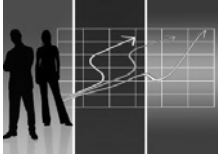



FISCAL FIRST AID

Leadership in Difficult Times



CSFMO Pre-Conference
Jay M. Goldstone, Chief Operating Officer
February 17, 2010

1




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

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2



BEING A GREAT TACTICIAN & MORE

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3



- 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

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4



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?


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Understand Your Audience

- The Community
 - The Engaged
 - ✓ Residents
 - ✓ Business
 - The Disenfranchised
- The Legislative Body
 - Pro-Labor
 - Pro-Business
 - Pro-Everything
- Labor Organizations


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➤ BOTTOM LINE:


**YOU CAN NO LONGER JUST
SIT IN YOUR OFFICE AND
EXPECT YOU WILL
SUCCEED**

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ANTICIPATE THE UNANTICIPATED


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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

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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

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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

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UNDERSTAND YOUR ENVIRONMENT


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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


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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?

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BE PREPARED TO MAKE DECISIONS


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Don't Make Decisions Without Understanding the Facts

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


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Decision Making

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


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Decision Making


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

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HONE YOUR PRESENTATION SKILLS


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Hone Your Presentation Skills


- Use tools/visual aides
- Remain calm under fire
- Be articulate
 - Short, concise answers are usually better
- Speak with confidence – not arrogance
- Relax

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IN THE END...

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- 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

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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

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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

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