YOU CAN BE THE ROSETTA STONE
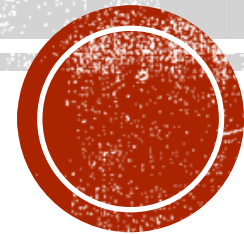
How to Get your Elected Officials to Understand the Foreign Language of Finance

WHAT YOU WILL HEAR

- Goal of today
- Understanding our roles
- Presentation types
- Outline of a good presentation
- Techniques to present data

GOAL

- To make you a better presenter
  - Good presentations have their desired impact
  - Good presentations help to avoid conflict and confusion
  - Good presentations make you look good

UNDERSTANDING OUR ROLES

- City Council has the authority and responsibility to ask detailed financial questions. They must have full access to financial data.

- Finance Director's role is to ensure that the financial information is accurate, correct, and presented in a transparent and easy to understand way.

- City Management's role is to be the liaison between Council and staff. Management should help anticipate questions that Council may ask and make suggestions on how to make the information easier to understand.

PRESENTATION TYPES

- Types typically used in finance
  - Informational
  - Persuasive

- Patterns
  - Direct - get straight to the point, then explain
    - Use this if the audience will be pleased – neutral
  - Indirect – explain the situation and the make the point
    - Use this if the audience will be neutral – hostile

- Ordering ideas
  - Categorized – for informational presentations – by threes where possible
  - Cause & Effect - ordered by arguments and causality
  - Problem Solution – Short v. Long-term
  - Story Telling – ordered chronologically

Outline of a Good Presentation

- Tell them what you are going to tell them
  - Tell them what you need (feedback, decision, simply education?)
  - Tell them why they should care

- Tell them
  - Three things
  - Keep it Simple
  - Know your audience & know yourself

- Tell them what you told them
  - Restate and summarize
  - Follow up on what you need
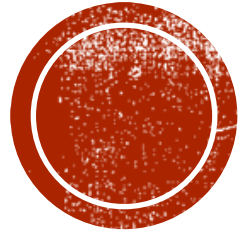
TECHNIQUES???
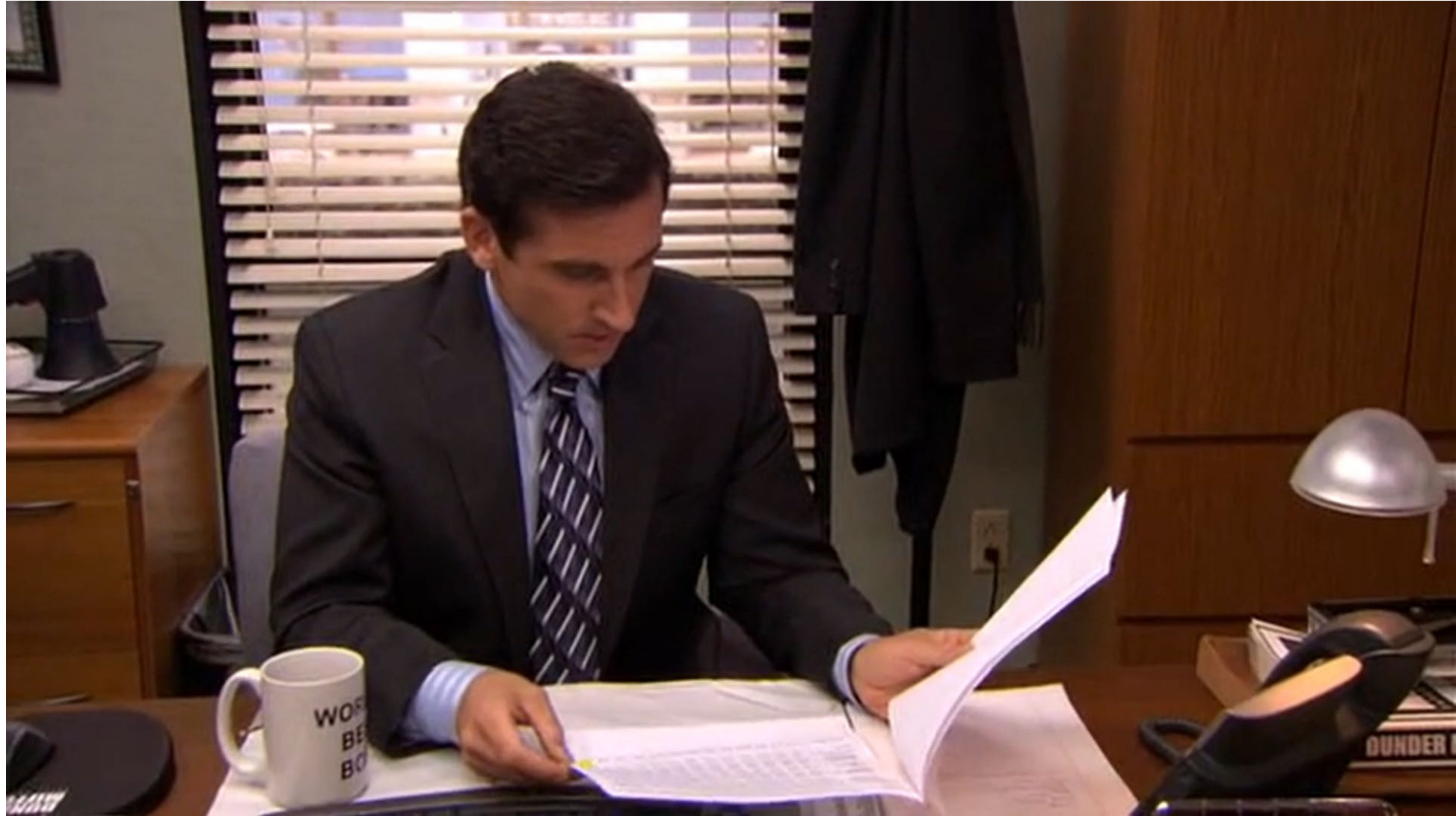
TECHNIQUES — RELATED TO YOUR AUDIENCE

- Know your Audience
  - CPAs vs Pipe Fitters
  - Expressive vs Analytical

- Avoid asking for a decision the first time you present an item

- <u>Do not ask open ended questions</u>. Give a recommendation or at worst multiple choice

- If it's a complex concept but critical, break down the components, teach the audience, don't assume it's intuitive

- Interpret the data that you are presenting and <u>anticipate their questions</u>

FINANCIAL TRICKS – "THE TROJAN HORSE"

"Trojan Horse", foot in the door example

TECHNIQUES – RELATED TO YOUR DATA

- Spell out acronyms
- Summarize most critical points
- Create lists of like information
- Provide detailed data in advance
- A picture is worth a thousand words

FINANCIAL TRICKS – "THE NUMBER DUMP"

"Trojan Horse", foot in the door example

A PICTURE IS WORTH A THOUSAND WORDS

- Financial presentations should be able to tell their own story without a narrative or explanation

- Information should be prepared so that <u>anyone</u> can easily understand it

- Simply converting numbers into complex charts doesn't solve the problem
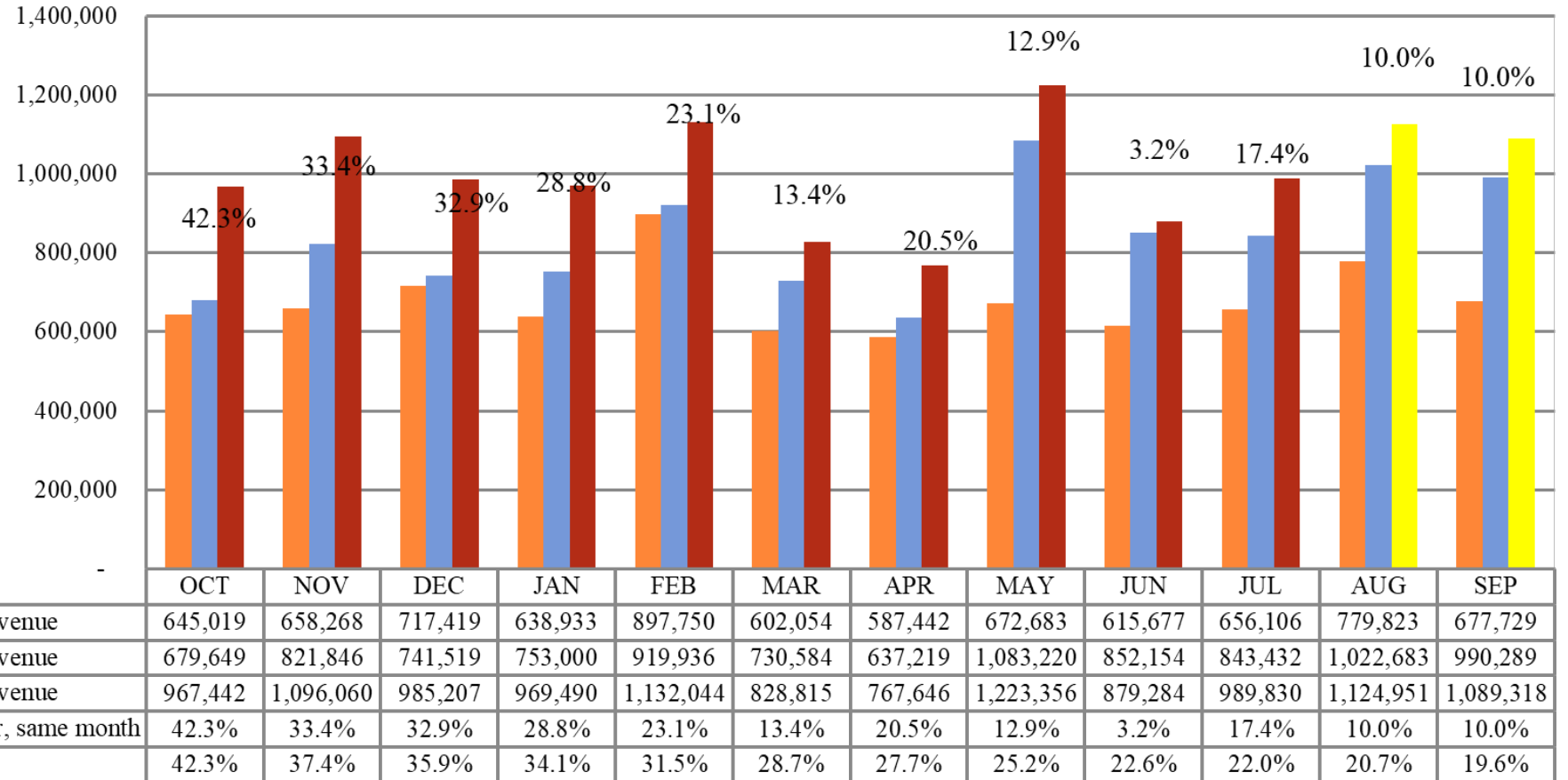
- Infographics?

THE BAD

Account	Description			2020 ACTUAL	2021 ACTUAL	2022 YTD	2022 BUDGET	2023 BASE BUDGET	DECISION PTS "ONE-TIME"	DECISION PTS "ONGOING"			
100-0000-5001	TAXES SALES TAX	(7,048,607)	(6,735,627)	(4,820,959)	(4,944,448)	(3,864,470)	(4,800,000)	(5,300,000)	(500,000)	(81,547)	(5,881,547)	(500,000)	(355,552)
100-0000-5004	TAXES CURRENT AD VALOREM TAXES	(5,966,680)	(6,246,430)	(6,448,929)	(6,281,794)	(6,294,430)	(6,331,356)	(7,217,578)	-	-	(7,217,578)	(886,222)	(935,784)
100-0000-5007	TAXES DELINQUNT AD VALOREM TAX	(42,082)	56,244	(46,984)	(71,878)	(82,501)	(45,000)	(60,000)	-	-	(60,000)	(15,000)	11,878
100-0000-5010	TAXES PENALTY & INTEREST	(51,143)	(68,839)	(76,814)	(83,877)	(62,189)	(70,000)	(70,000)	-	-	(70,000)	-	13,877
100-0000-5019	TAXES MIXED BEVERAGE TAXES	(22,110)	(36,424)	(20,267)	(32,313)	(21,770)	(22,000)	(28,000)	-	-	(28,000)	(6,000)	4,313
100-0000-5101	FRANCHISE RECEIPTS ELECTRIC	(534,575)	(509,880)	(517,122)	(527,331)	(263,220)	(510,000)	(510,000)	-	-	(510,000)	-	17,331
100-0000-5103	FRANCHISE RECEIPTS GAS	(47,628)	(62,152)	(62,347)	(53,125)	(59,089)	(65,000)	(65,000)	-	-	(65,000)	-	(11,875)
100-0000-5109	FRANCHISE RECEIPTS TELEPHONE	(55,962)	(39,077)	(49,681)	(43,523)	(20,612)	(40,000)	(40,000)	-	-	(40,000)	-	3,523
100-0000-5112	FRANCHISE RECEIPTS CABLE TV	(65,710)	(44,633)	(51,087)	(45,603)	(20,768)	(50,000)	(40,000)	-	-	(40,000)	10,000	5,603
100-0000-5201	GARBAGE RESIDENTIAL COLLECTION	(789,061)	(795,189)	(775,730)	(845,562)	(669,338)	(815,000)	(855,000)	-	-	(855,000)	(40,000)	(9,438)
100-0000-5202	GARBAGE COMMERCIAL COLLECTIONS	(1,619,477)	(1,493,691)	(1,563,485)	(1,530,286)	(1,193,401)	(1,645,000)	(1,645,000)	-	-	(1,645,000)	-	(114,714)
100-0000-5207	CODE ENF REIMB DEMO/ADM FEE	(450)	(5,510)	(1,400)	(4,133)	(6,459)	(5,000)	(5,000)	-	-	(5,000)	-	(867)
100-0000-5301	PERMITS MECHANICAL	(9,446)	(18,165)	(5,576)	(8,044)	(4,785)	(8,000)	(8,000)	-	-	(8,000)	-	44
100-0000-5304	PERMITS BUILDING	(25,390)	(70,787)	(44,695)	(42,992)	(52,679)	(40,000)	(45,000)	-	-	(45,000)	(5,000)	(2,008)
100-0000-5305	PERMITS SIGNS	(2,206)	(2,769)	(1,920)	(2,621)	(1,615)	(2,000)	(2,000)	-	-	(2,000)	-	621
100-0000-5307	PERMITS BUILDER LICENSE	-	-	(102)	-	(100)	(250)	(250)	-	-	(250)	-	(250)
100-0000-5310	PERMITS ELECTRICAL	(3,826)	(5,882)	(4,578)	(4,112)	(5,010)	(5,000)	(5,000)	-	-	(5,000)	-	(889)
100-0000-5313	PERMITS ELECTRICAL LICENSE	(100)	(302)	(115)	(100)	(100)	(200)	(200)	-	-	(200)	-	(100)
100-0000-5316	PERMITS PLUMBING	(4,066)	(5,652)	(4,264)	(4,105)	(5,165)	(5,000)	(5,000)	-	-	(5,000)	-	(895)
100-0000-5319	PERMITS HOUSE MOVERS LICENSE	-	-	-	-	-	-	-	-	-	-	-	-
100-0000-5322	PERMITS ELECTRICAL EXAMS	-	-	-	-	-	-	-	-	-	-	-	-
100-0000-5325	PERMITS STREET CUTTING	(350)	(950)	(925)	(875)	(650)	(1,000)	(1,000)	-	-	(1,000)	-	(125)
100-0000-5326	PERMITS OTHER	(530)	(760)	-	(530)	(500)	(1,000)	(1,000)	-	-	(1,000)	-	(470)
100-0000-5327	PERMITS FIRE	(5,320)	(5,785)	(6,585)	(3,125)	(4,436)	(6,000)	(6,000)	-	-	(6,000)	-	(2,875)
100-0000-5328	PERMITS OIL & GAS DRILLING												

THE UGLY

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
2019-2020 Sales Tax Revenue	645,019	658,268	717,419	638,933	897,750	602,054	587,442	672,683	615,677	656,106	779,823	677,729
2020-2021 Sales Tax Revenue	679,649	821,846	741,519	753,000	919,936	730,584	637,219	1,083,220	852,154	843,432	1,022,683	990,289
2021-2022 Sales Tax Revenue	967,442	1,096,060	985,207	969,490	1,132,044	828,815	767,646	1,223,356	879,284	989,830	1,124,951	1,089,318
% change over prior year, same month	42.3%	33.4%	32.9%	28.8%	23.1%	13.4%	20.5%	12.9%	3.2%	17.4%	10.0%	10.0%
% change year over year	42.3%	37.4%	35.9%	34.1%	31.5%	28.7%	27.7%	25.2%	22.6%	22.0%	20.7%	19.6%

THE MORE GOOD? — INFOGRAPHICS!!!

KILGORE

BY THE NUMBERS

VISIT Kilgore TEXAS

288k Facebook Impressions

% 3.8↑ Hotel Occupancy

314K Visitor Spending Local Receipts

2,332 Instagram Followers

610 Welcome Bags

15K Web Sessions
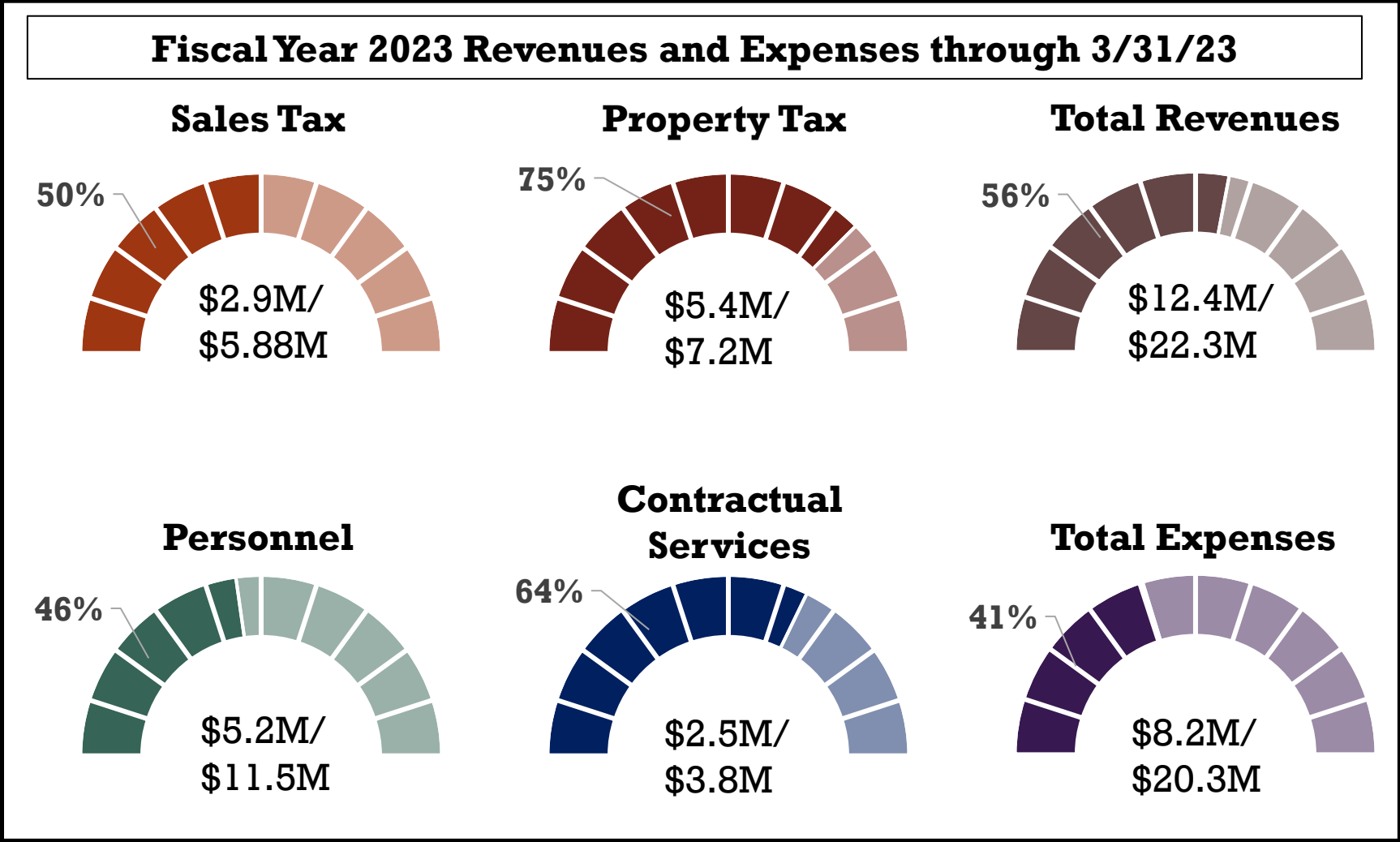
22 Digital Ads

1,021 Visitor Requests

137 Media Mentions

5 Groups Serviced

8 Event Guides

THE MOST GOODEST? – DASHBOARDS!!!

Fiscal Year 2023 Revenues and Expenses through 3/31/23

Sales Tax
50%
$2.9M/
$5.88M

Property Tax
75%
$5.4M/
$7.2M

Total Revenues
56%
$12.4M/
$22.3M

Personnel
46%
$5.2M/
$11.5M

Contractual Services
64%
$2.5M/
$3.8M

Total Expenses
41%
$8.2M/
$20.3M

OTHER TIPS

- Follow GFOA Standards

- Follow State Law

- Follow your Charter

- Budget: Last Year Actual, Current Year Budget, Current Year Projected, Proposed/Adopted

SUMMARY AND FEEDBACK

- With strategic and careful preparation of your presentation you can:
  1. Give them key points they can understand
  2. Engage and entertain your audience
  3. Consistently reinforce your message
  4. Arrive quickly and painlessly at your desired result

- Other potential secondary impacts of good presentations:
  1. You look smart/smarter
  2. You stand out from the crowd
  3. Gosh darn it, people like you!

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