Modernizing Your Budget Process and the Role of Technology

May 1, 2018

Rethink budget preparation with OpenGov. Countless hours are spent on spreadsheet reconciliations, when you could be talking about budget priorities.
About the Alliance

Convene and Engage Networks of Thought Leaders

Provide Training to help Organizations Build and Sustain a Culture of Innovation

Identify, Distribute Leading & Emerging Practices/ Trends Important to Local Gov

@OpenGovInc

@transformgov
How To: GoToWebinar

Clicking the rectangle will place you in full screen mode.

Clicking the arrow on your Go To Webinar Toolbox opens and closes your viewer.

All attendees are muted, but we do want your participation!

Please ask your questions using your Go To Webinar Toolbox throughout the webinar.
Today’s Presenters

Caitlin Steel  
Senior Director of Product Management  
Opengov Inc
Modernizing your Budget Processes and the Role of Technology

Caitlin Steel
Agenda for today

Modern Budgeting Overview
Set Up for Success
Build a Solid Base
Drive for Effective Collaboration
Engage with the Community
Recap and Takeaways
Modern Budgeting Looks Like This
When done right, it will lead to a better budget process and a better budget outcome

Collaborative  Open and Transparent  Efficient  Inclusive
Set Up the Process for Success
Connecting to Strategic Plans

Do you budget based on goals today?

Live Poll:

A. Yes
B. No
C. Not sure
Incorporate your Strategic Plan

Establish 3-7 Strategic Initiatives/Goals

Identify the programs that support them

Define 1-3 Measures that show progress towards achieving the goal
Control Current Crime

Objective: Accounting for all crimes in the city during the initiative
Departments: Police

Related
Story: How to Become a Volunteer

Program

Beat Officer Outreach

Neighborhood Watch

Objective: Gain volunteers from neighborhood to monitor crime in the area
Departments: Police, Fire, Community Outreach
Owner: Flora Hayes

Related
Story: How to Become a Volunteer
Budget: Police Budget 2017-2018
Report View: Number of Violent Crimes in City NorthGlenn

Measure

Monthly Volunteers
Schedule Manager
Officer Liaison
## 2018 Budget Calendar

<table>
<thead>
<tr>
<th>Major Steps in Process</th>
<th>Management Team/City Manager</th>
<th>Budget Advisory Committee (Monthly Meetings)</th>
<th>City Council</th>
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<tbody>
<tr>
<td>Council and Management Retreats</td>
<td>June-August</td>
<td>Meeting August 3rd</td>
<td>August 10 Work Session</td>
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<tr>
<td>Review Financial/Budget Policies</td>
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<td>Baseline Budget - Operating Funds Revenue &amp; Expense</td>
<td></td>
<td>Meeting September 7th</td>
<td>September 14th Work Session</td>
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<tr>
<td>Determine/Discuss Budget Assumptions</td>
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<td>Economic Data - Trends and Comparisons</td>
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<td>Initial Forecast</td>
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<td>Update Indirect Cost Plan</td>
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<td>September</td>
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<td>Budget Initiatives First Touch</td>
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<td>Capital Budget First Touch</td>
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<td>Complete Preliminary Budget</td>
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<td><strong>Complete Estimated Budget</strong></td>
<td>By October 2nd</td>
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<td>Budget Initiatives Second Touch</td>
<td>October</td>
<td>Meeting October 5th</td>
<td>October 12th Work Session</td>
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<td>Final Budget Update</td>
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<tr>
<td>Conduct First Reading on Utility Rate Increases</td>
<td>First Council Meeting in November (11/2)</td>
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<td><strong>Present Proposed Balanced Budget</strong></td>
<td>By November 2nd</td>
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<td>File Proposed Budget</td>
<td>November 2nd</td>
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<tr>
<td>City Clerk Publishes Notice of Public Hearing</td>
<td>First Two Weeks in November (11/1 - 11/15)</td>
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<td><strong>Conduct Revenue and Budget Hearings</strong></td>
<td>By End of November</td>
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<td>Conduct Public Hearing on Revenue Sources</td>
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<td>Conduct First Reading on Ad Valorem Tax Levy</td>
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<td>Make Proposed Budget Available to the Public</td>
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<td>Conduct Second Reading on Ad Valorem Tax Levy</td>
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<td>Provide Budget Presentation to City Council</td>
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<tr>
<td>Conduct First Public Hearing and First Reading on Proposed Budget</td>
<td>Second Council Meeting in November (11/16)</td>
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<td><strong>Conduct Final Budget Hearing and Budget Adoption</strong></td>
<td>By End of December</td>
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<tr>
<td>Conduct Second Public Hearing and Second Reading on Proposed Budget. Adopt Final Budget</td>
<td>First Council Meeting in December (12/7)</td>
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<tr>
<td>Transmit Copies of the Final Budget to SAO and MRSC</td>
<td>By end of December (12/31)</td>
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**Refine your Budget Calendar**

Highlight Milestone Events

Capture Accountability

Share with every Stakeholder
Build out a Solid Base
Revenue Forecasting

Establish Revenue impacts:

- What external (uncontrollable) factors affect Revenues?
- What internal factors affect Revenues?

Create best, likely and worst case scenarios
Workforce Planning

Focus on Positions

Calculate total cost of employment

Encourage creativity
## Base Budget Methods - Benefits & Challenges

<table>
<thead>
<tr>
<th>Bottom Up</th>
<th>Zero Based</th>
<th>Top Down</th>
<th>Priority Based</th>
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<td>Departmental Roll Forward</td>
<td>Zero Based Initiatives Based</td>
<td>Initiatives Based Priority Based</td>
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<td>BENEFITS</td>
<td>CHALLENGES</td>
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**Bottom Up**
- Easily understood
- Clear Ownership
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**Zero Based**
- Justify Each Expense
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- Hard to Manage
- More work for budgeters
- Potential to drop core spending

**Top Down**
- Collaborative
- Drives Focus
- Ownership may be fuzzy
- Difficult to account for

**Priority Based**
- Force Ranking
- Gives control to top decision makers
- Priorities may differ
- Increases Competition
- Hard to make decisions
- Gives control to top decision makers
Getting started?

What are your biggest pains to establish a base today?

Live Poll:

A. Hard to collect data
B. Projecting current year
C. Existing tools are hard to use
D. Eliminating one-time expenses
Drive for Effective Collaboration
Proposal Development

Provide the right data
Get the right people working together
Ensure they can focus on budgeting for the right goals
Workforce Planning

Enable users to make informed choices

Provide complete visibility

Have tools that enable strategic decision making that includes workforce
Allocations and Transfers

Collaborate on sharing costs across services

Enable visibility into transfers
Scenarios / What-if? Analysis

Collaborate on building scenarios
Quickly adjust drivers to evaluate impact
Compare scenarios on the fly
Engage with the whole Community
Engaging today

How are you Engaging today?

Live Poll:

A. Get input on Initiatives before we start the Budget

B. Get input during the Budget process

C. Share Budgets after Adopted

D. All of the above

E. None of the above
Budget Presentations and the Book

Presentations are ‘Live Data”
Budgeters can adjust “on the fly”
Book preparation is automated
Book includes context to help end users understand priorities and trade offs
Users can drill down for more data
Public Comment

Provide high quality data

Reach a broad cross section of Stakeholders

Summarize and Analyze feedback
Budgeting all year

Budgets are not shelfware!

Easy to Analyze and Amend

Compare to Actuals and non-financial metrics
Recap – Technology Can Help

Reduce the amount of manual labor and error risk involved

Make it easier for departments to collaborate on proposals

Keep departments aware of status throughout the process

Build public trust and gain valuable feedback from citizens

Make the process more repeatable year after year
Q&A

Caitlin Steel
Senior Director of Product Management
Opengov Inc
Access the Emerging Practices in Local Government
Save the Date!

Upcoming learning events:
http://transformgov.org/virtual-events

Using Data to Drive Innovative Parking Solutions & Strategies

Thank you for joining us today!