FISCAL FIRST AID

Leadership in Difficult Times

CSFMO Pre-Conference
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Are You Prepared To Lead

- Being a Great Tactician is NOT Enough
- Forecast the Future!
- Know Your Stuff and Come Prepared
- Decision Making
- Presentation Skills

BEING A GREAT TACTICIAN & MORE

- Just crunching & presenting the numbers does not cut it
- Establish Priorities
- Seek input from various interested parties
- Recognize that solutions to a problem in one city does not necessarily work in another
- Be creative when developing solutions
Cutting Expenses - Not Services
- Business Process Re-engineering
- What Is It?
- Why should You Use It?
- Is Zero Based Budgeting Right For You?
- Consolidating the Delivery of Services/Thinking Outside the Box
- Controlling Internal Costs
- Do You Ever Feel Departments Aren’t Telling You the Whole Story?

Understand Your Audience
- The Community
  - The Engaged
    - Residents
    - Business
  - The Disenfranchised
- The Legislative Body
  - Pro-Labor
  - Pro-Business
  - Pro-Everything
- Labor Organizations

BOTTOM LINE:
YOU CAN NO LONGER JUST SIT IN YOUR OFFICE AND EXPECT YOU WILL SUCCEED

ANTICIPATE THE UNANTICIPATED
Develop a Five-Year Financial Plan
“The Road Map To Your Success”

- The Importance of a Plan
- Developing Your Key Fiscal Policies
- What Goes Into Your Model
- Making It Understandable
- Making It Believable
- Making It Work

Developing Your Fiscal Outlook

REVENUES
- Knowing and Understanding Your Bread Winners
- Developing A Sound Forecasting Methodology
- Laying Out Your Assumptions
- Use the Tools Available to You
- What Are Others Doing
- Are You Collecting Everything Owed to You

Developing Your Fiscal Outlook (cont.)

EXPENDITURES
- Dissecting Your Labor Contracts
- Anticipating Future Costs From Past Decisions
- Foreseeing Short-term Versus Long-term Obligations
- Your Pension and Retiree Health Care Costs
  - Unfunded Actuarial Accrued Liability
  - Annual Required Contribution

UNDERSTAND YOUR ENVIRONMENT
Your Environment

- Is economic base for the city changing?
  - General Plans, incentives, industries on decline, rapid growth or bust?
- Public support
  - distrust and apathy (minority vs. majority)
- Political change
  - Turnover in Council, Mayor and staff
- Lack of budget direction vs long term strategy

Your Environment

- Provisions of your labor agreements
- Major contractual Obligations
- What are the goals/direction from top?
- Community’s core values
  - Know them?
  - Act accordingly?

BE PREPARED TO MAKE DECISIONS

Don’t Make Decisions Without Understanding the Facts

- Labor Negotiations
- Employee Benefits
- Building New Facilities
- Community/Council Priorities
**Decision Making**

- Should tie back to your agency's core values
- Based on a set of priorities
- Determine the range of acceptable options
- Involve other groups
  - Labor
  - Community
  - Business

**Decision Making**

- Establish a timeframe for your solutions
- Force departments to be honest
- What has worked in the past
  - More importantly - what has failed?

**Hone Your Presentation Skills**

- Use tools/visual aids
- Remain calm under fire
- Be articulate
  - Short, concise answers are usually better
- Speak with confidence - not arrogance
- Relax
IN THE END...

- Plan early and involve others
- Seek change
- Focus is not Finance Dept
  - Community/Council set priorities - $ follow
- Operating Budget
  - Get your message out
  - Use big #'s and trends
  - Raise the red flags early and option
  - Be bold, take charge, and tell your story

The Consummate Professional

- BE FLEXIBLE AND PROFESSIONAL
  - Regrouping With Management
  - Re-evaluating Your Projections
  - Rethinking Your Strategy
  - Adjusting to Your Audience

- In the End It Is All About Balance
  - Revenues = Expenditures

Just When You Think You've Got It

- The Community Cries Foul
- Your Legislative Body Says NO
- The Economy Worsens
- Your Manager Says NO
- You Feel Like You've Run Out of Options
THANK YOU