

MME Summer Workshop

Strategic Planning and Budgeting to Achieve Long-Term Success



Why?



Challenges



Strategic Planning



Budgeting Process



Questions



Goals

Vibrant Communities

Public Safety




Economic Development / Growth
(Planning, Zoning, Business Development)





Quality of Life
(parks, recreation, arts etc)




Infrastructure
(water, sewer, roads)




Schools



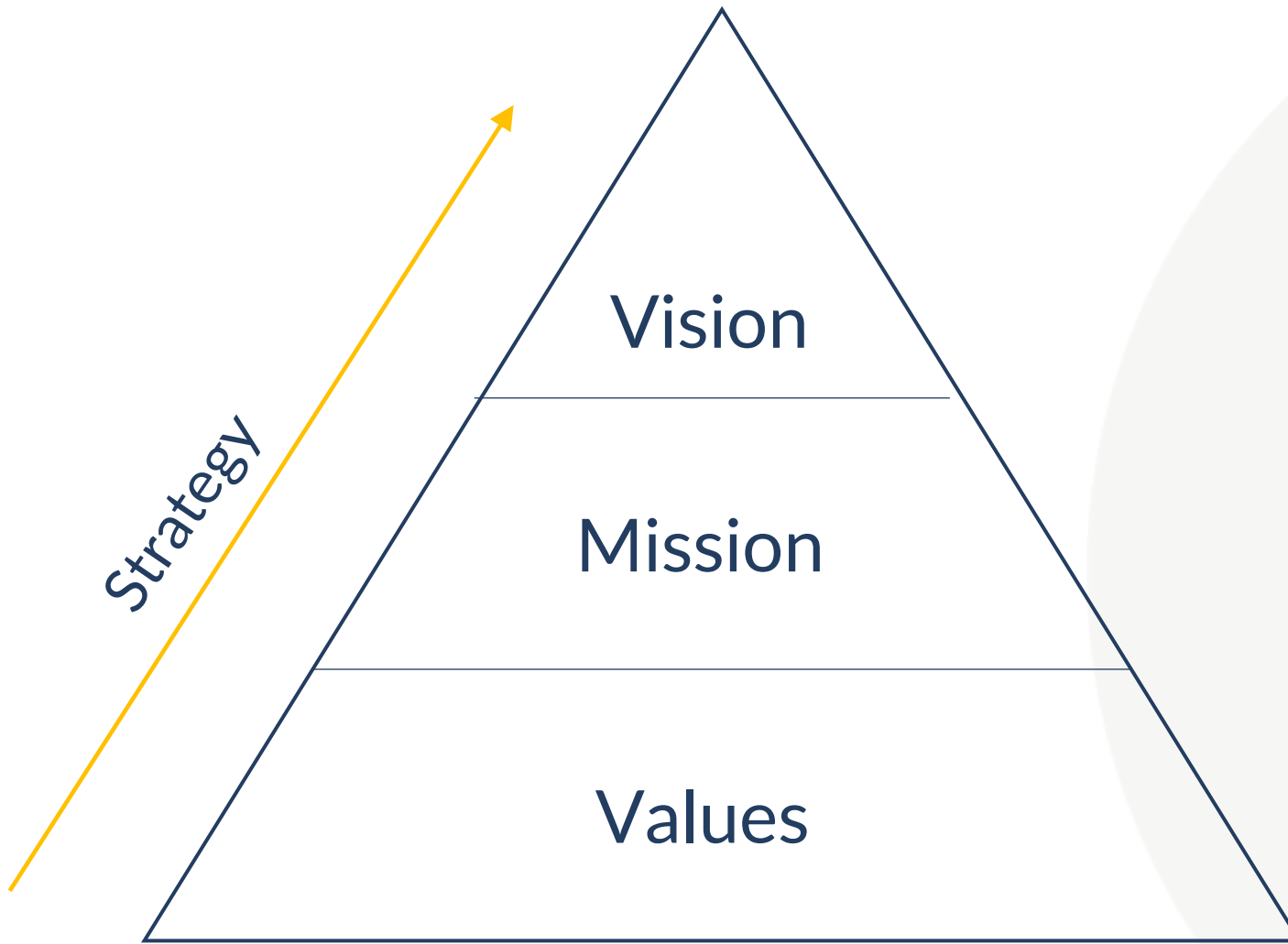
Strong Financial Management



Public Engagement

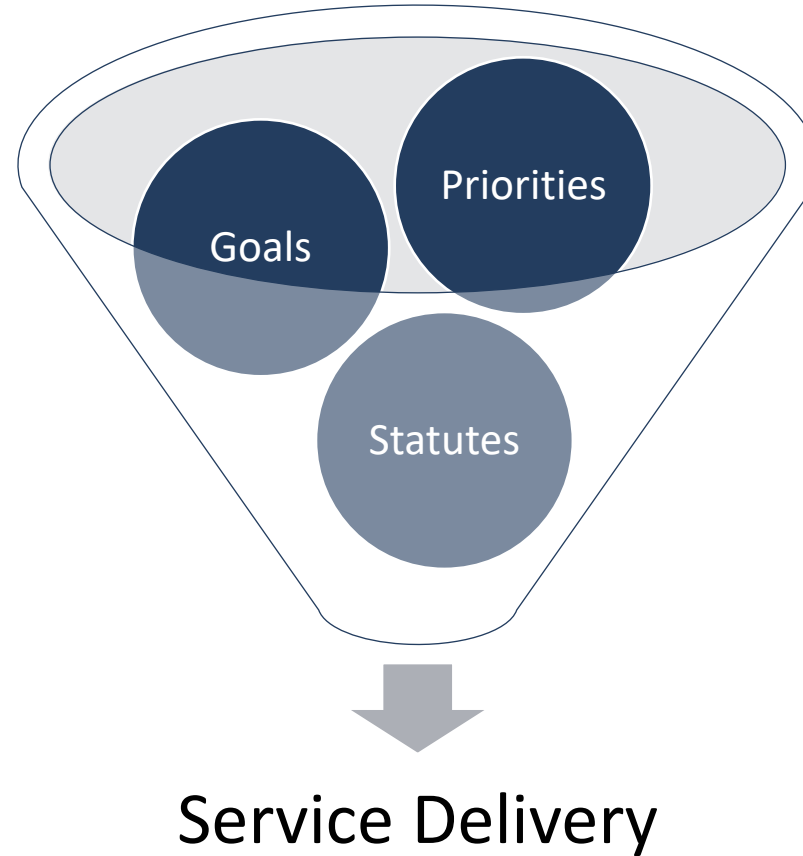


Good Governance (Focused Elected and Appointed Officials)



Developing a Budget

Input/Output



WHY?

- “If you don’t know where you are going, you might wind up someplace else”
 - Yogi Berra
- “If you don’t know where you are going, any road will get you there”
 - Lewis Carroll
- “If you don’t know exactly where you’re going, how will you know when you get there?”
 - Steve Maraboli
- “If you don’t know where you are going, every road will get you nowhere”
 - Henry A. Kissinger
- “If you don’t know where you’re going, you will be everywhere and end up nowhere, and if you don’t know what you're doing you’ll try everything and end up with nothing.”
 - Unknown



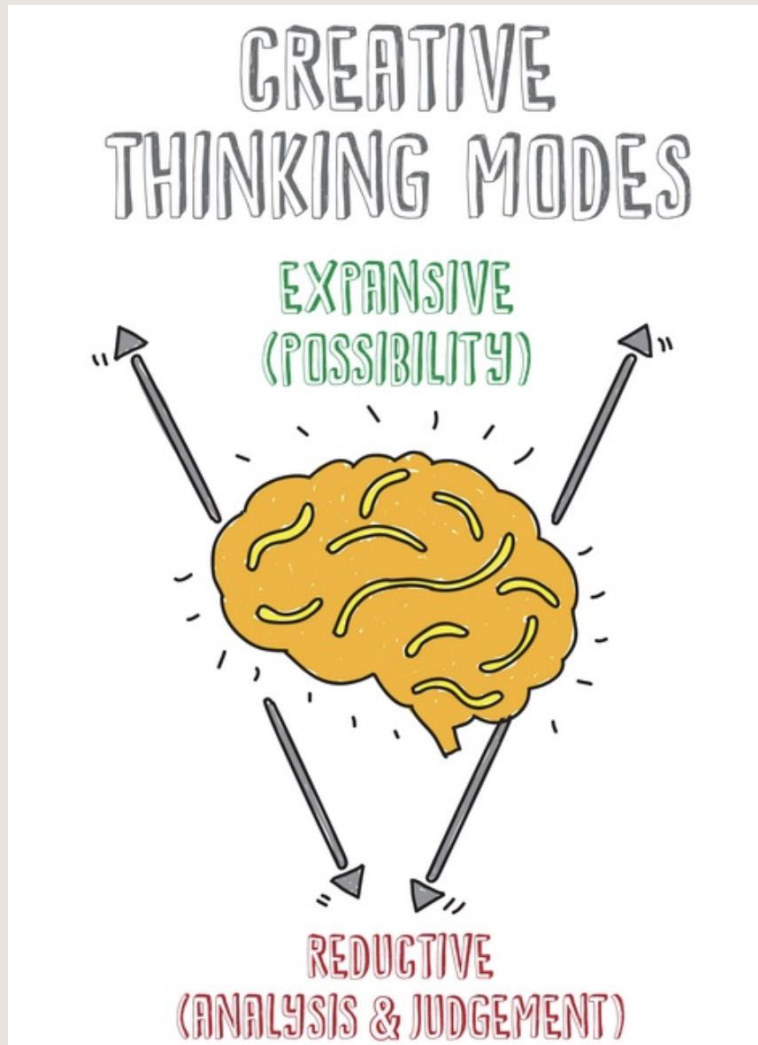
Why is it so HARD?



Strategic Planning



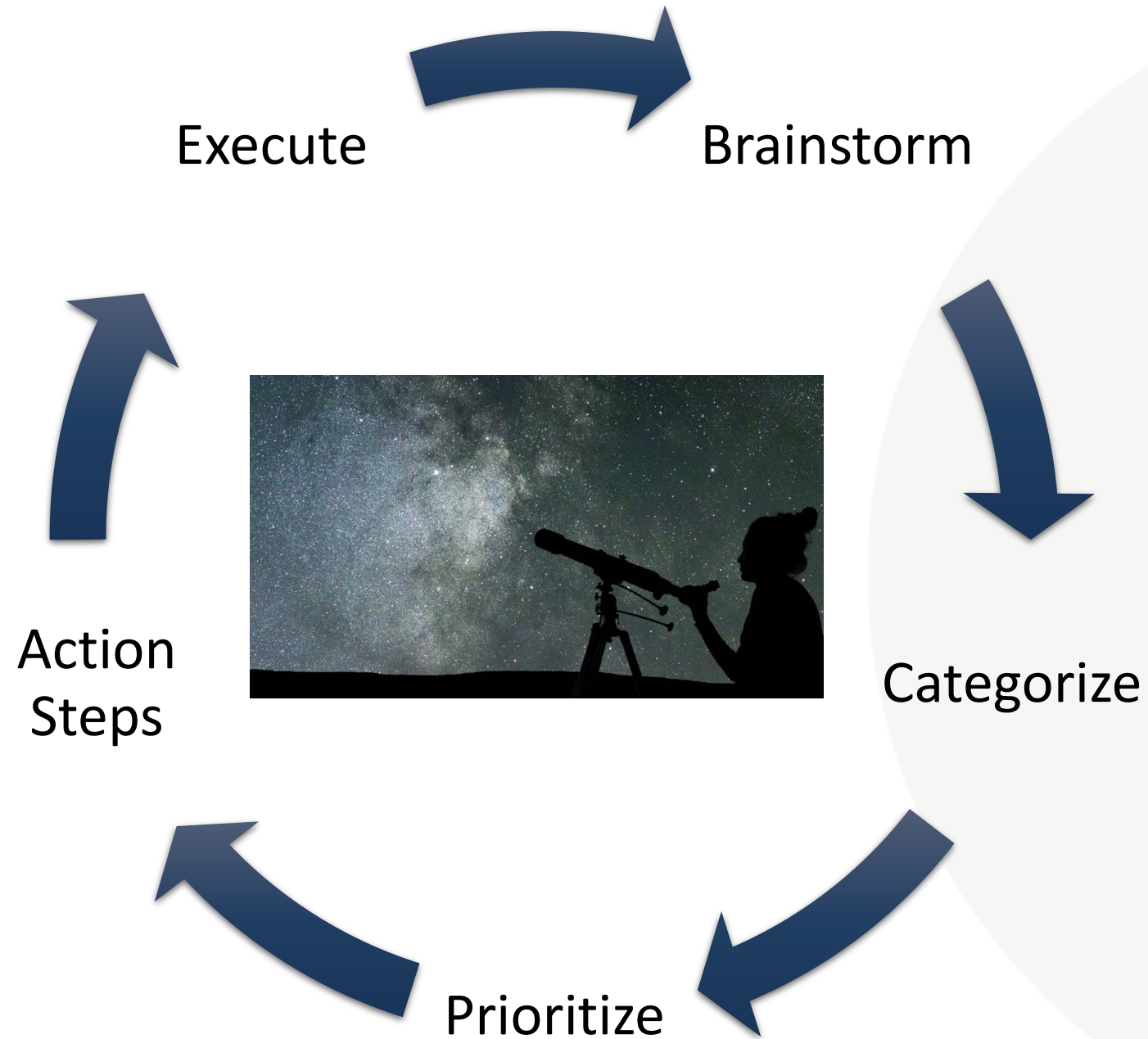
Strategic Ideas



- Expansive (divergent) – possibilities are explored and big ideas get bigger
 - Ask questions!
 - Suspend judgement...
 - Seek to understand – the WHY, the excitement
- Reductive (convergent) – options are assessed and decisions are made
 - Yes, but...
 - We tried that
 - Have you really thought through the big picture and implications?
 - We don't have time/money for that
 - That isn't what we do here...

Approaches to start thinking *strategically*

- Throw out the *Sacred Cows*
- Preferred Future / Visioning
- SWOT Analysis
 - Strengths – Weaknesses – Threats – Opportunities
- Start, Stop, Change, Continue
- Mind Mapping
- Gap Analysis
 - Where we are vs Where we want to be



Strategic Pillars / Categories





My To-Dos Personal Archive:

Title	Due By
You currently have no assigned To-Dos	

[+ Add To-Do](#)

My Rocks Rock Status: All

Status	Title	Due By
You currently have no assigned Rocks.		

Period Interval: Weekly Number of Weeks: 6 (default)

?	Title	Goal	Average	Total	Jul 23 - Jul 29	Jul 16 - Jul 22	Jul 09 - Jul 15	Jul 02 - Jul 08	Jun 25 - Jul 01	Jun 18 - Jun 24
You currently have no assigned Milestones.										

My Milestones Milestone Status: All

Title	Due By
You currently have no assigned Milestones.	

Completion Rate For: All Teams Chart Type: Advanced Pie Chart

Options: Completed On Time/Late

Rock Statuses For: All Teams Chart Type: Pie Grid



Budgeting

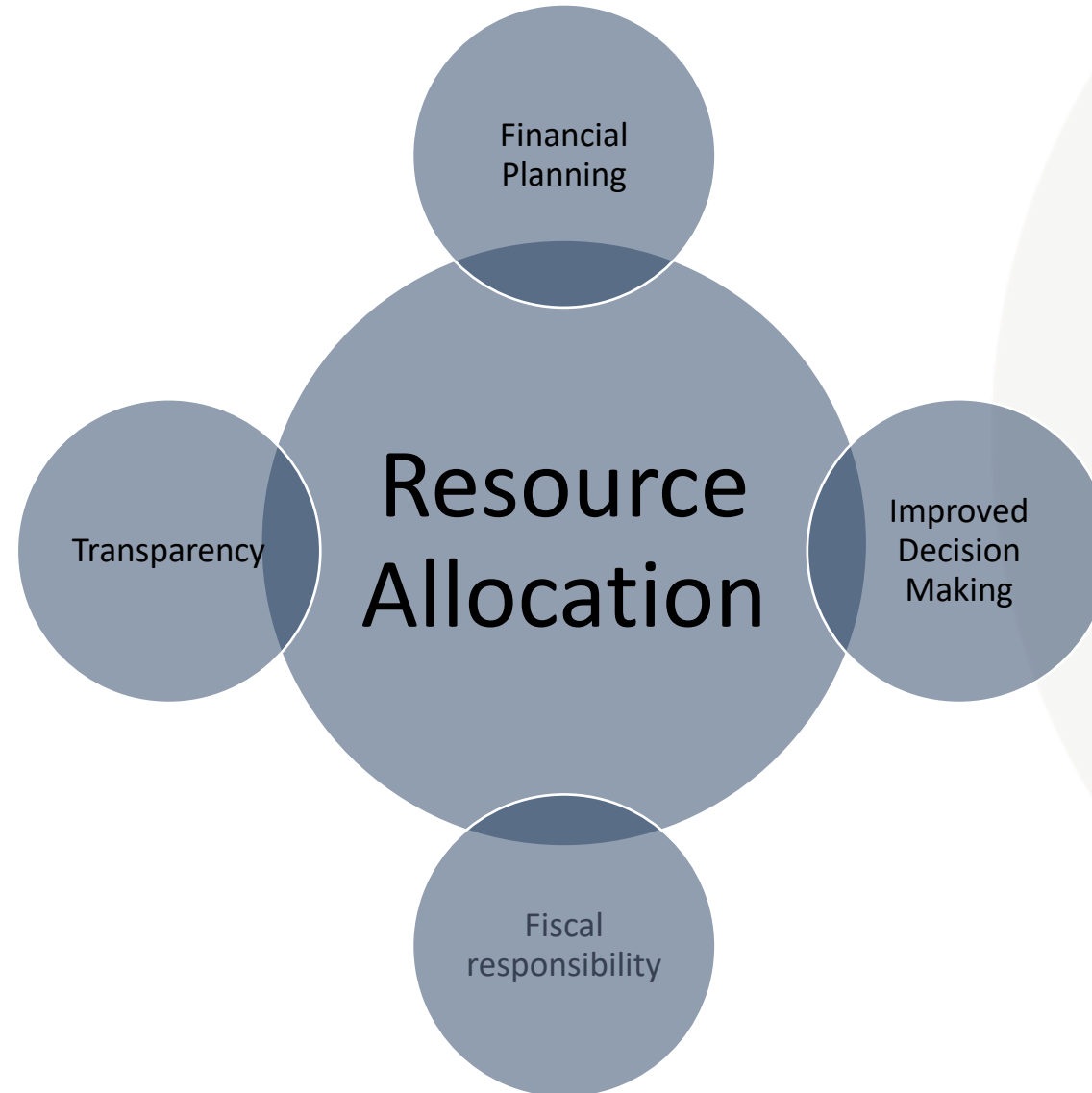
For long term success



Purpose of a Budget

Purpose of Budgets

Why



Purpose of Budgets

Implementation tool - Ties together other efforts

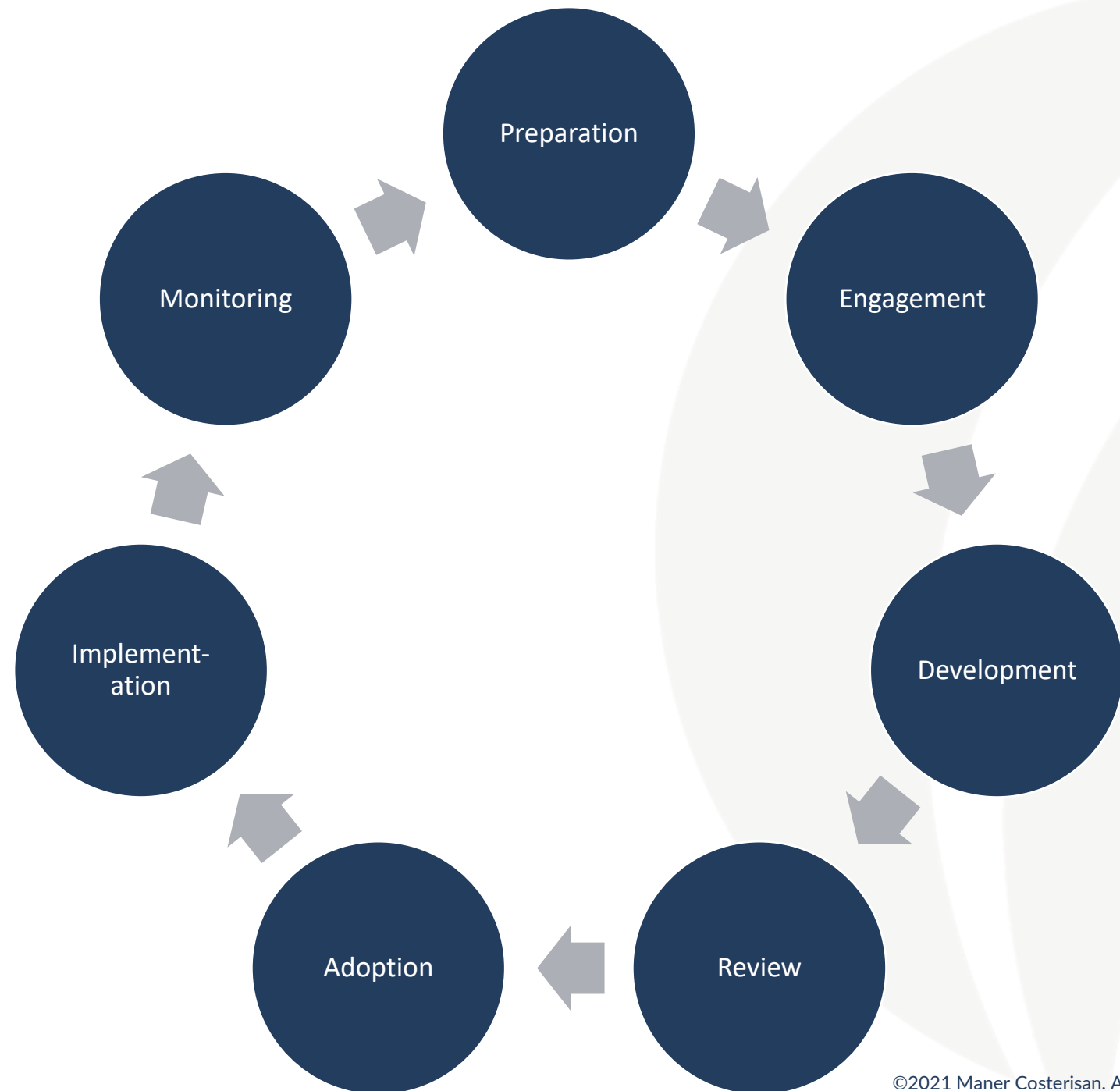


Developing the Budget

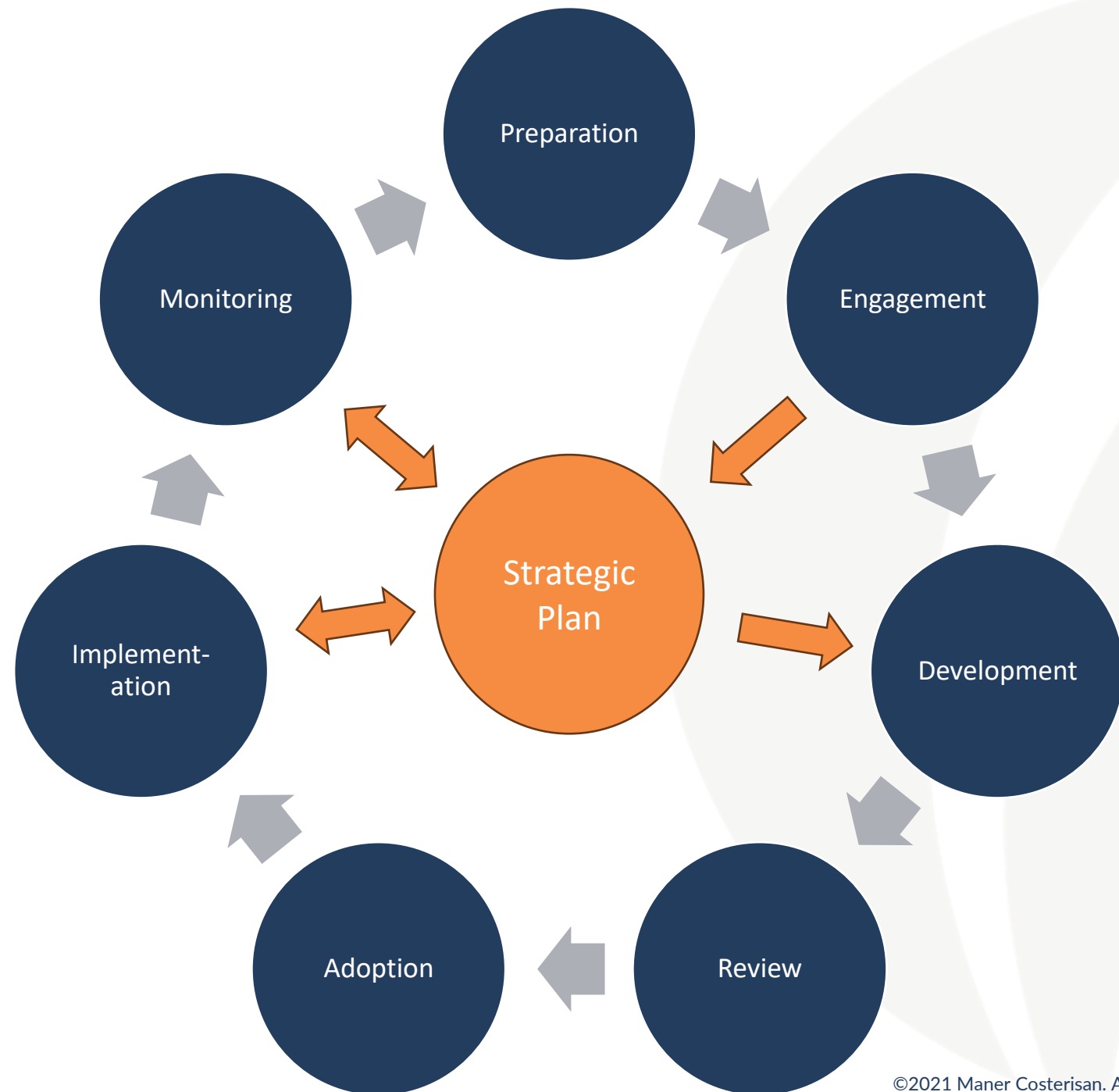
Impacts of poor budgeting practices

- Financial Instability
 - Under budgeting - i.e., projecting expenses lower than actual, thus causing cuts mid-year or leading to deficits
- Service Instability
 - Over budgeting - i.e., budgeting to conservatory locking up resources for other uses
- Infrastructure Decay
 - Deferred maintenance due to insufficient funding
- Decreased Economic Growth
 - Not prioritizing the correct services will hinder the County
- Reduced Accountability and Transparency
 - Inadequate budget practices will result in a lack of clarity on the use of resources and greater mistrust by public
- Credit Rating
 - Increase the cost of borrowing

Budget Process



Budget Process



Planning for the Future

Multi-year budget forecast

- Decisions today impact decisions in the future
 - Personnel
 - Capital items- ongoing expense
- Preplanning leads to easier and better decision making
- Allows for:
 - Identifying long-term funding needs
 - Managing debt and pension/OPEB obligations
 - Preparing for economic and other external challenges





Good or great budgets

Budget Elements

Regulatory requirements

- PA 2 of 1968 -Uniform Budgeting and Accounting Act
 - Minimum requirement
 - Appropriations resolution
 - Adopts budget
 - Set millage
 - Defines level budget is adopted on
 - Expenditures – Most recent fiscal year, estimate current fiscal year, upcoming year (i.e. budget)
 - Revenues - – Most recent fiscal year, estimate current fiscal year, upcoming year (i.e. budget)
 - Fund Balance – beginning and ending
 - Can't create a deficit
 - Budget does not include any of the following:
 - Fiduciary Funds (Trustee & Agency)
 - Internal Service Fund
 - Enterprise Fund
 - Capital Project Fund
 - Debt Service Fund
 - Chart of Accounts

Basic Elements

Enhanced Budget

- Strategic plan
 - Goals to address long-term concerns
 - Performance measurement
- Budget Message
 - Previous year accomplishments
 - Budget highlights
 - Priorities and projects
 - Changes from the previous year
 - Issues in the upcoming year
 - Long-term factors impacting the community

Basic Elements

Enhanced Budget

- Reader guide to Budgeting
 - Where does your money come from/go
 - Government budgeting/terms defined
 - Budget calendar/process
 - Fund structure
 - Policies
 - Organization chart
- Community overview
 - History
 - Demographics
 - Maps

Basic Elements

Enhanced Budget

- Summary
 - Approved positions
 - Budget summary - consolidated schedule of major revenues and expenditures
- Detailed budget
 - Fund/Department descriptions
 - Significant changes and projects
 - Goals and objectives
 - Performance measures
 - Approved positions
- Charts and Graphs!

Budget Implementation

Monitoring and Control

- Review monthly
 - Revenue and expenditures
 - Capital projects (progress, rising costs, etc.)
 - Operations (staffing changes, unplanned events)
 - Outside trends (new laws, unplanned events, economic trends)
 - Performance measures
- Taking corrective actions to address budget shortfalls or surpluses
- Tie Strategic Plan to each board action



Summary

Budget Process



Summary

- A budget is more than just numbers
- Good budgeting allows for effective resource allocation
- Start with long-term plans/objectives
- Involve Stakeholders early in the process
- Use data and detailed analysis
- Use performance measures to prioritize spending
- Maximize transparency
- Communicate budget decisions
- Budget for the long term, not the short term
- Monitor
- Evaluate progress
- Monitor

Thank you!



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