



# Awards for Excellence in Government Finance

## 2009 APPLICATION

This application form must be completed and returned along with your entry in electronic form by **January 31, 2009**, to [awardsforexcellence@gfoa.org](mailto:awardsforexcellence@gfoa.org). If any supplemental supporting materials are not in electronic form, please send five (5) copies along with a copy of this application to GFOA, Awards for Excellence Program, 203 North LaSalle Street, Suite 2700, Chicago, IL, 60601.

Title of Entry: Budget Outreach and Education

**Category (Select only one):**

- Accounting, Auditing, and Financial Reporting
- Budgeting and Financial Planning
- Cash Management and Investing
- Capital Financing and Debt Administration
- Economic Development
- E-Government and Technology
- Management and Service Delivery
- Pensions and Benefits

**Subcategory (Select only one):**

- Policies and Procedures
- Management and Policy Studies
- Communications and Reporting
- Training and Technical Guides
- Other

Name of government submitting entry: City of Santa Rosa

Population served 159,980 Number of employees 1381.3

Name of person submitting entry: Michael Frank

Title of person submitting entry: Director Administrative Services

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If the person submitting the entry is not an active member of GFOA, an active member must sponsor the entry. If applicable, provide sponsor information below.

Name of sponsor: \_\_\_\_\_

Title: \_\_\_\_\_

Government: \_\_\_\_\_ Telephone: \_\_\_\_\_

Mailing address: \_\_\_\_\_

## **Section A: Local Significance and Value (Background)**

### **1. Please give a brief general description of the project or program being submitted.**

The City of Santa Rosa developed a multi-faceted outreach program to educate the community and employees about the city's budget deficit situation and to gather information from the public the value they place on City services and programs. The features of this program include a comprehensive public outreach process; a series of video blogs; a Frequently Asked Questions (FAQs) webpage; the formation of a Budget Deficit Advisory Group; and a succession of employee informational meetings.

The public outreach process was designed to elicit feedback from the public about the budget process, with a focus on discovering which programs and services citizens value most and least, given the current budget situation. The second goal of the process was to give citizens an idea of what the City Council and departments go through as they make difficult decisions regarding reductions in services, programs and personnel.

The Assistant to the City Manager presented a plan to City Council detailing her idea for this public outreach process, and received direction from the Council to proceed. Representatives from the City's departments, one Council member and the Assistant to the City Manager met for several months to design the process and materials needed to produce meaningful data. They came up with the concept to have citizens host small group meetings their private homes where participants would feel comfortable sharing their opinions.

Staff then utilized their extensive contact list to seek volunteers, and the local media helped by running articles in the newspaper and having Councilmembers as guest speakers on local radio shows. Approximately 60 public hosts responded to the ads. Hosts participated in an orientation process and then were asked to invite 8-12 people of diverse backgrounds and ideologies to their homes for a discussion about City programs and services. A City staff member attended each of the meetings to serve as the facilitator, dispersing materials and keeping participants focused. At the meeting, attendees watched an eight minute video featuring the Mayor and Budget Manager giving background and explaining the purpose of the meeting. Participants were then given a list of General Funded City programs and asked to prioritize them, choosing their ten most important and ten least important programs. After each individual ranked their programs, the group came together to reach consensus on the group's seven most important and least important programs. The facilitator carefully recorded the results of the group consensus. The facilitator then gave each individual a list of possible revenue generating sources. Each individual was asked to rank those, and again, the group was asked to come to consensus on the top two revenue generation ideas. The facilitators then recorded the results of that conversation.

Approximately 500 citizens participated in this process over the course of one month. Four of the meetings were in conducted in Spanish or were bilingual and all of the participant and host materials were available in Spanish.

The process is wrapping up in early February. Once all the data is collected from the meetings, a summary will be mailed to participants and shared with the City Council and employees.

The video blogs (vlogs) are designed to give simple, straightforward explanations on a variety of complex and confusing budget related issues. Assistant City Manager/Budget Manager Michael Frank starts with budget basics and moves to more complex topics about how the City is working to solve its financial problem. The vlogs are an innovative way to share information that is both generalized, such as an explanation of different types of funds, and specialized, such as how a fiscal crisis affects the City's quarter cent sales tax devoted to public safety. The public is encouraged to view the blogs and enter their comments and questions onto an online comment form that goes directly to staff. Future vlogs will be used as a tool to answer those questions.

The Frequently Asked Questions website is used to update citizens as questions come in. As we gather information from the public process and comments come in through the online comment form, we will better understand the kind of information wanted by the public. The first set of FAQs were released in November 2008 and they addressed the basic topics of how the City's budget works, the differences between funds and some ways the City is trying to address the deficit.

A group was formed to act as an advisory board to the Council and departments as they prepared their budget reductions. Called the Budget Deficit Advisory Group (BDAG), the group has been meeting regularly since May 2008. The group is made up of two Council members, the City Manager and Budget Manager, two labor representatives and four community members. The labor representatives were selected by all City labor representatives to give their perspective to the group. The community members represent four different segments of the Community- one is from the Chamber of Commerce, one is the head of the Neighborhood Alliance, one works in the banking industry and one represents the interests of the environments and the arts. This group is important for several reasons: to provide a forum for folks with diverse interests to gain an understanding of values different than their own; to empower community members to become advocates and educators in their respective groups; and, to ensure that Council has input from a variety of sources as they consider program, service and staff reductions. The idea for the BDAG came out of meetings between City management and labor representatives who desired to give Council balanced and comprehensive input regarding the budget reductions.

Employee information meetings have been held at regular intervals throughout the year and more are scheduled. Designed to give employees a forum in which to share their concerns, ask questions and share ideas to combat the budget deficit, the meetings continue to grow in size and scope. The meetings start with a brief introduction by the City Manager to update everyone with the latest information, then focus on specific information most important to employees, such as staff reductions. Most of the time is devoted to answering questions about layoffs, salary reductions, mandatory time off and other areas of concern to employees. Budget Staff and the City Manager attend each meeting.

**2. Describe the local events and/or problems that led to the undertaking of this project/program.**

The combination of an economy in turmoil, a recession, and a housing crisis has left City revenues battered. The subprime mortgage crisis, lack of liquidity in the markets, development declines, consumer confidence, and median home price declines have all impacted the City's revenues, and therefore its ability to maintain existing service levels. The City simply cannot continue to provide all the programs and services it has been providing. Budget staff and city department managers have been working for over a year to keep budget deficit reduction measures from impacting the public but the deficit has grown by so much, so quickly that drastic service and program reductions are necessary. Our goal is educate the public and employees about the severity of the budget deficit and to elicit feedback. These processes were developed to reach that goal.

**3. Describe the role the finance office/finance officers played in this project/program.**

Finance officers participated in every aspect of this education and outreach project. Budget staff gave valuable input during the development of the revenue generation sources and program descriptions given to the public process participants. Finance staff was available throughout the materials development process to answer questions and give input as needed.

The Assistant City Manager/Budget Manager developed the idea and content for the vlogs. Along with other members of the Budget Staff, he identified the areas in which there was the most confusion and worked to create understandable explanations of these issues. He filmed several versions of each vlog and participated in choosing the ones best suited for the public.

Budget staff worked with community outreach staff to compile the FAQs. The questions were compiled from comments received on the online budget comment form and from meetings with the public and employees. Budget managers worked to answer the questions in the most simple, straightforward way possible, avoiding financial jargon. Finance support staff is responsible for the maintenance and upkeep of the website and is expected to monitor comments received from the online form for possible inclusion in future FAQs.

The Budget Manager is an integral part of the BDAG. He knows the City's constraints and limitations, and can guide the group as they search for revenue sources. He prepares the agenda and materials for each meeting and acts as the liaison between the BDAG and departments.

Budget and finance staff schedule and promote the employee information meetings. They create the presentations given at the beginning of each meeting, tailoring it to focus on the items of most interest to employees while still giving the "big picture" background necessary to understand the situation. Budget staff attend each meetings and are available to answer questions as needed.

**4. How much time did each participant devote to this program/project? Were outside consultants engaged?**

The Assistant to the City Manager, Organizational Development staff and support staff devoted approximately 200 hours over the course of several months to coordinate the public outreach process. Their first task was to develop a process that would yield meaningful, useful data. Representatives from each City department and the City Council met regularly over the course of several months to discuss the variety of ways this outreach could be conducted. Once the outreach process was finalized, they organized and developed training for all facilitators, worked with citizen hosts to schedule the meetings and prepared materials for each meeting. Department representatives participated in the development of the materials and volunteered to facilitate the meetings. Finance staff was involved during the materials and meeting curriculum process. The outreach development process and the meetings themselves required hundreds of hours of staff time. This time was volunteered by staff throughout the City. No outside consultants were used in this process.

The vlogs require several hours each week by the Assistant City Manager/Budget Director to prepare his segments. It takes approximately an hour a week to film three vlogs. Staff regularly collects the comments from the online comment form and employees to be used in future vlogs. The City uses the local Community Media Center to film, edit and upload the vlogs. City Information Technology and support staff can quickly link the vlogs on YouTube.com and to the city's website at srcity.org.

The questions for the first set of FAQs were gathered by support staff during the second round of employee meetings and from comments received on the online comment form. It took several hours to compile the questions for inclusion in the document. Community outreach staff compiled the answers from a variety of City staff sources to complete the FAQ document. Questions are being compiled now for the subsequent FAQs. The document was handed out to participants in the public outreach process as well as being posted on the website. The website contains vlogs addressing questions received from the public and links to other FAQs of interest. All in all, it took approximately 20 hours over a couple weeks to complete this entire process.

The BDAG meets approximately every two weeks for an hour and a half. It takes several hours before each meeting to prepare the agenda and materials. Each member of the group is asked to gather feedback from their respective groups to share at the meetings.

The employee information meetings take several hours to schedule and coordinate. Support staff schedules meetings at different locations throughout the city at times most convenient to employees in that area. It takes several hours to prepare the presentation shown at each meeting. Budget staff, the City Manager and support staff attends each meeting to answer questions, receive feedback and take notes about what questions are being asked. The notes are then edited so they can be used for content in the next written FAQ. This entire process takes approximately 10 hours to complete.

## **Section B: Technical Significance**

### **1. What financial concepts, standards or techniques are displayed or advanced by this entry? Why is this important to the public finance profession?**

A variety of important financial concepts are being advanced by this ongoing education and outreach process. First among them is that everyone has a part in shaping their city- city government needs the cooperation and input of the public and employees to make the difficult decisions these times call for. By consistently working to engage all stakeholders in this budget deficit reduction process, Finance staff is proving the point that business cannot continue as usual. Unforeseen financial declines have made this everyone's problem, not just upper level government management. It is a very difficult process for our Council to approve program, service and staff reductions. By bringing diverse groups of people together and encouraging open dialogue, we are facilitating the sharing of values and ideas. Citizens are lead to consider what would be best for the City as whole instead of only considering their own needs.

Another important financial concept is that certain funds can only be used for certain types of expenses. For example, monies collected from Utility bills cannot be used to pay for Police salaries; they must be used to pay for Utilities-related projects. Often the public sees a new sewer line being installed or a park being built, and they cannot understand why that is being done when Police and Fire positions are being eliminated. Understanding different types of funds and how they can be used is a critical concept when discussing budget reductions.

Many citizens think that the problem would be solved if the City reduced all salaries by 10% or reduced salaries for everyone making over \$100,000 a year. What they don't understand is that City government employees are unionized and have employment contracts that prevent City leaders from making across the board salary and benefit reductions. City leaders are required to meet and confer with bargaining unit leaders, and employees must agree to new terms before contracts can be changed. The vlogs and FAQs address this exact issue so that more people are aware of the City's limitations.

By stressing these important constraints, the City gives its citizens a better understanding of the budget process and facilitates productive meetings with citizens and employees. Once everyone is aware of what cannot be done, they can focus on what can be done by working within the boundaries of City government.

## **Section C: Transferability**

### **1. How can this project/program be adapted for use by other organizations? Who else might benefit by its adoption? Would significant modifications be required for implementation?**

Many of these outreach and education processes can be readily adapted by other cities.

The public Budget Outreach process can be tailored to fit individual organization's needs and may greatly benefit cities or organizations in similar situations. All of the meeting materials can be adapted for any organization wishing to get public opinion about the importance of their programs. The most important part of this process is to reach a broad cross section of the city's residents or the organization's clients so

that the data collected reflects as many opinions as possible. City community outreach staff used their extensive contact list, and local media helped by running ads in the newspaper and on the radio to find hosts for the groups. For any city to recreate this process meaningfully, a similar outreach process is necessary.

The vlog process can be adapted by any organization with a website and access to a video camera. It greatly helps to have access to a media center where vlogs can be edited for content and time but with the right preparation it is not necessary. The vlogs are useful for any organization desiring to give personal answers to complex or sensitive questions. It is beneficial for the public to hear an honest, simple answer to a question from a credible source.

The FAQ webpage would also be easy to recreate for any entity that maintains a website. There is legwork involved to discover what questions would be beneficial to include, but it is a worthwhile task. Many citizens prefer to search for their own answers online rather than calling an agency. By having information available online, citizens can access it any time.

A group similar to the BDAG could be formed by any organization. The key to such a group's functionality is its diversity; many ideologies are represented and discussed. The careful selection such a group's members is vital to its success. Each of the participants must fairly represent their own interests, yet also be willing to participate in finding solutions for the City as a whole.

Employee meetings can be easily adapted by any organization wishing to disperse information to their employees. All that is required is a room in which to have the meeting and a manager or trusted employee to be available for questions.

## **Section D: Documentation**

### **1. What documentation describes the entry (e.g., reports, forms, memoranda, software, audio visual materials, etc.)? All materials must be provided, preferably in electronic format.**

The presentation to Council, public outreach facilitator packets and participant packets were included as attachments along with this application email. The link to the introductory video can be found here:

<http://www.youtube.com/watch?v=jy3zM0useb0>

The link to the vlog page can be found here:

[http://ci.santa-rosa.ca.us/departments/adminservices/budgetdocs/Pages/Budget\\_Blog.aspx](http://ci.santa-rosa.ca.us/departments/adminservices/budgetdocs/Pages/Budget_Blog.aspx)

or by going to the City of Santa Rosa webpage at srcity.org and clicking the Budget Blogs and Information link under Quick Links on the right side of the page.

The link to the FAQ page can be found here: <http://ci.santa-rosa.ca.us/departments/adminservices/Pages/Budget%20FAQ%20Page.aspx>

or by going to srcity.org, choosing Departments from the tabs at the top, choosing Administrative Services, then choosing Budget FAQ Page under Division Links on the left side of the page.

Materials for the BDAG mainly include items that will be heard before the Council. A sample list of reductions to be considered by the group is attached.

The presentations given at the March and October 2008 Employee Information meetings are included as attachments to this email.

## **Section E: Cost/Benefit**

### **1. Quantify the total resources (money and time) devoted to this project/program and identify the value added (tangible and intangible) as a result of it's undertaking.**

The public input process took a large amount of time and effort, but cost relatively little. Hundreds of hours were devoted to the planning and execution of this project by community outreach staff, department representative and support staff.

The dollar cost for the process included approximately \$400 for printing and meeting supplies. The newspaper and radio ads were issued as media releases and did not cost anything.

The data gathered from these meetings will be enormously helpful for the City Council and departments as they continue to evaluate program and service reductions. By understanding the needs and expectations of its citizens, the Council and staff will be able to focus on preserving the City's most valued programs and possibly reducing or eliminating the least valued programs. It is also valuable for the community to understand the City's budget process, including the difficult task of making reductions.

The vlogs are filmed and edited by the City's Community Media Center. Several hours are needed to plan and film each of the vlogs. The vlogs benefit the City by being available to the public 24 hours a day. Complex issues are explained in a simple way, making the information accessible to everyone. The budget and financial situation is changing rapidly and these vlogs give the City an opportunity to directly address emerging issues. To date, the vlogs have been viewed over one thousand times on YouTube.

The FAQ page cost is minimal, as the City maintains its own website. Information can be viewed on the website as soon as it is posted, making it readily available to the public. It is another tool for dispersing information to as many people as possible. The more we can share with citizens to help them understand the City's budget situation, the more they can offer input and solutions.

The cost of the BDAG meetings is nominal, as meetings are held in City facilities and materials costs are low. The benefit of such meetings is substantial; community members gain an understanding of city government and its constraints and become educators in their respective circles; and Council, City management and labor representatives can learn what is important to a diverse group of their citizens.

The employee meetings cost nothing as well, because they are held in City facilities and lead by staff. These meetings are valuable morale boosters as they allow employees to ask questions and share concerns directly with the City Manager. They are also used to share information with staff who may not be current with the latest

budget-related developments. It also gives the Budget Manager and staff an idea of the issues that are most important to employees.

## **Section F: Complexity**

### **1. Describe the complexity of the project/program. How much training and technical skill is required for employees to make use of this solution?**

The public outreach process requires staff with community outreach experience. To make this process significant, a large group of diverse hosts must be contacted, the meetings must be coordinated and scheduled and materials must be prepared in a way to garner meaningful data. Leadership, communication and facilitation techniques were taught to the City staff members who facilitated the meetings. While a lot of technical skill is not required, a variety of communication skills is absolutely necessary.

The budget vlogs require someone to film, edit and upload the vlogs, so moderate technical skill is needed. The City uses the local Community Media Center, whose staff members are instrumental in the filming and editing process. The City's webmaster and IT manager upload the vlogs to the City's website and to YouTube.com. Support staff designs and maintains the webpage, so some technical skill is needed there as well.

The FAQ page requires support staff with webmaster skills to create, update and maintain the site. Staff had to be trained to use the City's website, create links to other documents and websites and prepare documents to be uploaded, so again moderate technical skills are needed.

The most important skill for BDAG meeting participants is an open mind. This group is designed to share ideas and to guide the Council on budget reductions. Knowledge of local government policy and limitations is necessary so that any ideas generated by the group can be legally adopted.

The employee budget meetings require very little technical skill to produce. Generally, preparing a short PowerPoint presentation is the only technical part of the process. The bulk of the meeting is used to answer questions from employees.

## **Section G: Originality, Creativity and Innovation**

### **1. To your knowledge, is this the first time this type of project/program has been implemented by a government entity? If not, identify previous work this area and explain the uniqueness of your approach.**

Santa Rosa's combination of these processes into one extensive program is certainly innovative. Many cities and municipalities across America are facing similar budget situations but what sets Santa Rosa government apart is willingness to engage our entire organization and citizens in our reduction process.

We modeled our public outreach process on one done by the City of Morgan Hill in California. Through our public outreach process, we will learn the value citizens place on our programs and services so that we are better able to serve their needs. We are also showing our public that they play a part in the shape and design of their city, and they must work with local government to maintain the features they value. The meetings are bringing together diverse groups of people to hear each other's opinions and values and to generate dialogue between folks who may not otherwise speak to each other.

The same can be said for the employee information meetings. City employees know they have a forum to share concerns, but also a place where they can share ideas and solutions. They know that their input is valued and that their concerns are important to City management.

The Budget Deficit Advisory Group's diverse participants make it unique. The group is special because it regularly brings together City management, Council members, labor representatives and community members with competing interests and asks them to discuss and decide upon very challenging issues. This forum also allows each group member to hear opinions different than their own which fosters creative problem solving and benefits all participants.

To our knowledge, a series of comprehensive budget vlogs have not been produced by other local governments. Along with the FAQ page, the vlogs make up the most easily accessible part of the education process. They are especially unique because of their responsiveness; as questions and comments come in, we can directly address them. Citizens may submit a question on our online form, get a response from the Budget Team and may see an explanation from the Budget Manager on a vlog the next week.

What makes Santa Rosa's approach unique is the variety of ways we are engaging all stakeholders in our budget programs and services reductions. Our goal is to educate our citizens and employees and to gain input from as many diverse sources as possible in order to lead our community through this difficult time.