

In Practice

FINANCE TEAM | ACCOUNTING | PERSPECTIVE | INTERVIEW | 10 STEPS



FINANCE TEAM

Getting People in the Same Boat: Collaboration in Lawrence, Kansas

BY KATIE LUDWIG

Leaders for the City of Lawrence, Kansas, a growing city with a population of approximately 100,000 people, believe that collaboration—both internal and external—is necessary for the city to meet its residents' needs. In recent years, they have made significant progress to get their stakeholders in the “same boat,” as City Manager Craig Owens describes the process of creating a shared understanding of the city's challenges and opportunities.

The City of Lawrence is a full-service city, including solid waste, police, fire, emergency medical services, and parks and recreation. The city also operates a levy and

a few cemeteries. Lawrence is proud to be the home of the University of Kansas, which is the largest employer in the city.

The city also has a rich history of local activism rooted in good government and innovation. It was founded just before the American Civil War and was home to many anti-slavery advocates. The National League of Cities (NLC) was also founded in Lawrence in 1924. In addition, the University of Kansas' city management program is consistently ranked as one of the best in the country. Owens, who has been city manager since 2019, appreciates this legacy and the expectations he has to meet as a result.

City Manager Casey Toomay has worked for the city for about 20 years. Previously the city's budget manager, she now works with Budget and Finance, along with the other internal support departments and the public safety departments—though she is more focused on strategy and vision than on the details of budgeting.

Toomay believes that providing structure is necessary for collaboration. The collaboration structures are designed intentionally to prevent people from focusing solely on the one issue they care most about. “You can't just say, I want to advocate for kickball,” Toomay said. “You don't just get to be accountable for your one thing. You have to be accountable for the whole boat and everybody that's in it.”

Alley Porter is the city's budget and strategic initiatives manager. As her title indicates, a significant part of her role is to change the perception of the budget from only being a numbers document to it being more of a values and strategy document.

Porter believes collaboration is necessary to “finding that compromise a very diverse population can agree to.” “When I think about collaboration, I think about the hard work and compromise that comes with our very diverse community, which has a lot of competing interests and priorities, and the limited amount of resources we have,” she explained. “How can we compromise and accept different levels of service for our priorities? How do we accept that we're not going to do certain things because we don't want to fund those things?”

Collaborating to implement the strategic plan

Toomay explained that the city has made a conscious effort to “reinforce collaboration” through the strategic plan and its implementation. She explained

that the plan outlines the city's strategic outcomes, which describe what the city is trying to achieve, as well as commitments, which describe how the city does the work to achieve the outcomes. The commitments look at what the city is trying to achieve through different lenses such as fiscal stewardship, diversity, equity, and inclusion, community engagement, and workforce engagement and empowerment. The city has developed key performance indicators that it uses to measure progress on the strategic plan, and each indicator has an "outcome champion" and a "commitment champion."

"We worked really hard to have key performance indicators that speak to each one of those different commitments for each one of our outcomes," Toomay said. For example, in the area of public safety, there might be a different key performance indicator to address a commitment related to community perceptions of safety and another indicator to address a commitment related to clearance rates in the Police Department.

"One is a measure of the community engagement side, and the other being a measure of the efficiency side," Toomay explained. "We try to make sure that we're taking into account all of the different things we need to be successful, so we're not just hitting success because we're doing things the cheapest way. We want to make sure we're doing them efficiently and effectively. We want to make sure that we're doing them in a way that engages with the community."

"For every outcome measure, there is a corresponding, overlapping, shared commitment measure. They share every measure. There's no measure that doesn't have an outcome champion and a commitment champion who are co-leading results in that category," Owens said. "It's great in theory. It's hard to implement. We have really had to stay at this and be very persistent in keeping this model working and getting it more deeply built into the vocabulary and the DNA of our organization."

"We were very thoughtful about how we created the strategic plan to build in tensions and accountability for these things that can both be complementary

and leveraged against each other, and also can be in tension and competing with each other," Owens added. "An engaged and empowered workforce is likely to be better at getting good results with your community measures and will provide a higher level of service that will be received well, so that's where you could see that one is leveraged against the other," he explained.

"When you get to the outcome side, that's where we see a little bit more of the tension," he said. "We'd like to have more police officers, but we'd also like to have better roads, so they're pulling at each other a little bit more."

Another tension Toomay described is between strategic goals and programs and more basic, legacy programs and services. "I could find language in the strategic plan that justifies just about anything we do, but that's different from what we've tried to do, which is not to justify what we're already doing," she said. "We're trying to say, 'If we were starting from scratch and designing what we were going to do, what would those programs look like, and what would those service delivery models be?' I feel like that's a place where there's still tension, and there's absolutely more collaboration needed."



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ASSISTANT CITY MANAGER

She cited solid waste pick-up and disposal as an example. Initially this service was categorized under the "Connected City" strategic outcome because that is where other Public Works programs were categorized, but the team realized that it wasn't moving the needle on any of the Connected City key performance indicators. The team then considered what would the impact be if the city just stopped collecting trash, and they realized that it would negatively impact the "Strong, Welcoming Neighborhoods" strategic outcome. This re-categorization was more than simply putting a different label on a program. The process the city went through to re-categorize solid waste pick-up from one strategic outcome to another included asking important questions about why the city even provides this service in the first place, and it led to greater understanding about how to communicate the value of this service to the public.

Encouraging collaboration with a shared vocabulary

Owens believes a shared vocabulary about budgeting and performance is "incredibly important" because in Lawrence, the budget "is not as much a financial document as a values negotiation." Just as having a handle on a heavy package makes it easier to carry, he believes that having a shared vocabulary makes it easier to have conversations about complex topics. He is proud of the work the city has done and continues to do in "adding handles" so that many more people can grab a hold of it and express themselves in our community discussions about resources."

Owens recalled, from his time working for another city, drafting a transmittal letter for the budget and sending it to the finance department with a note asking the staff to refrain from adding numbers to it because he wanted to make it as easy as possible for the public to understand. He likened this to the efforts of Steve Jobs, one of the founders of Apple. Jobs was committed to making Apple computers so easy to use that a user manual would not be needed. Owens

thinks more local government leaders need to embrace this way of thinking.

"We live in a growingly complex world with a nearly infinite amount of information, so when we use government accounting language and give the public budgets with accounting codes and numbers and use a bunch of jargon from departments, it's no wonder nobody's showing up for our meetings. It's no wonder we're not getting any useful comments," Owens said.

It's more necessary today than ever, Owens said, "that we get input that's useful, not just input that's provocative and expresses negativity," and he believes that having a shared vocabulary allows the public to provide that useful input.

"What's useful to us is input that we can use to change the plan and to deliver services that better fit this diverse community's interests," Owens said. He believes the city's efforts are paying off, not only with members of the public, but also with community groups. The city's strategic plan is approaching five years of age, and because the city has been using it so consistently, community agencies that the city funds are using the same shared vocabulary in their funding proposals.

"They are using that language because they know that's what we're expecting," Owens explained. "They're showing the key performance indicators. They're saying, 'I'm going to offer you a proposal to get results.' That's been a big change."

Similarly, the city's elected officials have embraced the strategic plan. Lawrence's elected officials have turned over since the strategic plan was developed and adopted. Owens explained that because the strategic plan plays such a prominent role in how the city operates and how strongly the plan is supported by the community, many of the newly elected officials "didn't come with necessarily their own platform." Rather, they ran as the best person to get the strategic plan results that the community and the city have agreed upon.

Owens believes this strong support for the strategic plan is directly related to the extensive public engagement that went into developing it. He said the city



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engaged approximately 3,000 members of the community while developing the strategic plan. In addition to holding their own meetings, Owens said city staff also "went out into the community where people were gathering." The city also trained about 50 of its employees on how to be good listeners and gather data from these interactions.

"We penetrated parts of our community that had never engaged before, and we penetrated parts of the community that never get invited to the table. We honored what they told us, we reflected it back in the language that we used," Owens explained. "I think we were very effective in that they are able to say, 'I see my input in the plan.' Now it's become sacred. This is our work to do as a community. When we're starting to apply resources moving toward this vision, we can say we're moving toward something instead of away from other things. I'm not saying it's gone great, but I am saying that it's nice to have an affirmative destination and that we have described as a community where we'd like to go."

Providing structure for collaboration with the public

Porter agreed on the importance of providing opportunities for structured collaboration and described some of the tools, including priority-based budgeting (PBB) and Balancing Act, a public engagement system. Both of these tools incorporate service-level rubrics like those the city has developed for all of its programs.

The city has identified approximately 47 external services it provides, and for each service, it has developed descriptions of what it would mean to provide that service at different levels, from one to five. "We use plain-language descriptions so anybody can read these and understand what we're talking about," Owens said. "These are external services. We also built some for internal services, which we use to have conversations internally and set those service levels, so we know the cost allocation basis."

With the city's public engagement tools, the city shows people what level each service is currently being provided at, along with the level proposed for the future, whether that's up or down. The tool also shows the budgetary impact of moving from one level to another. Owens believes that asking the public to provide this feedback is a way to "put people in the boat with us, whether they recognize it or not."

"When you're trying to balance the budget, you can go in and look and say, 'Oh, I could live with a level-two service, and that's going to get me \$80,000 towards balance.' We did that across all programs, so the public could really see this is what we mean by reducing or increasing services," he explained. "I'm really proud of that. I think we're going to continue to refine that, and I won't be surprised if a lot of cities around the country are speaking like that soon."

Porter believes one of the biggest challenges when it comes to collaborating with the public is related to timing. Lawrence's fiscal year starts January 1, but per Kansas state law, the city must have a final approved budget for the upcoming year in the fall of the current year. "How do you get people to start thinking that early to have an impact on what we're doing?" she asked. "I see that as a huge challenge."



She believes this timing challenge is one reason the city's public engagement tools are so valuable. People can review information about the services from the comfort of their own homes and at a time that is convenient for them. Because the city is committed to using plain language, they understand what a service level rating of three is and how that differs from a service level rating of five, and they can see the cost implications of the different service levels. If a member of the public wants to increase a service level, they immediately see the cost impact, and to get to a balanced budget, they either need to raise taxes or reduce service levels elsewhere.

"We're trying to shift to not only having that tool available online for folks to do as individuals, but also host town halls, where you come in with your neighbors and you complete that exercise together," Porter explained. "I might be prioritizing police patrol, but my neighbor is prioritizing street maintenance, and how can we find the balance there?"

Structuring internal collaboration

Craig hails the program budgeting groundwork that Toomay laid to get the city where it is today. To have the complex internal discussions about priorities and trade-offs, the city needed to be thinking about its budget in terms of programs, rather than just departments and line items.

The transition to program budgeting was not always smooth, Toomay said. "I think that in the beginning, it seemed so far from what we were doing that it was like, 'Okay, we know where we want to go, but it seems impossible to break it down into steps, to incrementally get there,'" she said. "When you work in budgeting, you have a one-shot window. If you're not doing it for this next budget, then you have to wait another whole cycle, and then you do it for the next cycle, and then people are saying, 'Well, wait, it's been a year since I did that. How do I do that again?'"

Despite these challenges, though, Toomay believes the transition was worth it because it created the conditions necessary for deeper collaboration. "Whether we did it intentionally or not, it [program budgeting] provided the structure we needed to force the collaboration," she said.

One of the first steps to building the structure to support more collaboration was to allocate the costs of the city's internal services among the departments that provide external services. Toomay explained that cost allocation helped demonstrate the connection between the internal- and external-facing departments and led to important conversations. "Suddenly departments were saying, 'Well, wait a second. Why are we paying this charge for Human Resources? You want us to cut our

budget. We'll just cut that,'" Toomay said, adding that finance staff then explained that cutting those charges out of their budget "doesn't recognize the cost of providing the services."

It took a while to get all departments on board with the cost allocation, Toomay said, but now that most people are on board, city staff are able to collaborate on internal service costs and service levels. "If we're not getting the level of service from the IT department, for example, how do we increase that level of service suddenly? That's not just the IT director's thing to champion. He has the ability to leverage all the other departments to say, 'if you want the higher level of service, here's what that looks like, here's what that would cost,' and then they're each providing a little chunk of that," Toomay explained. She contrasted this to situations in the past when an internal service department needed a position, it was the responsibility of Finance alone to figure out where to find the funding.

Owens underscored the importance of this past work to allocate the internal service costs. "This is a really key point. Cost allocation also happened before I got here, and what it's allowed us to do is properly fund the boring, back-of-house stuff that never gets any love if you're just operating politically," he said.

To take the internal services collaboration even further, the city has developed a rubric to facilitate conversation about internal service levels, Owens said. "We had everybody do an internal grading of what level of service they want for their internal services," he explained. "Since the departments are the consumer of these services, they decide if they're meeting their needs or not, and if they want more, they understand that they're going to pay a portion of that." He pointed to this as another example of bringing people into the same boat.

As another example of the importance of creating structures to provide opportunities for collaboration, Toomay described how employees from different departments collaborate while developing the city's capital improvement plan. When an employee submits a capital improvement project to be funded, they have to score it against how well it meets



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ALLEY PORTER, BUDGET AND STRATEGIC INITIATIVES MANAGER

the city’s strategic priorities. After they are submitted, all requests are peer-reviewed and scored to bring a different perspective and help ensure objectivity.

“If I really want my kickball project, I’m going to say, ‘Oh, yeah, kickball creates a diverse and equitable community. Kickball is all about efficiency and effectiveness.’ But when you ask the director of diversity, equity, and inclusion if kickball really deserves the highest score when we’re talking about equity, you get that check on the process and are able to even things out and look at things from different perspectives—which ultimately always leads to better decisions,” Toomay said.

Owens agreed about the importance of structure. “I think discipline and structure are necessary for us to be comprehensive in getting good results,” he said.

In addition to using priority-based budgeting and Balancing Act to engage with the public, the city also uses these tools to collaborate internally on scoring programs. The scores are based on how well each program aligns with the city’s goals, and they’re a significant consideration when making budget decisions. But they aren’t the only consideration. “When we’d hit the button and see

how the scores were going to come out, sometimes we had to say, ‘Too much of a loss is too much of a loss this year,’ and that may be a journey that we continue on for the next couple of years, so we don’t do anything that’s too extreme in its impact on the organization, but also in its impact on the community members who are still quite accustomed to some of these services,” Owens explained.

“We still have a way to go on moving our legacy programs and expenditures into pure alignment with PBB and Balancing Act scoring, but that’s where we’ve got to move,” Owens said.

The city combines the PBB scoring with a target-based approach when developing its budget. After taking into account salary increases and other fixed cost increases (the departments are held harmless for these), the city gives each department a budget target based on the program scoring. For the most part, departments can do whatever they want with their budgets, so long as it doesn’t exceed the target. They are still expected to get results, but they can move money around as needed.

Owens believes the combination of priority-based and target-based budgeting leads to greater internal buy-in and support for the final budget. In budget meetings with his executive team, he lets everyone know that they are not leaving until everyone can support the budget. “I think we achieved that,” he said. “It was not always easy, and it required heroics from some of the departments that were not winners in the scoring.”

What’s next? Moving from collaboration to co-creation

“I think people don’t appreciate how hard it is to be as agile as the private sector in an increasingly fickle consumer market,” Owens said. “If we act like we’re trying to please a rapidly changing market condition, instead of building capacity for complex work that private business won’t touch, that is going to get us in trouble. We are trying to distinguish ourselves from an approach that is focused on making somebody transactionally happy. It’s a level past collaboration. It is co-creation. Collaboration

means we talked, and then somebody decided. Co-creation means that we are in this boat together, and whatever we do, we’re going to appreciate both the benefits and the consequences together, and that’s a very different thing from just switching cell phone carriers or buying a different candy bar.”

To highlight the importance of moving beyond collaboration to co-creation, Owens pointed to the city’s challenges related to affordable housing. “We have had to figure out how to squeeze in this massive new challenge—a societal challenge—in our community and not let go of any other legacy programs, not let go of anything else that was an expectation, not reduce systems that some parts of our community are highly dependent on,” he said. “We’ve got to change that central philosophy if we’re going to be successful doing really complex systems work.”

While he’s proud of the progress the city has made around public engagement, Owens acknowledges that there is “still a lot of work to be done to get people to understand that they have to deal with the consequences when we give them what they want—the benefits and the consequences—and that they have to be accountable for their neighbor. The city still has many people who show up saying, ‘I want my thing. I don’t care how you do it,’” he said.

He remains hopeful, though, and believes that by “putting all of these engagement opportunities and tools in place, where community members have to account for their neighbor and the impact on their neighbor and all the consequences,” the city can get more people in the same boat. ■



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