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FINANCE

On the Art of Collaboration at Long Beach

BY KATIE LUDWIG

For the leaders of the City of Long Beach, California, Budget Office, collaboration is part of their day-to-day job, but they don't take it for granted. The team works hard to nurture a culture of collaboration within and outside of the Budget Office, which they believe allows them to serve their community better.

The Budget Office leadership team consists of Budget Manager Grace H. Yoon, Budget Management Officer Rhutu Amin Gharib, Revenue Management Officer Geraldine Alejo, and Budget Analysis Officer Greg Sorensen, who just recently became a part of the team. For the City of Long Beach, the budget function falls within the Department of Financial

Management (longbeach.gov/finance), which is one of 23 departments. For FY 2021, the city had a \$2.8 billion budget, spread across 37 funds. The Department of Financial Management has nearly 250 employees and consists of seven bureaus: Budget, Accounting, Business Services, Commercial Services, Fleet Services, Treasury, and Administration. The Budget Bureau has about 15 employees.

Rhutu, the budget management officer, has been with the department since 2006, working her way up from a budget analyst position. She has been in her current role for six years and oversees the functions related to internal Budget Bureau operations and management. This includes implementing all the processes



involved in developing the upcoming year's budget, facilitating major fiscal milestones such as closing out the old fiscal year and getting the new one started, and managing the calendar that maps out all the projects that staff must complete throughout the year. Along with Geraldine and Greg, Rhutu oversees the citywide review of budget amendments and fiscal impact statements of city council letters.

Geraldine, the revenue management officer, started with the City of Long Beach in 2008 as a graduate student intern. She worked her way up from an analyst to the management level and did a few stints in other city departments, but she has always come back to the Budget Office. "For me, the Budget Office has become my home. Even with the pressure and the stress and the complexities, the challenges and the people have always been that home base for me to come back to," she said. Her responsibilities include

forecasting general fund revenue, including sales tax, property tax, and franchise fees, and reviewing current performance to ensure that the city's financial projections are based on the most up-to-date information available.

Grace, the budget manager, oversees the entire budget operation. "My job is really just to cheerlead Rhutu, Geraldine, and the rest of the budget team on," she said. "We work very closely together."

Grace believes that the value of collaboration is greatest when a crisis hits. "How much team capital do you have to draw on when there's a crisis or when there's a fire? For me, I think the test and the value of collaboration isn't when things are smooth-flowing or when we're just having fun—it's when the crisis hits. It's when the stress runs high. It's when there's pressure from all sides to meet sudden, unexpected deadlines. That's when you really see the power and

the value of a culture of teamwork, friendship, and collaboration, and that's why I think it's so prudent to invest in it prior to any crisis."

New demands

Grace explained that the last two budget years have been quite challenging for her team. They've navigated through historic changes for the city, including a move into a new City Hall building, rolling out a new enterprise resource planning system, and then the pandemic. "I truly do not think we would have been able to get through it as successfully as we did if it weren't for the foundation of trust and collaboration that we have in place," she said.

The city's fiscal year runs from October through September, so normally the budget team starts its development process in January. The city paused the development of its FY 2021 budget when the COVID-19



pandemic hit in March 2020 as staff in every department were diverted to assist with the response and recovery efforts. The process did not start back up until late May 2020, leaving the Budget Office with extremely limited time to implement an entire budget process and prepare a budget book, which is normally presented to the mayor in early July, followed by meetings with the city council and the community in August. The budget is usually adopted in September, according to deadlines specified in the city charter. Given the significantly truncated timeframe, the team had to quickly brainstorm and rethink how they would meet all the deadlines and prepare a budget that would serve the city well in the coming year.

Grace described the strategies that the team came up with to meet these new demands, including developing updated projections and creating a multifaceted budget balancing

approach. “Before the pandemic, our general fund shortfall was \$9 million. Post-pandemic, it was \$30 million. That’s a different nut to crack.” The team also implemented an expedited timeline for reviewing budget proposals and a modified proposed budget book that was designed to communicate the critical budget topics with key data reports that needed to be developed manually, since numbers were not yet available in the budget system due to the time constraints.

True partnership allows teams to emerge from crises stronger than they were before, Grace said, adding that collaboration provides “a certain sense of hope that we can continue to tackle problems and address things as a team in the future.”

Grace also credits collaboration with having a positive impact on staff longevity. “When there is collaboration and trust, there’s

this acknowledgment of people’s personal and professional lives that leads to longevity; and when people stay around, because they feel valued in that sense, that makes our unit stronger and the city stronger because then there’s more institutional knowledge,” she explained.

Grace noted that the Budget Office had very high levels of staff turnover in the past because of the quick-paced, high-pressure working environment. She is pleased that this trend has slowed. “We haven’t had turnover in years,” she said. “If people leave, it’s because they’re getting promoted. Not every analyst is necessarily looking to be promoted, and that’s wonderful. We’ll keep our analysts forever if they want to stay, but we’re also super supportive of their growth and want to support them if they want to leave and pursue other management opportunities.”

External collaboration

Geraldine believes that a strong partnership between the Budget Office and the other departments is necessary for the team to do its job effectively. She noted that to fully understand any challenge the city might be experiencing in managing its funds, the Budget Office must work closely with departments to understand the finer details. Information from the departments about the current and future state of their operations, coupled with the Budget Office’s big-picture evaluations, help put together a cohesive story. “It allows us to explain where we land or where we could land in the future for each and every one of our funds,” she explained.

In another example of external collaboration, Grace and John Gross, the chief financial officer/director of financial management, meet weekly with City Manager Thomas B. Modica and his executive team. “We talk every week about various issues and strategy because Budget touches all the departments and all the operations,” Grace said. She believes these weekly check-ins are important

to ensuring that the budget remains connected to the city's strategic goals. Because the last couple of years have been so abnormal, Long Beach couldn't follow the typical playbook for developing the budget or managing internal and external communications. These weekly meetings help ensure that Grace and her team can adapt to any shifting priorities and plans, and ultimately allow the Budget Office to support the city in serving the community better.

Rhutu mentioned that in addition to the weekly meetings with the city manager, Grace also participates in a weekly meeting with all the department directors and shares pertinent information from the meetings with the entire Budget Office staff. This information from executive and director-level meetings helps them do their jobs better, Rhutu said. With the information coming from these meetings, Budget Office staff will often pull together meetings with several departments to get everyone on the same page, so they don't have to relay information back and forth to multiple departments. "Not only is collaboration within our group really great, but it has worked its way into how we operate with other city departments," Rhutu said.

Similarly, Geraldine also mentioned how important it is for the Budget Office to convene other departments as partners in solving problems. "We bring together the relevant parties because we can't make decisions or strategize or figure out problems on our own as a budget office," explained Geraldine. "Department collaboration is key. There is nothing we can do without them."

Geraldine described the budget book itself as the physical representation of citywide collaboration. "Yes, the Budget Office puts it together, everything from the words on the paper to the numbers in the book, but absolutely all of the details, everything, is a huge collaborative effort," she explained.

As part of their continuous improvement efforts, the Budget Office team regularly reflects on how

they can improve their relationship with the other city departments. Grace acknowledged that she and her team give the departments a lot of deadlines and demands that contribute to their ongoing stress, and as such they regularly reflect on how they can do a better job communicating and listening to them to understand their needs and any shifting priorities. She knows that not everyone will be satisfied at every step of the budget process, but she believes that adopting a growth mindset and working to improve will lead to "a stronger team that's ultimately best for the city and best for the community."

“

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GRACE YOON, BUDGET MANAGER

Three pieces of advice

When asked what they would recommend to other public finance leaders looking to develop a culture of collaboration, Grace outlined three key pieces of advice.

Be purposeful, work at it, and make a conscious investment in collaboration. "Culture is not an accident; it takes hard work. Also, if it's as valuable as we say it is, then we shouldn't shy away from the things that might erode it," Grace said. "So, if there's a miscommunication or a conflict, that's something we need to work on right away. We don't want to let it fester." She explained that the budget team is made up of a very

diverse group of personalities. Some are loud; some are quiet. Some are spontaneous, and others are more methodical. As a result, the team has to be very purposeful in how it communicates and works together. "It's easy to think that collaboration or connection is something natural and easy—but it's really not. It takes work and investment and, sometimes, difficult conversations. We've had times where there was miscommunication between people, and we'd have to just directly talk about it, and work through it. I think, ultimately, that it's not about being this perfect team or this perfect image where everyone is just nice and talking happily with each other; it's about creating that environment where people can be authentic."

"I think that no matter what, any team is going to have challenges. It's just a matter of how upfront they are about it, and whether it's addressed or acknowledged," said Grace. "It's just normal. It's natural. People are different; people work differently. I think it's smart to expect it, and not be surprised that collaboration and building a culture of teamwork is something that you have to work toward."

Focus on each individual's strengths.

"If you focus on the individual strengths gifts, and talents that people bring, you can treat each person as an investment in your team and culture. Otherwise, you're trying to hammer people into a certain box, and you'll just get frustrated," Grace explained. "When their strengths are used strategically, they feel more empowered, and they have successes and wins that align with where their abilities are."

Grace explained that in the Budget Office, the hierarchy of manager, officer, and analyst is just for organizational purposes, and that operationally, the bureau is quite flat. "The analysts are smarter than us," she said. "They have to tell us what's going on. They correct us, and we need them to do that. We need them to have that voice. We're better for that."

"There's very much a sense of empowerment, that the leaders are not



just the people who have a title who are on top, but everyone can step up and take ownership,” she said, adding that this leads to staff taking greater initiative and developing projects independently. If they see something that doesn’t make sense, they will follow up on it on their own.

Rhutu believes that empowering staff in this way also makes them more accountable. “Because we allow everyone to live up to their potential, give them space, and empower them, it automatically makes them just want to put in that extra work,” she said.

Foster an atmosphere of gratitude and patience. “It sounds potentially clichéd, but I really think it’s a truly powerful engine that can drive a team forward and avoid burnout or stagnation,” Grace said.

An atmosphere of gratitude and patience also reinforces the idea of empowering staff because it means

we appreciate and acknowledge them for their specific efforts, and at the same time lets them know that it’s OK to make a mistake. The Budget Office staff maintains a shared spreadsheet each year that they call the “Things to Improve List.” “We encourage all our staff, as things are happening, if things don’t work out, to throw it on the list,” said Grace. “Getting better and improving shouldn’t be a taboo topic.” She wants her staff to feel emboldened to try new things and hopes that the list shifts the mindset from one of failure and defensiveness to learning and doing better in the future.

For Rhutu, fostering this kind of atmosphere means being relatable as a manager. She cited Grace and John Gross as examples. “Grace is one of the smartest people I know, and she will be ready to explain any topic to you at your level and welcome questions and discussion,” she said.

She went on to explain that Grace always has a positive attitude, but at the same time she’ll acknowledge when a colleague might be having a bad day and allow that person space to have those feelings. Similarly, she said John will sometimes drop in on a Budget Office staff meeting and sit on the floor and refuse a chair. Quirky behaviors like this show that no one in the office is better than anyone else, and they have endeared him to the staff over the years. Rhutu said that Grace and John have inspired her to be as relatable as possible, which reinforces the culture of staff empowerment. “Relatability allows you to feel like it’s OK not to meet the mark because everybody is not going to do that every time. But we are a team, and we can tackle it together,” she said. 

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