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Building a Better Budget Process:

How to Organize Around Strategy & Performance

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Presenting:

- ▶ Will Payne

- ▶ Master of Public Affairs
- ▶ City of Largo since 2015

- ▶ Tyler Thompson

- ▶ Master of Public Administration
- ▶ City of Largo since 2013

Our Office - Office of Performance & Budget

- ▶ Office of Performance & Budget (OPB) is located within Administration Department.
- ▶ Completely separate from Finance Department
- ▶ Manage/coordinate city-wide budget process
- ▶ Analysts assigned to work with department(s) as liaison to Administration for budget/procurement issues
- ▶ Strategic Planning, process improvement & performance analysis

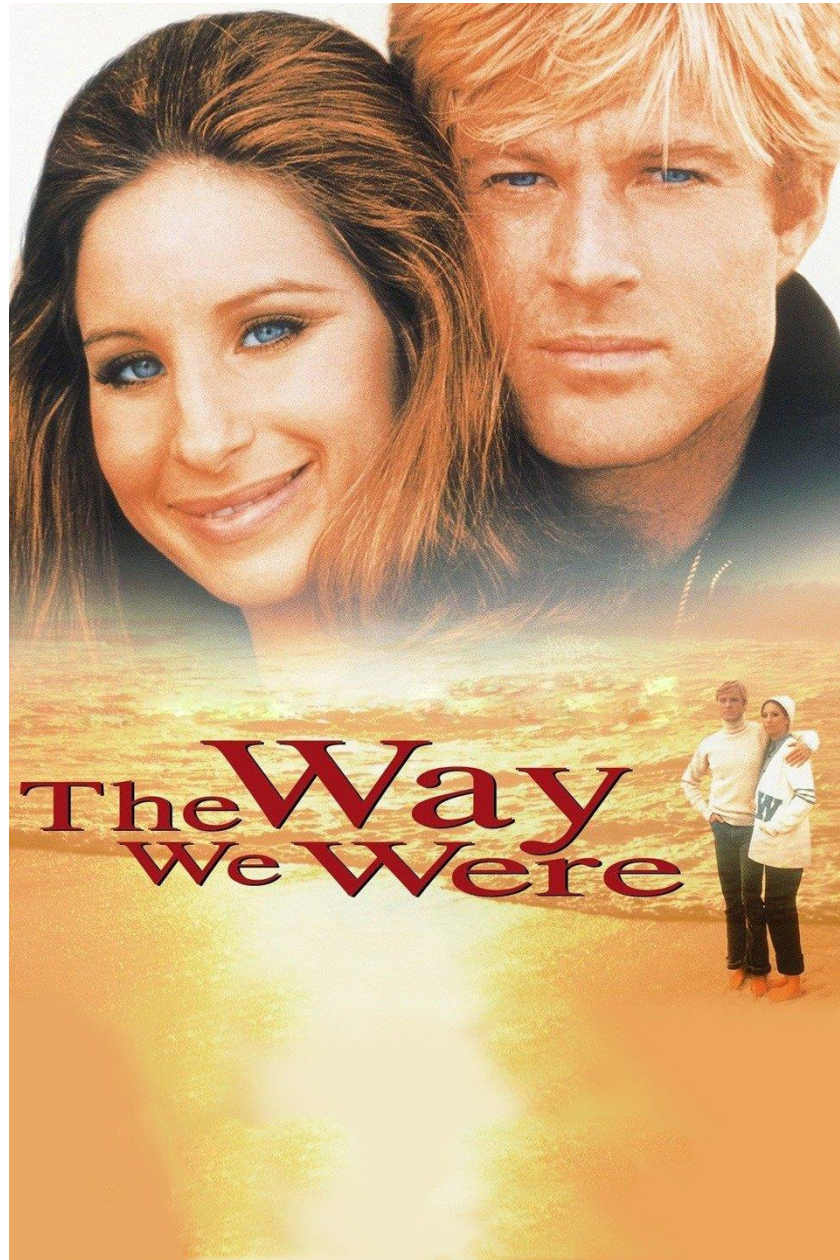
City of Largo



- ▶ 3rd largest city in Pinellas County at 82,000 residents
- ▶ 19 square miles
- ▶ Roughly \$161 million FY19 budget; \$78 million General Fund
- ▶ 922 FTE workforce
- ▶ Full service city
 - ▶ Police, Fire, Recreation, Wastewater Treatment, Street Maintenance, Code Enforcement, Permitting, Trash Collection

What are we talking about?

- ▶ Shaking up the old budgeting process
- ▶ Leveraging technology
- ▶ Increasing transparency & efficiency
- ▶ Evolving the role of the budget office
- ▶ **Focusing on Strategy and Performance**



Spreadsheets, Spreadsheets, Spreadsheets!



Paper, Paper, Paper!



What could go wrong?

- ▶ Reconciling across spreadsheets
- ▶ Reconciling with financial system
- ▶ Managing changes throughout the process

- ▶ ...Impossible to be strategic
- ▶ Hard to integrate performance

What does strategy have to do with performance?



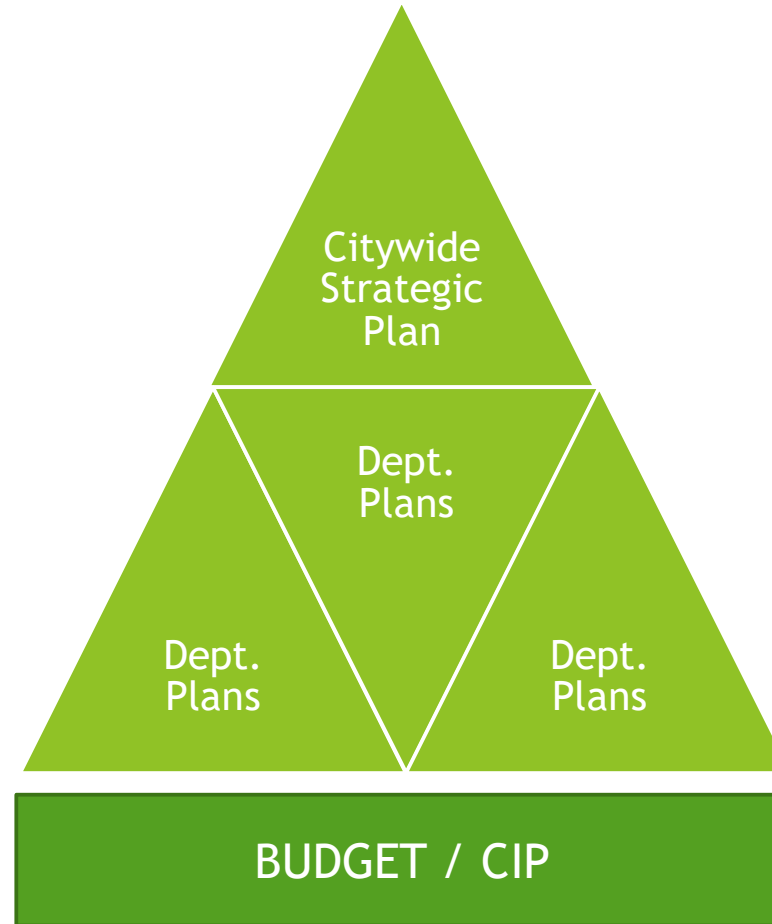
What is the purpose of the budget?

How we *WANT* to use the budget

- ▶ Planning Document
- ▶ Policy Document
- ▶ Management Tool

Planning Document

- ▶ Lay out annual work plan
- ▶ Cohesively organize activities
- ▶ Next step forward after the strategic plan



Policy Document

- ▶ What are our priorities?
- ▶ Fund what matters



Management Tool

- ▶ Resources to execute projects/plans
- ▶ Tools available to meet expected and unexpected challenges

Performance Measurement

- ▶ Performance measurement is the beginning and end of these processes





Who is our audience?

Our Audience

- ▶ Public
- ▶ Commission
- ▶ Management/Staff

Meeting the needs of our audience



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Rethinking our Budget Process

Practically...and philosophically

Practical Changes



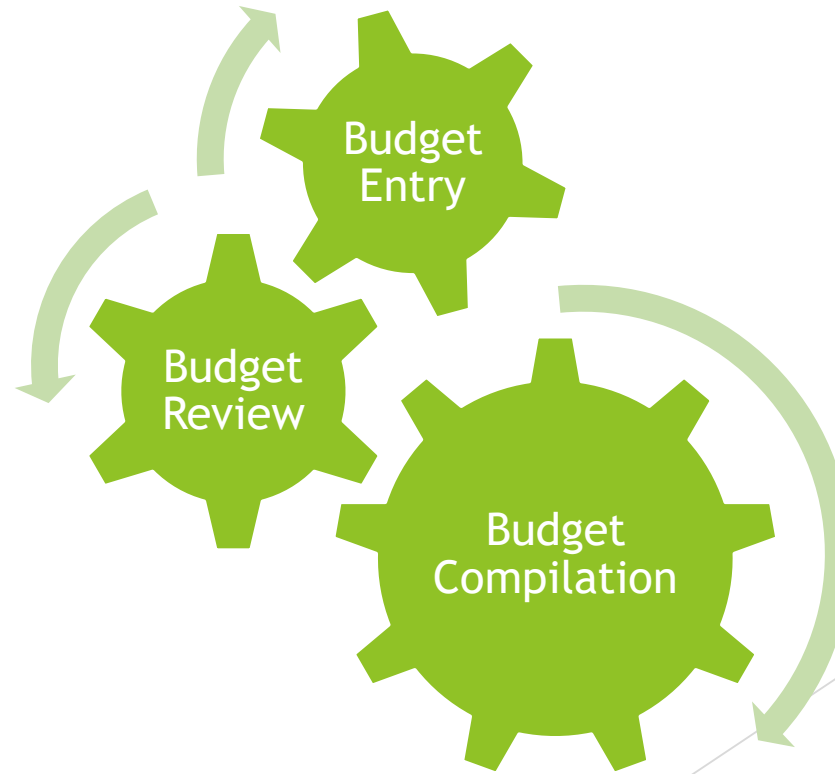
Introducing a Budget Software

- ▶ Managing the budget process
- ▶ RFP and Procurement
 - ▶ *Involving the right people*
 - ▶ *Thinking ahead*
 - ▶ **INTEGRATION**
- ▶ Implementation = critical

Managing the budget process

▶ Automation

- ▶ Defined business rules
- ▶ Reducing paper
- ▶ Consistency in process



Managing the budget process

- ▶ Communication
 - ▶ Information lives in software
 - ▶ Consistent communication via dashboards, notifications, statuses



Managing the budget process

▶ Self-service

- ▶ Decentralizing information
- ▶ More autonomy & responsibility for “tasks” in the process at the department-level



Polling Question 4

- ▶ Our budget process is more:
 - ▶ Centralized and product of budget/finance staff
 - ▶ Decentralized/supported by department staff/managers



What do these budget processes have to do with strategic planning or performance measurement?

- ▶ Time allocation
- ▶ Finite resources = spend time where it counts
- ▶ Our renewed focus = Strategy & Performance

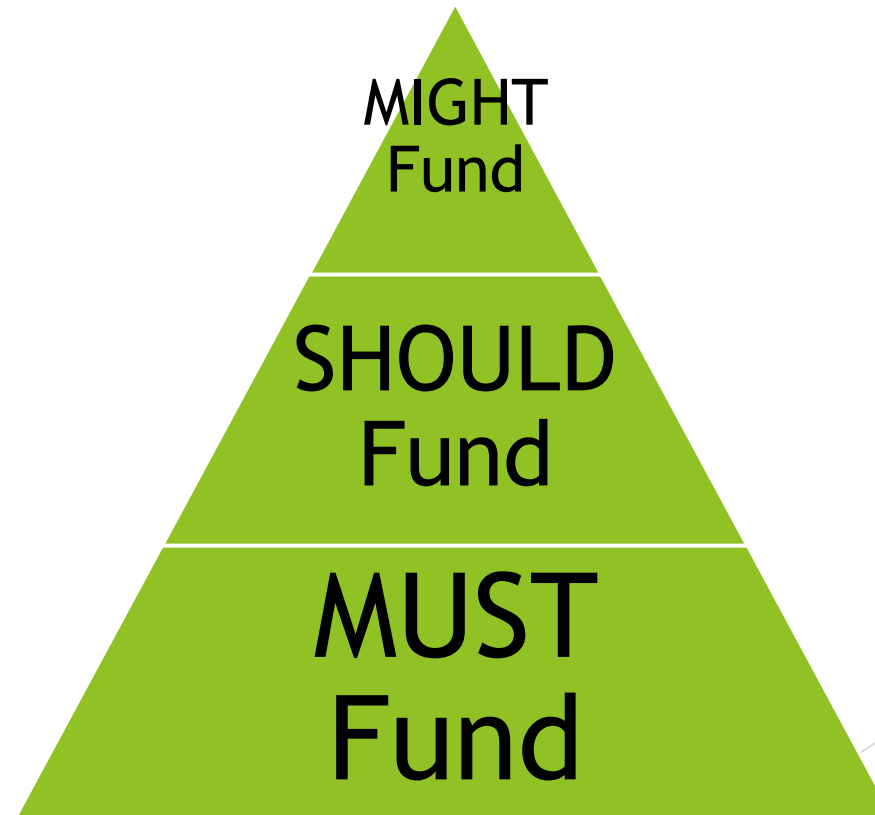


Philosophical Changes: New Budget Strategies



Strategic Decisionmaking

- ▶ Macro-level view
- ▶ Organizing/sorting data
- ▶ Strategic alignment
 - ▶ Defined fields/categories



Strategic Decisionmaking

- ▶ Need strategic plan/guiding principles to start
- ▶ Long-term goals, not a short-term work program

Base Budget Process

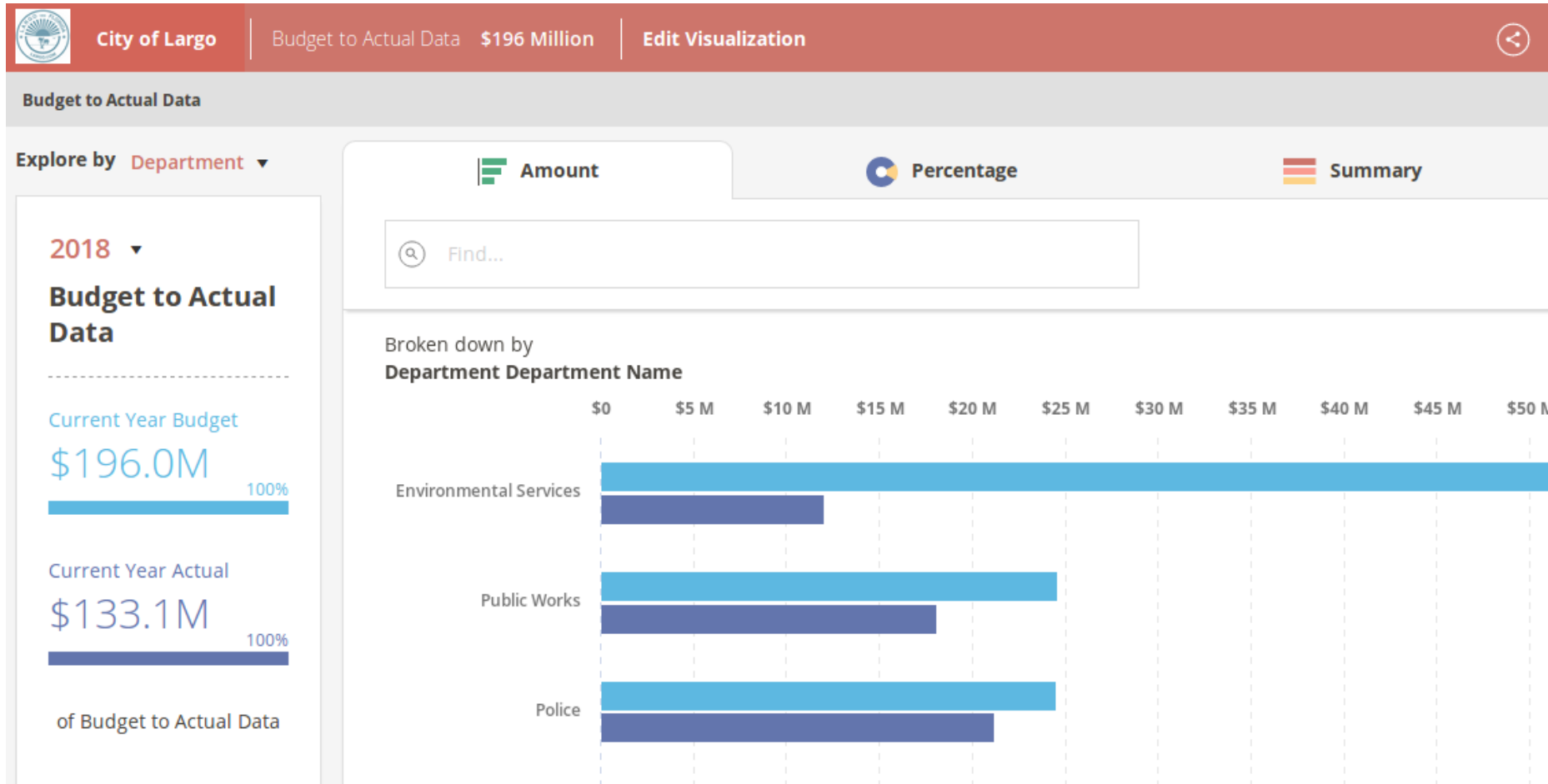
- ▶ **Control Operating Growth**
 - ▶ Encourage more creativity/flexibility
 - ▶ Re-think how we allocate existing funds to priorities
 - ▶ Need additional \$\$? Show us the performance data to back it up

Encourage Ownership

- ▶ Your budget is **YOUR** tool - not OPB's!
 - ▶ Encourage greater participation
 - ▶ Eliminate “grunt work” from OPB role
 - ▶ Strategy and performance mean more when you are responsible for them



How can we communicate in a way that's meaningful?



What Have We Learned?

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Performance Measurement decisions

- ▶ Aligning with Strategic Plans
- ▶ Understanding Related Components



Constantly Evolving

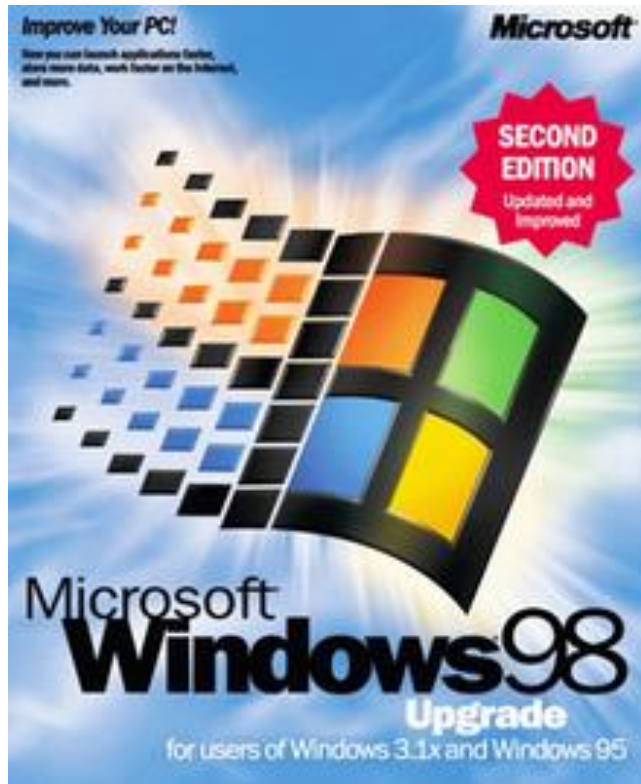
- ▶ Software implementation is ongoing
- ▶ Adapt based on user experience
- ▶ Constant learning
- ▶ Different skills to understand/effectively manage software
- ▶ Need other new tools to support it
 - ▶ Performance reporting tools
 - ▶ IT support and partnership

Learning Curve

- ▶ OPB learning curve
- ▶ Staff learning curve
- ▶ Infrequent process = frequent reminders/re-training on expectations

HAVE YOU TRIED
TURNING IT OFF
AND ON AGAIN?

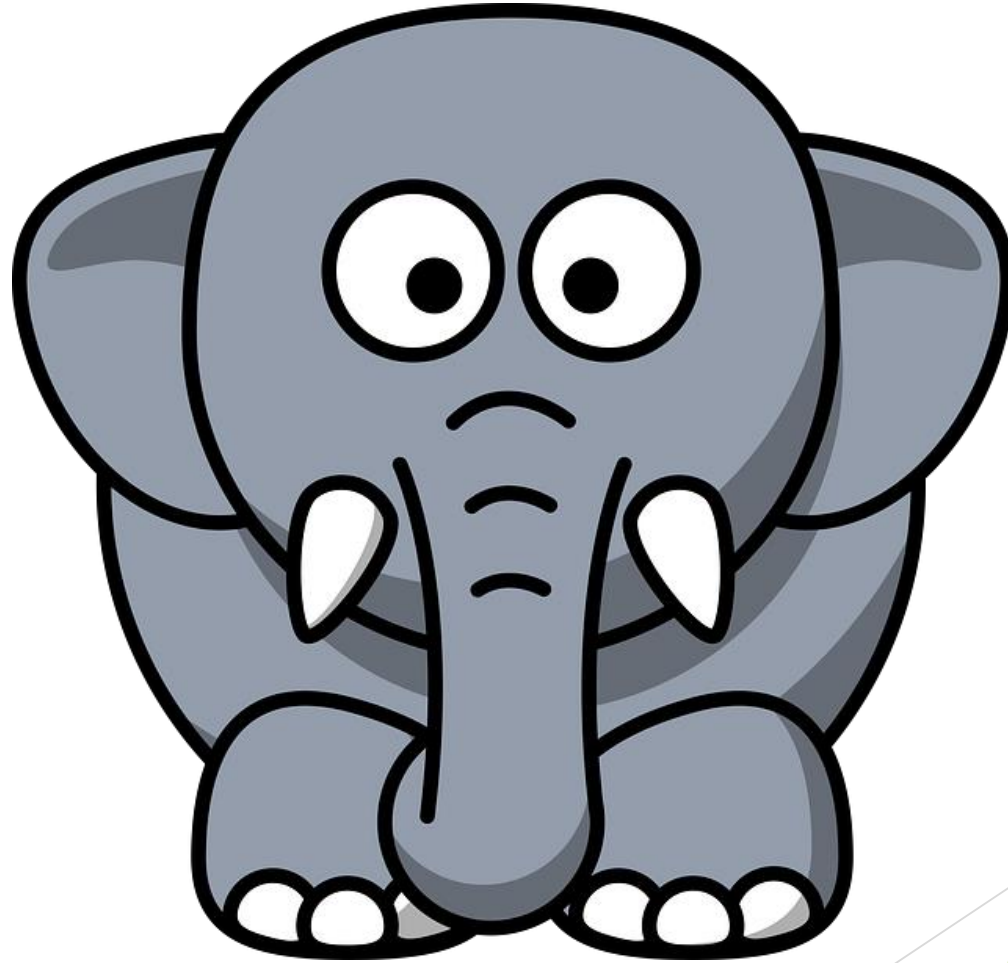
Software decisions



- ▶ What can your ERP/budget software do?
- ▶ Be forward-thinking = how might you use performance reporting tools in the future?
- ▶ Not just for budget
- ▶ Chicken and egg = have to start somewhere

Where to start?

- ▶ Slow process
- ▶ How do you eat an elephant?
- ▶ Focus on alignment
- ▶ Already doing all of this? Great! Share experience, lessons learned for continuous improvement.



Questions?

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