

Aiken City Council Minutes

WORK SESSION

January 26, 2016

Present: Mayor Osbon, Councilmembers Dewar, Diggs, Merry and Price.

Absent: Councilmembers Ebner and Homoki.

Others Present: John Klimm, Stuart Bedenbaugh, Sara Ridout, Kim Abney, Lex Kirkland, and Andy O'Byrne.

BUDGET FORMAT

2016-17 Fiscal Year

Lisa Vedder

Daryll Parker

Willdan Company

Mayor Osbon called the work session to order at 5:40 p.m. to discuss the budget format for fiscal year 2016-17.

Mr. Klimm reminded Council that this is the second meeting in a series of meetings on the budget format. At the first meeting Councilmembers told us what they liked and did not like about the budget and reviewed models from three cities. He said Ms. Lisa Vedder and Mr. Daryll Parker of Willdan are back again to present the proposed budget format that was gathered from Council at the October meeting for Council review and approval before proceeding further.

Mr. Klimm pointed out that we are getting into the budgetary process, and we wanted to change the format. He said he was pleased with the work that Ms. Vedder and Mr. Parker had done. He said this is the time for Council to tell us if they like or dislike the format so we can move forward preparing the budget for next year.

Ms. Vedder reviewed for Council what was discussed at the October meeting. She said the directive at that time was to come out with clear directives from Council about where to take the budget format. At that time Council discussed what they liked and did not like about the present budget and the three model budgets from other cities. At that time they also discussed what they wanted Aiken's future budget to be. To guide in upgrading the budget after 60 years the GFOA standards for budgets were used. In comparing the current budget to the GFOA standards the current budget scored an overall 26% relative to the standards.

Ms. Vedder stated the meeting today was to show Council what they came up with for Aiken's future budget format and get Council's feedback. She pointed out what Council will see is budget style, format, and content, not real figures.

Mr. Parker then reviewed each proposed budget page format template and the different sections of the proposed budget, some of the visuals and tables. The purpose of the meeting was to give Council an idea of how they have proposed to move forward with the new budget format. He pointed out that the numbers in the information are not Aiken's real numbers, but are for illustrative purposes only. Some of the verbiage is Aiken's information. He said the purpose is to focus on the content, format and visual make up.

Mr. Parker showed a proposed budget cover. He pointed out pictures on the cover might be changed each year, depending on what is happening.

Ms. Vedder stated one of the goals was to make the budget a communication tool for the City of Aiken. It would be the City of Aiken in a document. It will be a communication

and marketing tool. She pointed out that they focused on putting the core high level message in the first 15 to 20 pages so one does not have to read everything. She pointed out the hyperlinks on some of the pages to connect the words to the financials for that item. This assumes that the document will be on the website in a pdf format that users could view.

Mr. Parker pointed out the summary of the budget showing revenues and expenses. There would be an informative table of contents to give the reader an idea of the information, not just the page, on which the information is located. He then pointed out the template for the city's mission and goals which would give an overall plan for the city and expectations moving forward. It would include a summary of the city's strategic plan. There was a page showing the Council districts and pictures of the Council and the district they represent. There would be an organization chart showing the different departments and divisions of the city. A summary page would be included to show the fiscal responsibility, where the money is going.

Ms. Vedder pointed out that would be funding by strategic plan outcome. If you don't program the money, you will never pursue the objective. The key element in the strategic plan process is to determine how much money will be devoted to the effort and where it will come from. The table shows that information. It shows the objectives and how much money is committed to it. It shows the people what you are trying to do with the resources and the priorities.

Mr. Klimm pointed out on February 12, 2016, Council will be meeting to have their strategic planning process. The information from that process will be inserted in this section of the budget.

Mr. Parker then continued with the page formats to be included in the budget. One section would be the history of Aiken, including pictures, demographics, population, employment, income, cultural activities, etc. Another section is the City Manager's letter which is an important piece of the document. There would be a summary of the budget with graphs showing revenue and expenditures. Another section would be the Capital Improvements Program. This section would include some of the strategic initiatives and goals which are capital related. This would be a five year program with pictures showing some of the capital items to support the financial information. There would be a section on financial projections for revenue and expenditures for a five or ten year time frame.

Mr. Klimm pointed out that the proposal is fundamentally a different budget. He said it is getting a budget so that the taxpayers and citizens can understand where their money is going. He felt the present budget is a confusing document.

Councilman Dewar asked that if in the proposed budget we would distinguish between capital funding and the Capital Projects Sales Tax projects. Ms. Vedder stated that would be shown.

Ms. Vedder pointed out that the budget starts out with a high level big picture and further into the document goes into as much detail as Council wants. Many people looking at the document just want the summary information and not the details so the document will cover the information for both. She pointed out a table which shows interfund transfers which was a directive from Council at the last meeting.

Mr. Parker showed an example of the fund information and pointed out the budget would have that information for every fund in the same format.

Mr. Parker continued to show various format pages for the proposed budget, including charts and graphs and more detail. He then pointed out sections for the departmental budgets and details within the departments. It was pointed out that every department will have the same template to show what they do, their goals, priority, budget, etc. and then the upcoming issues and how they are to be addressed.

Mr. Klimm pointed out that the proposed budget is designed to be more than a bunch of numbers. There is a narrative to explain exactly what is going on in the department, the goals and accomplishments, and what they do.

Councilman Merry stated he likes to have in graph form information showing trends such as last year versus this year or a five year comparison. Mr. Parker responded that the information is there, and a graph could be created to show the information.

Councilman Merry asked if we might be able to populate the information. He asked if the data was readily available so it could be an automated process.

Ms. Vedder stated the next phase of the effort is to create the smart templates and take the output from the city's Sunguard System and drop it into a smart worksheet and translate that into the tables for the budget. She pointed out that this year staff would be starting from scratch. For the first year, it will take a lot of effort to get the information in shape. Once it is there staff would be dealing with any changes from year to year. The hope is to have it mostly automated.

Mr. Klimm stated that Ms. Vedder and Mr. Parker are creating the templates this year and thereafter staff will be set each year. He pointed out staff has been designated for this work. It will be more work for staff this year, but hopefully next year it will be easier. Some of the information is readily available but some will require digging.

Councilwoman Price asked if the visioning information and key issues would be included in the budget and addressed on paper. Mr. Klimm responded that we have been going through a visioning process that includes our citizens. He said the citizens are drafting a vision that they are asking Council to consider and accept. Council will take the vision we are hearing from the citizens and develop a strategic plan with priority areas as to where Council wants us to focus for the next two or three years. It will come from the citizens, and then to the elected officials. Now we will take Council's strategic plan and that will be the basis for decisions that are made in the budgetary process. He said Council paints the picture and then gives that to staff in terms of what policies Council wants, priorities, etc. Staff puts a plan of action together to get that accomplished. It is driven by Council and the elected officials are driven by the wishes and desires of the citizens. He said it goes from the visionary process, to the strategic plan, to drafting a budget that is responsive to Council's priorities.

Ms. Vedder pointed out that the visioning and strategic plan information will appear in the new budget. Once Council decides, it is then in the budget in the first pages of the budget. She pointed out the strategic plan will be in the front pages of the budget, and some of the strategic issues and priorities will tie to a certain department so it will reappear in the department information. The funding will show in the various departments that are involved in the particular issue. The upfront table will show which department is contributing what and when. She pointed out that if there is a priority that does not have resources, it will show that it will not be obtained. It is a useful check and balance.

Mr. Klimm pointed out that his observation is that a lot of decisions have been made by staff. He said he felt that Council is the elected officials and should be making the decisions. He said he was hired by Council to help them do their job. He said it does not appear that has been the process. He felt Council's Horizons seemed to be driven staff-wise. He said Council members are the elected officials and Council should decide where the money is to be spent and the priorities. He said the budget needs to be a document that is driven by the desires and needs of the elected officials.

Mr. Parker then reviewed the capital program pages and what information would be shown. He said the information would tie the funding needed to a funding source. That is so anyone can see how much a project costs and where the money comes from.

Ms. Vedder pointed out that all the information is there and for every single capital project programmed there will be a sheet that tells you all the details of the project. She said it gives total transparency.

Mr. Parker then pointed out the appendices which will have additional detail that will be the final part of the budget. Ms. Vedder stated that section is for people who want to know the fiscal policies and detail for anything. She pointed out the new budget will probably be a longer document, but it will have higher value.

Mr. Klimm pointed out that we want the document to be understandable by someone who has an interest in the budget. He said if someone has a question when going through the budget, they should be able to go back to the appendix and get the answer to the questions.

Mr. Klimm stated Ms. Vedder and Mr. Parker are advising and consulting with Council and staff this year. He said when Council adopts this budget we will have adopted a template and a process and procedure that all staff knows how to do. It will be our document, and we own it. We will need to understand how to manipulate it and use it. He pointed out that the Willdan Company does a lot of other interesting things that we might want to use them for in the future. He said on June 30, 2016, this will be the city's document and template. We should be able to do this totally by staff next year. Mr. Klimm pointed out that a tremendous amount of behind the scenes work has been done and will continue to be done. He pointed out that we need Council's direction at this time because we need to go forward with the budget process. It was pointed out that Council will start working on the budget around April. Staff needs to start working on the process to have it ready for Council in April.

Councilman Dewar asked how the Committee structure would work with the budget. Mr. Klimm stated if staff could work with a subcommittee before going to the full Council that would be helpful.

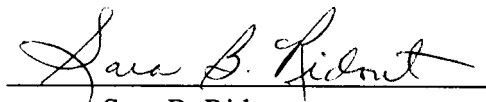
Councilman Merry asked that where possible that some bar graphs showing trends be included in the budget. Councilman Dewar asked if in the future it might be possible to start on the budget process earlier in the year.

Mr. Klimm pointed out that this is the beginning of a process that may be uncomfortable because we have a Council that wants to look at the big picture, and we have major issues out there and there are tough choices to be made.

After discussion it was the general consensus of Council that they liked the proposed budget format and that staff should go forward with gathering the information.

ADJOURNMENT

There being no further business, the meeting adjourned at 6:35 P.M.


Sara B. Ridout
City Clerk