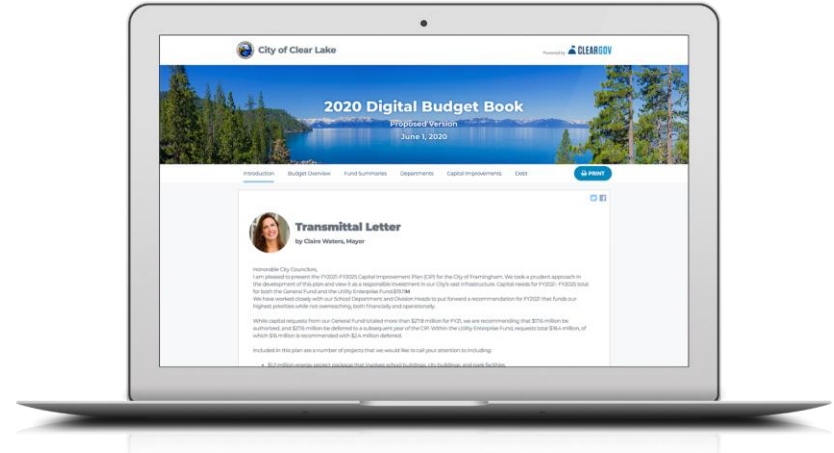
- Founded in 2015 as a Financial Transparency platform
- Evolved to a full Budget Cycle Management platform
- Our mission is to create easy-to-use software to help governments budget better.
- Over 400 local government and school district clients across 43 states.
- Our platform is easy to implement, easy to use, connects to any ERP, and affordable to govts of all sizes.



# You're Invited...

## Digital Budget Book software demonstration

- A new website-based paradigm for budget books
- Designed to meet GFOA guidelines
- Built to save time building and updating
- Works with any ERP or spreadsheet budget
- Templated approach, but highly customizable
- Improves budget book workflow and collaboration



# COVID-19 Budget Challenges



## REMOTE WORK

Increased need for remote collaboration.



## NO PUBLIC MEETINGS

Increased need for transparency and digital communications



## BUDGET CONSTRAINTS

Need to do more with less resources.

# Budget Processes Must Adapt

- Tradition Excel-based budget processes are...
  - Time consuming to build and maintain
  - Not collaborative
  - No centralized communication
- Old way of budgeting is not working in this remote, resource-strapped environment.
- Many governments are rapidly moving budgetary processes to the cloud
  - Models are pre-built with no formulas to break
  - Contributors can be added to remote collaboration
  - Data and communications are centralized and tracked via audit trails

# Traditional Budget Cycles

are comprised of a series of output



# Traditional Budget Books are necessary, but they're...

- **Antiquated**
  - Output is printed, but we live in a digital world!
  - Static PDF as Sole Web Format
  - Not Mobile Friendly
- **Time Consuming to Create & Update**
  - Quickly Out-of-Date
- **Dense & Hard to Digest**
  - Not interactive




# The Changing Budget Book Landscape

- Awards criteria always evolving in an effort to improve and adjust to changing technology.
- Many govs are moving away from traditional printed documents towards interactive, website-based budget communications.
- The revised GFOA criteria takes effect for budgets with a fiscal year beginning January 1, 2021 or later. Schools are July 1, 2021 or later.
  - One-year grace period to allow everyone to adjust
- Let's take a look at the criteria changes and best practices examples of how to adjust...



# Previous Criteria

Name of Entity: \_\_\_\_\_  
State/Province: \_\_\_\_\_  
First Submission? Yes  No

  
Distinguished Budget Award

CFOA Detailed Criteria Location Guide  
Distinguished Budget Presentation Awards Program

Cite specific page references on the lines in response to each question.

**Introduction and Overview**

#C1: **Mandatory:** The document shall include a table of contents that makes it easier to locate information in the document.

\* **Table of Contents**

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#P1: The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.

**Strategic Goals and Strategies**

1. Are non-financial policies/goals included? \_\_\_\_\_
2. Are these policies/goals included together in the Budget Message or in another section that is separate from the departmental sections? \_\_\_\_\_
3. Are other planning processes discussed? \_\_\_\_\_

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**Short-term organization factors**

1. Are short-term factors addressed? \_\_\_\_\_
2. Does the document discuss how the short-term factors guided the development of the annual budget? \_\_\_\_\_
3. Is a summary of service level changes presented? \_\_\_\_\_

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- Strategic Goals & Strategies
- Short-term Organizations Factors
- Priorities & Issues
- Budget Overview
- Organization Chart
- Fund Description & Fund Structure
- Department/Fund Relationship
- Basis of Budgeting
- Financial Policies
- Budget Process
- Consolidated Financial Schedule
- Four Year Consolidated and Fund Financial Schedules
- Fund Balance
- Revenues
- Long-range Financial Plans
- Capital Expenditures
- Impact of Capital Investments on Operating Budget
- Debt
- Position Summary Schedule
- Department Descriptions
- Unit Goals & Objectives
- Performance Measures
- Statistical/Supplemental Section
- Glossary
- Charts & Graphs
- Understandability & Usability

# Streamlined Criteria

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# Previous Mandatory Criteria

\* Mandatory items in bold.

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# New Mandatory Criteria

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- **Budget Overview**

- **Organization Chart**

- Fund Description & Fund Structure

- Department/Fund Relationship

- Basis of Budgeting

- **Financial Policies**

- **Budget Process**

- **Consolidated Financial Schedule**

- Four Year Consolidated and Fund

- Financial Schedules

- **Fund Balance**

- **Revenues**

- Long-range Financial Plans

- **Capital Expenditures**

- **Debt**

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- Understandability & Usability

# What's Changed?

## Table of Contents

- **(Small) Change: Table of Contents can now refer and even link to items outside of the budget document**
- Best Practice: Sections should link to content
- Best Practice: Provide section summaries in ToC
- Best Practice: Add a "Top 10 Common Questions" page

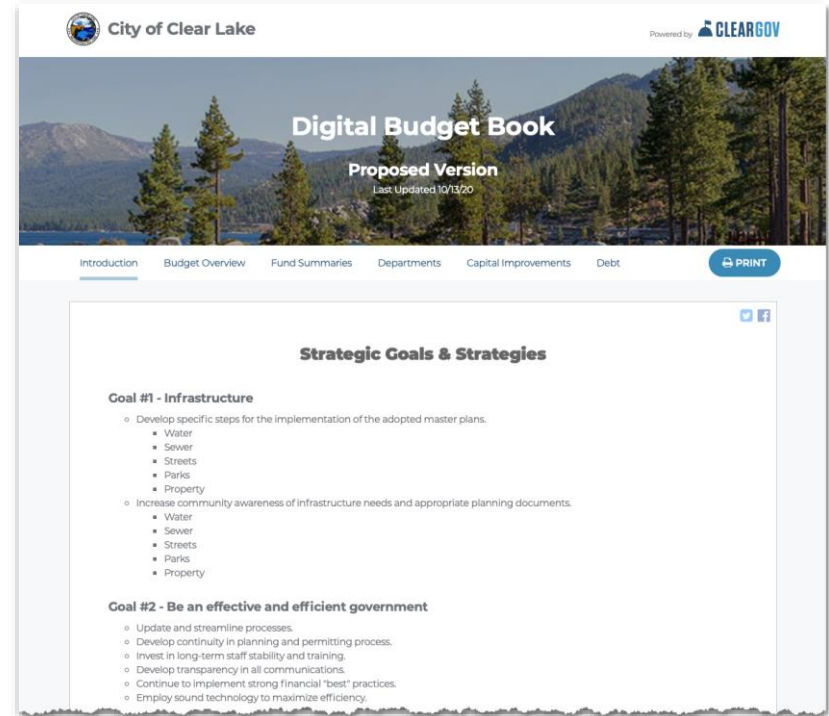
 <b>TABLE OF CONTENTS</b>	
<b>Introduction</b>	Introduction ..... 3
This section provides an overview of Clear Lake's mission, history, infrastructure, demographics, strategic goals, processes and policies	Transmittal Letter ..... 4
	History of City ..... 5
	Demographics ..... 6
	Organization Chart ..... 10
	Strategic Goals & Strategies ..... 11
	Fund Structure ..... 14
	Basis of Budgeting ..... 15
	Financial Policies ..... 16
	Budget Process ..... 17
<b>Budget Overview</b>	Executive Overview ..... 20
This section provides an overview of Clear Lake's budget including Covid-19 impacts as well as the strategic plan, priorities and personnel changes.	Covid-19 Impact ..... 21
	Strategic Plan ..... 23
	Short-term Factors ..... 24
	Priorities & Issues ..... 25
	Personnel Changes ..... 27
<b>Fund Summaries</b>	General Fund ..... 29
This section provides detail information regarding each of Clear Lake's Funds. In addition to budget summaries for each fund, this section provides historical revenue and expenditure information	State Gas Tax Fund ..... 30
	Road Maint. and Rehab Account ..... 36
	Measure M Fund ..... 40
	Measure M Senior Mobility Fund ..... 44
	Air Quality Management Fund ..... 48
	Ca Beverage Recycling Grant ..... 53
	Community Development Block Grant ..... 56
	Capital Improvement Projects Fund ..... 60
<b>Departments</b>	Police Department ..... 69
This section provides detail information regarding each of Clear Lake's Funds. In addition to budget summaries for each fund, this section provides historical revenue and expenditure information	Human Resources ..... 75
	Finance ..... 79
	Public Works Engineering ..... 85
	Public Works Water ..... 89
	Public Works Maintenance ..... 93
	Public Works Administration ..... 100
	City Manager ..... 104
	City Clerk ..... 110
	Community Services ..... 124
	City Attorney ..... 127
	Legislative ..... 132
	Information Technology ..... 134
	Administration ..... 140
	Licenses and Permits ..... 146
	Charges for Services ..... 148
<b>Capital Improvements</b>	One-year plan ..... 150
This section describes the capital projects that support strategic goals and includes estimated funding sources and anticipated impact on operational costs.	Multi-Year plan ..... 153

 City of Clear Lake | Budget Book 2020 Page 2

# What's Changed?

## Strategic Planning

- **(Big) Change: Strategic planning is now mandatory**
  - Budget dollars linked to goals is not a requirement but recommended
- **(Big) Change: Process for coming up with strategic goals should be identified**
  - Explain the process for creating the goals
  - Roadmap diagram is a great way to share goals
- Best Practice: Focus should be on the future (e.g. not "what we've done" but "what we plan to do")



The screenshot displays the 'Digital Budget Book' for the City of Clear Lake, powered by CLEARGOV. The page is titled 'Proposed Version' and was last updated on 10/13/20. The navigation menu includes 'Introduction', 'Budget Overview', 'Fund Summaries', 'Departments', 'Capital Improvements', and 'Debt'. A 'PRINT' button is visible in the top right corner. The main content area is titled 'Strategic Goals & Strategies' and features two primary goals:

- Goal #1 - Infrastructure**
  - Develop specific steps for the implementation of the adopted master plans.
    - Water
    - Sewer
    - Streets
    - Parks
    - Property
  - Increase community awareness of infrastructure needs and appropriate planning documents.
    - Water
    - Sewer
    - Streets
    - Parks
    - Property
- Goal #2 - Be an effective and efficient government**
  - Update and streamline processes.
  - Develop continuity in planning and permitting process.
  - Invest in long-term staff stability and training.
  - Develop transparency in all communications.
  - Continue to implement strong financial "best" practices.
  - Employ sound technology to maximize efficiency.

# What's Changed?

## Short-term Factors | Priorities & Issues

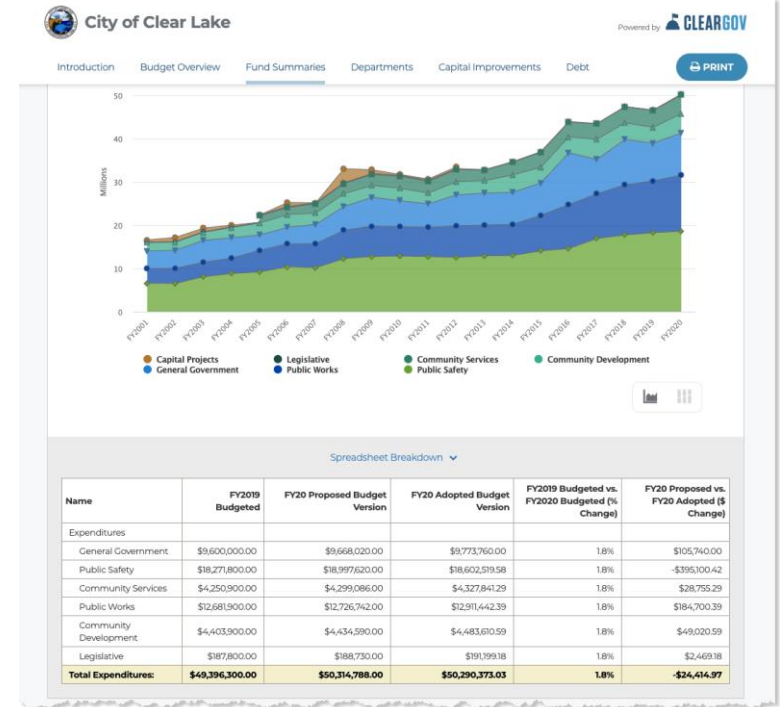
- **(Small) Change: These two criteria are now combined**
- **(Small) Change: Now required to show major changes in service levels, fees and/or taxes**
  - Help provide context to budgetary decisions
  - What were your choices and what decisions were made?
- Best Practice: Share what is “top of mind” during budget
- Best Practice: FAQ page is helpful (e.g. predict questions that may be asked)



# What's Changed?

## Budget Overview

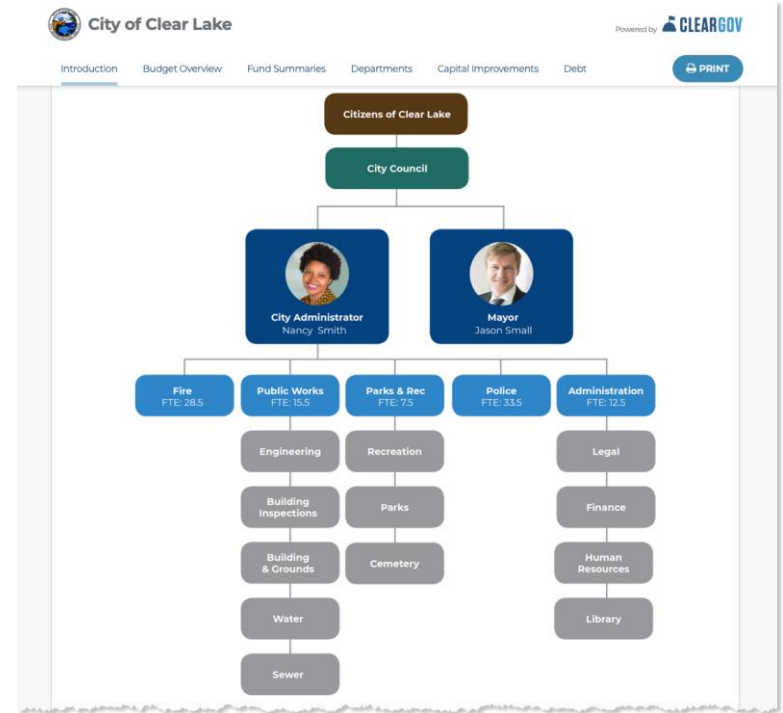
- **(Small) Change: It is now required to show the changes from proposed to adopted** (view example)
  - It is also recommend to summarized changes between the two in the narrative
- Best Practice: "Budget in Brief" in infographic format
- Best Practice: Clearly show what areas are driving the biggest increases this year
  - Don't just include tables - charts and narratives are important!



# What's Changed

## Org Chart

- **(Small) Change: Org chart may now consider how structure helps achieve mission**
- Best practice: Include commissions and boards
- Best practice: Including headshots in the org chart is a nice touch
- Best practice: Show headcount in org chart



# What's Changed?

## Financial Policies

- **(Small) Change: Financial Policies should note whether the budget complies with relevant financial policies**
- Best practice: Include policies and summarize them
- Best practice: Graphics and tables help communicate better than all dry text

# What's Changed?

## Budget Process

- **(Small) Change: Discuss public involvement**
  - Citizen satisfaction survey can inform priorities and play key role in budget process
  - The idea of how to communicate with citizens is changing fast in this environment
- Best Practice: Show process in chart; include description of key phases/dates

City of Clear Lake

Powered by CLEARGOV

Introduction Budget Overview Fund Summaries Departments Capital Improvements Debt PRINT

### Budget Timeline

Starting in October, the Department of Finance (Finance) and division managers begin meeting to review a listing of the budgets for which they are responsible, current employee rosters, payroll projection reports, and expenditure history. Based on this initial review they are able to identify and discuss ongoing and upcoming projects that impact the 2021 budget. The meetings create an open forum that allowed the Finance Department and division managers to review staffing levels, personnel changes, vehicle replacements, and capital outlay requests in a more interactive environment, to better understand and anticipate the needs of the division. During the meetings, the Finance staff compiles this information and creates the initial department and division request of the budget in cooperation with each division.

The following calendar recaps dates on which significant budget-related events occurred during the preparation of the City's annual fiscal plan and capital improvement plan.

Redmond's Budgeting Process

Watch later Share

OPEN

safety clean & green vibrant econ

connected

^

# What's Changed?

## Consolidated Financial Schedule

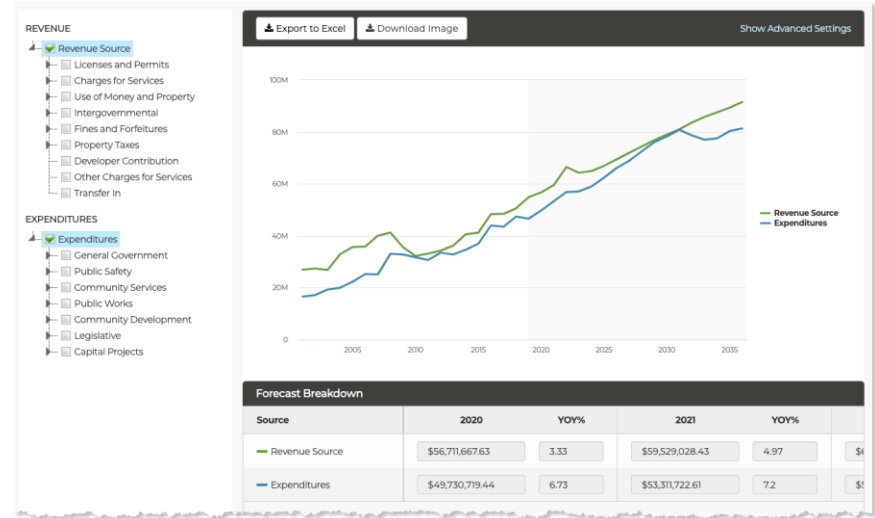
- **(Small) Change: Three-year financial schedule is no longer mandatory**
  - Must show prior year actuals; current year could be budget or forecast
- Best Practice: Show matrix of funds vs. type of fund (e.g. Governmental, Proprietary)



# What's Changed?

## Long-range Financial Plans

- **(Small) Change: Long-range operating financial plans should consider unfunded liabilities and go beyond just the general fund.**
- Best practice: Long range (10 year plans) are encouraged
  - Discuss the long term strategies/priorities
- Best practice: Discuss unfunded liabilities



# What's Changed?

## Capital Program | Operating Impact of Capital

- **(Small) Change:** These two criteria are now combined
- **(Big) Change:** Capital program needs to identify the process of choosing funded projects (e.g. how are requests evaluated)
- **(Big) Change:** Operating impact must be included in capital program
- Best practice: Rank or score requests by priority
  - Show analysis of how each request was analyzed

Introduction Budget Overview Fund Summaries Departments Capital Improvements Debt [PRINT](#)

### Capital Improvements Evaluation Criteria and Scoring Matrix

	Health Impact 10	Environmental Impact 10	State of Good Repair 20	Operational Impact 20	Legal Commitment 20	Cost / Benefit 20
20					Overdue (20)	
19				Operations critical (16-20)		
18						
17			Past useful life now (11-20)			Positive cost/benefit (11-20)
16						
15				Major operational improvement (11-15)	Due during CIP (11-15)	
14						
13						
12						
11						
10						Neutral (10)
9						
8	Critical (6-10)	Critical (6-10)	Past useful life during CIP (6-10)			
7						
6				Moderate operational improvement (1-10)	Due after CIP (1-10)	
5						
4	Yes (1-5)	Yes (1-5)	Past useful life after CIP (1-5)			Negative cost/benefit (0-9)
3						
2						
1						
0	No Impact	No Impact	Renew asset	No Impact	No Impact	

# What's Changed?

## Debt

- **(Big) Change: Debt section should include bond ratings, debt to maturity schedules and purpose of obligations**
  - Need to show principal vs interest in maturity schedule
- Best Practice: Narrative of the debt is very important

The screenshot shows the 'Digital Budget Book' interface for the City of Clear Lake, powered by CLEARGOV. The page is titled 'Proposed Version' and 'Last Updated 10/16/2021'. The navigation menu includes 'Introduction', 'Budget Overview', 'Fund Summaries', 'Departments', 'Capital Improvements', and 'Debt'. The 'Debt Snapshot' section features a large graphic with a building icon and the text '\$3,415,000' and '\$545,000 (18.99% vs. 2019 year)'. Below this, there are three sections of text describing different types of bonds: General Obligation Community Development Bonds - Series 2013A, General Obligation Community Development Bonds - Series 2013B, and General Obligation Community Development Bonds - Series 2015. A 'Note Anticipation Notes (NAN) - Series 2017' section is also present. At the bottom, there is a table with columns for 'Rating Description', 'Moody's', 'Standard & Poors', and 'Fitch'.

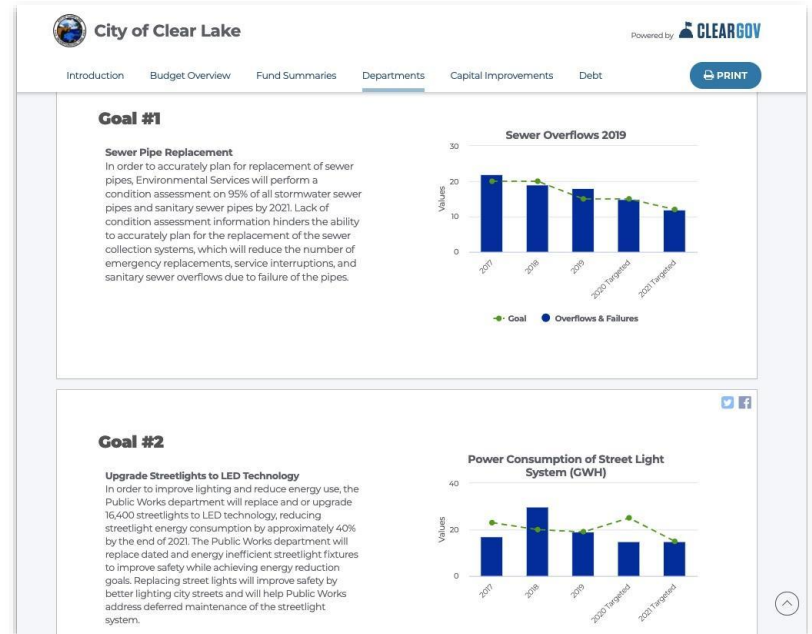
Rating Description	Moody's	Standard & Poors	Fitch
Highest credit quality; issuer has a strong ability to meet its obligations	Aaa	AAA	AAA
Investment Grade	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
High credit quality, but more vulnerable to changes in the economy	A1	A+	A
	A2	A	A-
	A3	A-	A-
Adequate credit quality for now, but more likely to be impaired if conditions worsen.	Baa1	BBB+	BBB
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Below investment grade, but a good chance the issuer can meet commitments	Ba1	BB+	BBB
	Ba2	BB	BBB
	Ba3	BB-	BBB
Significant credit risk, but issuer is presently able to meet obligations	B1	B+	BB
	B2	B	BB
	B3	B-	BB
High default risk	Caa1	CCC+	CCC
	Caa2	CCC	CC
	Caa3	CCC-	CC



# What's Changed?

## Performance Measures

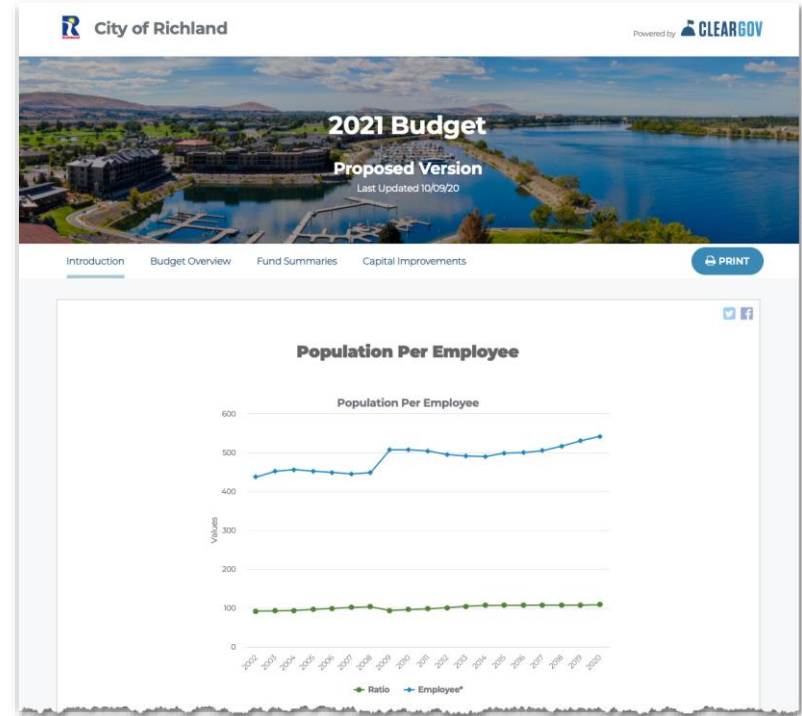
- **(Big) Change: It is now mandatory to show performance measures vs. goals**
  - Link performance with overarching entity goals, strategy and objectives
- Best Practice: Benchmark performance measures vs peers; this is difficult and aspirational



# Best Practices

## Demographics

- Best Practice: Share demographics in engaging, infographic format.
- Best Practice: Get creative with metrics, such as “Population per Employee”



# Q & A Session



[GFOA eBook](#)

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# Thank You!

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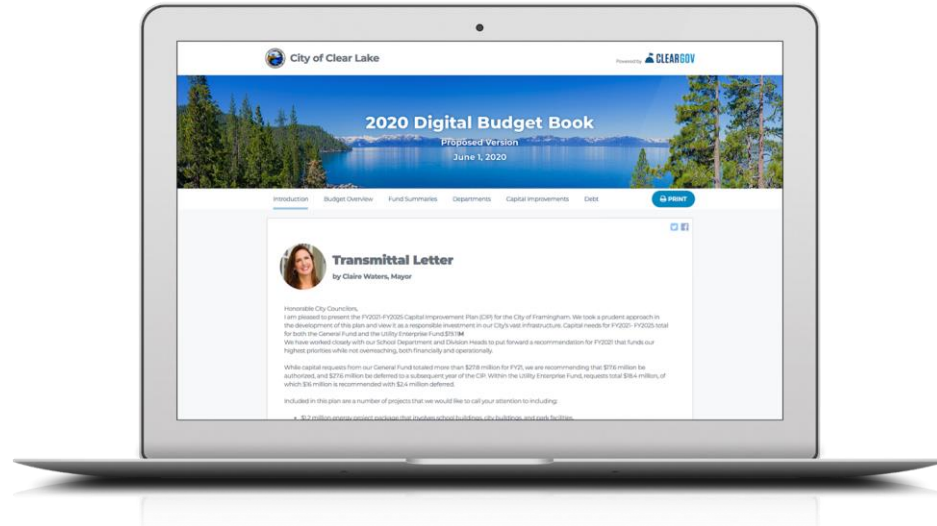
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# Digital Budget Book Demo



# Thank you!



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