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FINANCE TEAM

Camaraderie and Collaboration in Liberty Lake, Washington

BY KATIE LUDWIG

The City of Liberty Lake, Washington—located about 17 miles west of Spokane, near the border between Washington and Idaho—was incorporated in 2001, though people have lived in the area for more than 100 years. The city has a population of about 14,000 people and is growing. To ensure that residents will be served in the years to come, City Administrator Mark McAvoy and Finance Director Kyle Dixon are committed to maintaining a culture of collaboration and encouraging employees to try new ways of doing things.

McAvoy was appointed in July 2022. He views his primary role as ensuring that the city is moving in the right direction—that is, toward achieving the strategic

goals that the city council sets. To do this, he works closely with members of the city council, with external partners like neighboring local governments, state government, and even private-sector partners. His role also entails looking inward to make sure department heads feel that they have the right staff in place and the right mix of resources to accomplish their goals.

McAvoy first became interested in working in local government when he was serving in the United States Air Force, living in western Washington and interacting with local government. “That really piqued my interest in local government as a potential career and ultimately led me to enroll in a Master’s of Public Administration program,” he

explained. After earning his MPA, Mark worked for about 20 years for different local governments, mostly in Texas. Immediately before joining Liberty Lake, McAvoy was working for the City of Fort Worth, Texas.

McAvoy explained that unlike some other communities in the area, which are almost exclusively residential, Liberty Lake does have an active commercial district that generates a healthy sales tax revenue stream. He said this provides a “tremendous advantage over those that are exclusively residential” and allows the city to “take some different strategic approaches.”

Dixon started with the City of Liberty Lake in May 2021. He came from a much smaller city in Washington, where he was serving as the city administrator. When he was interviewing for the finance director role at Liberty Lake, he was encouraged by the city council’s level of engagement and ability to provide constructive feedback and strategic direction to staff.

BUDGET TRANSFORMATION

One of the reasons the Liberty Lake position appealed to McAvoy was the city’s focus on developing a culture of high performance, collaboration, and community engagement. “My values and the city’s values came together as they were looking for a new city administrator,” he said. “I think we’re on the road to establishing a cultural footprint that is anchored in those things. We have some work to do, as all organizations do to preserve and maintain their cultures, but that’s certainly the direction that we’re headed in.”

As an example, McAvoy said the city is in the process of making some “monumental shifts” in the way it approaches budgeting, performance management, and community engagement. One of those changes is underway, a priority-based budgeting system that will serve as the centerpiece of its budget transformation.

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Current projections show that the population of the City of Liberty Lake will increase by 50 percent, increasing the need for services to support the growing community.



McAvoy believes these changes are necessary. Current projections show that the city's population will grow by 50 percent. "There's a lot of things that have to occur in order for us to be able to continue delivering services at the level the current population expects and at the level we believe the future population will expect," he said. "To achieve any of that with a degree of success, you have to have an organizational culture that supports it."

CAMARADERIE AND COLLABORATION

Dixon said the "substantial level of camaraderie" among the executive team and the departments is very helpful as the city plans for the future. "Liberty Lake is not in a unique position, but a position where we are growing, so demand for services is on this constant upward trend," he explained. He estimated the city is a year or two behind on adding staff to meet the increasing demand for services, but there is no competition between departments for additional staffing. He understands that in other organizations, departments often try to "outmaneuver" each other to get

more funding or positions. "That is not our experience here," he said. "We're just trying to assist any given department where we know a need arises, and collectively, we tell the council that we need to address this."

"I think that's part of the culture that we're trying to build," McAvoy added. It would be very easy for Damon Simmons, our police chief, to make the case that "public safety is paramount" to get more resources for his department, McAvoy explained, "but certainly, when you look at us individually, what we're trying to do is make the case that when Chief Simmons' boat rises, every other boat rises, and likewise, when Chief Simmons' boat falls, every other boat falls," McAvoy said. "We're in this together, so it's not a competition among the departments; it's a collaboration among the departments because if Chief Simmons and the Police Department succeed, the city succeeds, and if Chief Simmons and the Police Department fail, the city fails, regardless of how many other resources are in other departments."

The city's strategic plan reinforces this cross-departmental collaboration. "We deliberately framed our strategic

plan in a way that did not produce or maintain silos," McAvoy said. "Achieving priorities has required a collaborative effort because no one single department owns any individual priority. It's collaboration across the organization that's going to lead to the outcomes. Those are the two options—collaborate or fail."

"The city's capital facilities plan is a great example of our collaboration," Dixon said. "It's a 17-page document that touches every single department. We all have to be in sync on what that looks like."

HOW TO ENCOURAGE COLLABORATION

How exactly does Liberty Lake encourage collaboration and build camaraderie? Dixon and McAvoy both cited the importance of in-person meetings and interaction, making sure everyone understands their differing roles and responsibilities and how they all fit together, and being willing to help your colleagues.

A major part of Dixon's job is understanding trends and addressing unforeseen issues that come up throughout the year. This part of the job often seems never-ending, he said, but it's also very fulfilling. At Liberty Lake, department directors are responsible for developing



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MARK McAVOY
CITY ADMINISTRATOR

and managing their budgets, rather than relying on the Finance Department to do so. Finance is available to provide guidance and answer questions, but the departments take ownership of their budget. Dixon believes this arrangement encourages more collaboration than if the Finance Department was responsible for developing all the budgets.

Dixon also appreciates that he doesn’t “have to stress about what the departments are doing” because they

understand their responsibilities and ask for help when they need it. “It’s so much easier—not babysitting what other people are buying,” he said.

He welcomes questions and conversations with his fellow department directors. “On any given day, I’m going to have potentially all five directors march in my office, or I’m going to be in their office, talking about one thing or another,” he said. “We are not siloed at all here.”

This spirit of collaboration extends to departments that are not physically located nearby. For example, Dixon said that while the Police Department is housed in a different building than the other departments, Simmons feels comfortable calling him “at all hours of the day and night, non-stop, with anything.” Dixon prefers these quick, informal, frequent chats rather than waiting to send an email because in most cases the conversation resolves the issue much more quickly than an email.

To further encourage collaboration and build camaraderie, McAvoy holds a director’s meeting every other Wednesday. Dixon said these meetings “are great opportunities to make sure that everybody is aware of what everybody is doing,” but he also appreciates that he and his colleagues have quick, unscheduled meetings as needed to keep things moving.

To maintain the collaboration and camaraderie, it’s also important for all departments to understand how their pieces fit together to form a unified, high-performing organization. One example is the way department directors prepare for public presentations. They share in the responsibility of presentations they give to the city council or similar audiences because they know the audience could pivot at any moment and ask a question about how whatever is being discussed will affect Maintenance and Operations, or Finance, or Planning. “We’re all locked in when these presentations are given because we know that there’s going to be a question,” Dixon said. “Any one of us—we all have each other’s support, and we can follow up with answering any questions that might come up.”

When asked what advice he would give to other public finance professionals to help them build a more collaborative culture, Dixon said “forced interaction is almost universally beneficial.” “If you have a problem with somebody else, and you’re in the same room with them, you can either make it worse or you can fix it. The shared human experiences that you have are inevitably going to lead you to some common outcomes.” He compared the every-other-Wednesday executive meeting to a group therapy session. The directors talk about what they are struggling with. One department might be drowning in work, barely keeping its head above water. These conversations often lead to brainstorming about how other departments might be able to help each other, Dixon said. “That just breeds camaraderie in and of itself. We’re all in this together.”

McAvoy reiterated the advice about the value of face-to-face meetings and stressed the importance of building these interactions into your processes. “Kyle and I and another colleague had a conversation about a strategy we were trying to formulate for an upcoming discussion we’re having with the council,” he explained. In about 40 minutes, they were able to develop their core message, critically assess each point, and tweak each one a few times to get to a final product. “If we would have tried to do that over email, we would have had to put this meeting off,” he said.

ENGAGING WITH THE PUBLIC

Liberty Lake’s collaboration extends beyond staff working together. The city also prioritizes engaging with the public.

“Regardless of the method, and regardless of the tools that are deployed, really at the foundation, what we are doing as local government practitioners is trying to take what the community wants and deliver that to them in a way that adds value to their lives and do that for a reasonable price,” McAvoy said. He sees community engagement as necessary for demonstrating accountability to the public, which is investing in the community by paying taxes and fees. “Ultimately, I think that’s what this comes down to—you’re

investing, even though you're doing it involuntarily in some cases, and you're expecting something in return," he said. Liberty Lake wants to be able to show how it is providing that return on investment and what the results are, get feedback on those results, and then make any changes necessary to meet the public's expectations.

One example of how the city is evolving to be able to report on return on investment more accurately involves the city's golf course. Currently, the funding for the golf course is broken into two pieces: maintenance and operations, managed by the Parks Department and funded by the General Fund; and Golf Operations, which includes expenses and revenue associated with the pro shop, the driving range, and the course itself. Golf Operations is managed as a separate enterprise fund.

Dixon explained that the city has been in discussions over the last few years to determine how it can be more accurate and more transparent about how it presents the golf course financial information to the public. When someone asks if the golf course pays for itself, the answer today is not straightforward, since not all the direct and indirect costs related to the maintenance and operations of the course are included in the golf enterprise fund. Starting in 2025, the goal is to move those costs to the golf enterprise fund so the public and the city council can have a better understanding of the extent to which the General Fund is or is not subsidizing the golf course.

Liberty Lake wants to make sure it is actively engaging a broad swath of the community, so in early 2022, the city council chartered a Community Engagement Commission to help advise on how to expand engagement with the community and find new ways to exchange ideas and information with the community. "Our plan for them is to be able to really help us get a cross-section of representation," McAvoy said. "On the engagement side, we know that we're not going to ever have 100 percent of the people engaged, that's just not something that's ever going

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KYLE DIXON
FINANCE DIRECTOR

to happen anywhere. What we want is for a representative number of them to be engaged so that we have a high degree of confidence that what we're hearing represents the majority of the community."

To improve budget engagement, last year the city held a lengthy engagement period for the public to share their budget priorities. The city plans to do this again this year and is adding a simulator tool to give the public a better understanding of the tradeoffs inherent in budget decision making.

McAvoy said the city is also determining what it will do with the feedback it receives from the public. "We've asked for this engagement. Now, what are we going to do with it? The authentic response can't be, 'Thanks for the input,' and we just put it in the filing cabinet. We have to incorporate that in some way into the result."

With this in mind, McAvoy said the city is determining how it might incorporate the public's feedback regarding snow removal. Some members of the community would like a change in the way the city handles this area, and the new method under discussion would make it easier for homeowners to

manage their driveway snowbanks. It's unclear if this request is coming from a small, vocal contingent of the community or if it represents the sentiments of the entire community, he said, and he and his team are considering putting this specific question out for public feedback because the change would have financial impacts. It would require additional equipment, additional fuel, and more time.

"Maybe that's a great way to engage, and then use that input to make a budget decision," he said. "We haven't finalized it yet, but that may be an opportunity for us to test this theory."

The city's budget transformation initiative is also related to its desire to engage more deeply with the public and with the city council. As part of this transformation, the city is adopting a priority-based approach to budgeting. Dixon acknowledged that the city's previous budget mechanism was fairly "archaic." The city would conduct preliminary and final public hearings, and the general assumption was that things were good since there weren't 100 angry people showing up to these meetings. "The hope with priority-based budgeting is that we are generating this more interactive, easier-to-digest mechanism for residents and the city council," he said. The goal is to show them a clear connection between budget allocations, programs, and goals that have been articulated in the strategic plan. Given the strong culture of collaboration that has taken root among staff, the public, city council, and city seem well-positioned to make it happen. ■



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