



# Real Budgeting for Cities & Counties: Proven Tools for Better Results

**2019 TGFOA Spring Conference**

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*City of Franklin, Tennessee*  
**Real Budgeting for Cities & Counties:  
Proven Tools for Better Results**



## Outline

- **Budgets - Basics**
- **Process Matters**
- **First (and only) Rule: **Just Ask!****
- **Communication is *Key***
- **Summary**

## Questions? Advice?

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## Budget - Basics

***What is a budget?***



## Budget - Basics

*A budget is a reflection of the values of an organization*

**\*Single most important public policy document any level of government creates annually**



## Budget - Basics

**The Government Finance Officers Association defines that a budget should have four characteristics:**

- Policy Document**
- Financial Plan**
- Operations Guide**
- Communications Device**



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## Process Matters

**How you build your budget is as important as anything you do. It establishes expectations – the key to successful management in any endeavor, but especially the public sector.**

***So what goes into a good budget?***



## Process Matters

**A good budget will include:**

- Mission Statement**
- Goals (Short-term objectives – next year) & Long-term Strategic initiatives**
- Narrative of accomplishments**
- Performance Measures**
- Staffing History**
- Departmental Organization Chart**
- Financial Numbers**



## Process Matters

- **Mission Statement: Why does your department exist? The TGFOA has one:**

*“Our mission is to promote the improvement of governmental finance practices...”*

- **Takeaway: All you do – and hence all you ask for in public resources – should fit within your departments mission statement. This shows policymakers you have a motivation and overarching reason why you do what you do.**



## Process Matters

- **Goals:**
- **Goal-setting matters. Maybe it is a goal to collect 100% of property taxes within 12 months, or reduce response times to medical calls, or maybe to lower obesity rates in your city/county.**
- **Wherever possible, always be sure to tie your ask in your budget to the strategic goals of the body you are asking money from.**

## Process Matters

### Example: *FranklinForward*

Departmental Budgets in Franklin have full integration of FranklinForward - the City's Strategic Plan and Performance Measures. These measures are organized in either Workload, Efficiency or Outcome Measures and are marked (where applicable) to the four themes of the strategic plan:



A Safe, Clean, and Livable City



Quality Life Experiences



Effective and Fiscally Sound  
City Government Providing  
High-quality Services



Sustainable Growth and  
Economic Prosperity

## Process Matters

### Example: *FranklinForward*



Parks in Franklin falls under “Quality Life Experiences”  
They have to show that additional and existing requests for service further the overarching theme of providing and enhancing quality life experiences for the citizens and taxpayers of Franklin.

**- Takeaway: Study the documents, policy memos and minutes of the governing body to determine what their short-term or long-term goals are and tailor your budget request to them.**



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## Process Matters

- **Narrative:** Always, always, always provide a narrative (and pictures!) to describe what you do. *Numbers alone don't convey much.* They only say what has been provided in terms of financial resources. Tell the board, tell the taxpayers what you do.

- **Takeaway:** Describe successes and challenges in the narrative for the past year/years. Also describe your hopes and plans for the year ahead (e.g. what I will do with the requested allocation.)



## Process Matters

- **Performance Measures:** Provide metrics to evaluate how well you do what you do. (Fund balance targets, property tax collection rates, diversification of revenues, etc.) Vitally important to prove your effectiveness.
- **Takeaway:** Start simple! Workload measures are fine if you do not have anything setup yet (e.g. Bills processed, Payroll checks cut, how many vendors engaged, tax bills sent). Remember: *Something is always better than nothing.*



## Process Matters

- **Staffing History/Organizational Chart: Surprisingly important aspect of a budget presentation. Shows boards your most important resource – your people! Good way to show trends over time – usually how you have the same amount to do with less people or more to do with the same people.**
- **Takeaway: Storytime! Use the staffing history to tell board members a good story of a success – or better introduce your employees to them in a budget hearing if you get the chance.**



## Process Matters

- **Financial Numbers: Provide both summary and detailed information of the budget request.**
- **Takeaway: Less is more, most of the time. If your board is used to plowing through every line item, give it to them – but in the back. Summarize your line-items into sub-categories and begin to re-train them into focusing on bigger, policy related issues, not how many cans of paint you can buy for \$150.00.**

## First (and only) Rule: Just Ask!

- Don't be afraid to ask for more resources.
- Key is how you ask.
- Organization & Clarity are the keys.
- Policymakers will be happy to provide you with what they can *if* you can show them their resources will be spent wisely.

## Communication is Key!

### Basic Rules:

- 1) Use PowerPoint.** People are visual learners! Having a basic tool like this one is great for all people to learn the essentials of what you need.
- 2) Less is more.** Amazingly, even though we have to justify every dime we get, most politicians just like simple numbers and simple graphics. So boil it down and **K.I.S.S.!**
- 3) Use pictures.** Nothing makes the case to replace a piece of equipment than a picture of the old one.



## Communication is Key!

### Basic Rules:

**4) Use Stories.** They are our greatest commodity in government. We build and sustain communities. Finance is the most important internal service department in government. Without us, there is no money. Nobody gets paid, no services delivered, no taxes collected. Possibilities:

- Letters or comments from citizens
- Awards from professional associations
- Interactions from conferences



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## Communication is Key!

**Put it all together:**

# **City of Franklin Finance Budget Presentation Example**



*City of Franklin, Tennessee*  
**FY 2019 Operating Budget Request**

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# Finance Department

Kristine Tallent, Assistant City Administrator

for Finance and Administration

Mike Lowe, Comptroller

Michael Walters Young, Budget & Strategic Innovation Manager



# *City of Franklin, Tennessee - FY 2019 Budget Request*

## **Finance Department**

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### **Outline**

- Purpose of Department**
- Organization Chart**
- Base Budget Request**
  - Personnel**
  - Operations**
- Program Enhancements**
- Summary**



# *City of Franklin, Tennessee - FY 2019 Budget Request*

## **Finance Department**

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### **Purpose of Department**

**The Finance department oversees the security and management of the City's financial interests. The department helps the City Administrator prepare, implement and monitor the City's annual operating and capital budgets. The department also plans and executes the issuance of short-term and long-term borrowing.**

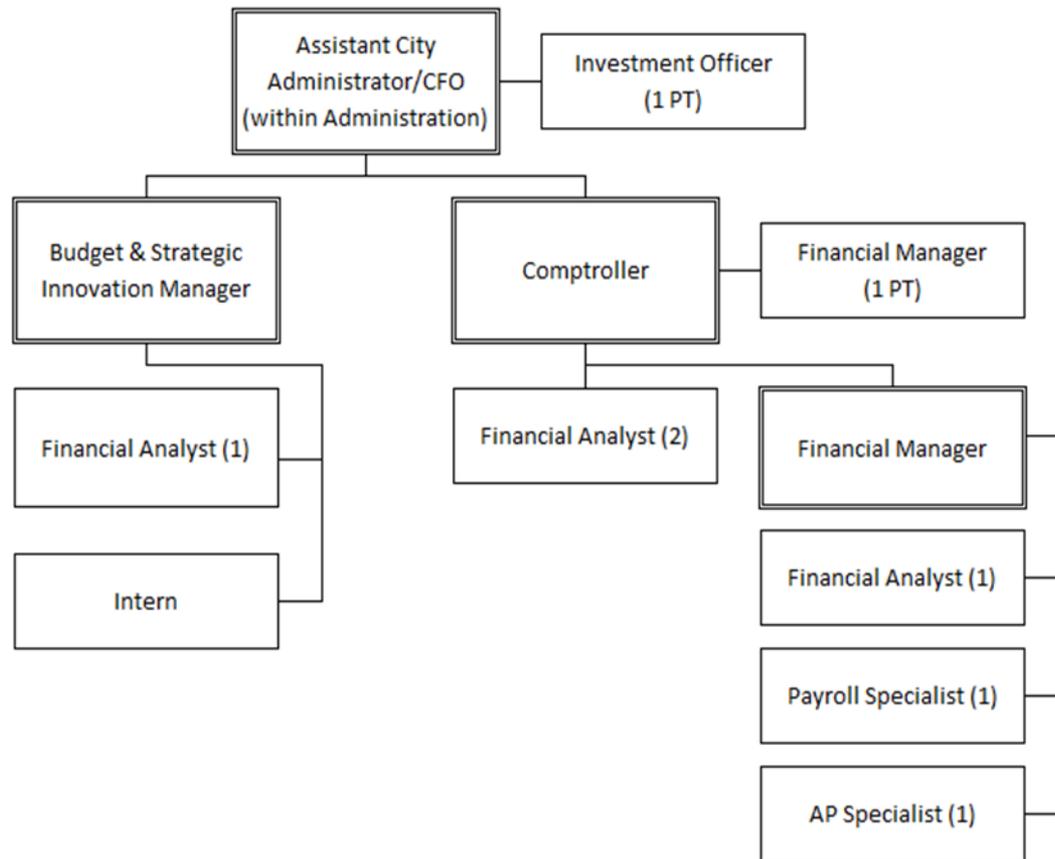
**The Finance department provides a variety of financial services for the City of Franklin. These include: (1) financial accounting and reporting, (2) budgeting and analytics, (3) investment of temporarily idle funds, (4) maintaining and reconciling City bank accounts, (5) issuing employee payroll, (6) issuing vendor payments, (7) internal audits, and (8) ensuring that the annual external financial audit is conducted.**



# City of Franklin, Tennessee - FY 2019 Budget Request

## Finance Department

### Organization Chart





# *City of Franklin, Tennessee - FY 2019 Budget Request*

## **Finance Department**

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### **Base Budget Request: Personnel**

**FY 2018: \$850,795**

**FY 2019: \$928,888**

**Increase: \$ 78,094 or 9.2%**

**Overall personnel costs increase in FY 2019 as a result of the budgeting for a full year of the fourth Financial Analyst position, the Investment Officer and market adjustments.**



# *City of Franklin, Tennessee - FY 2019 Budget Request*

## **Finance Department**

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### **Base Budget Request: Operations**

**FY 2018: \$(70,664)\***

**FY 2019: \$(57,537)\***

**Increase: \$ 13,127**

*\* (Operations Expenses a negative due to Interfund Reimbursement Offset)*

**Overall, the Operations budget will increase due to the new contract rates of our financial and investment advisors, along with costs for a continuing disclosure dissemination agent to meet federal regulations.**



# *City of Franklin, Tennessee - FY 2019 Budget Request*

## **Finance Department**

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### **Program Enhancement Requests**

**The department is requesting 3 program enhancements.**

<b>- Finance Office Continued Build-Out</b>	<b>\$ 10,000</b>
<b>- Capital Projects Reporting Tool</b>	<b>\$ 20,000</b>
<b>- <u>Financial Analyst (Data/Analytics)</u></b>	<b><u>\$ 82,332</u></b>
<b>Total</b>	<b>\$112,332</b>



# City of Franklin, Tennessee - FY 2019 Budget Request

## Finance Department

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### Summary

The Finance department is poised in FY 2019 to continue its role in supporting the various boards and departments of the City deliver the high quality of services our citizens have come to expect. We are proud of our accomplishments and will look to build upon them in the upcoming year.





## Summary

- Budgeting is the most important act you do to support and frame your annual workplan.
- Resources are always tight, but taking the time to make a comprehensive plan will pay off.
- Elected officials are visual learners and empathetic human beings. Use pictures, PowerPoint and stories to tell what you do.
- Always tie your story back to your values. Because that is what a budget really is and reflects.
- ***JUST ASK!***