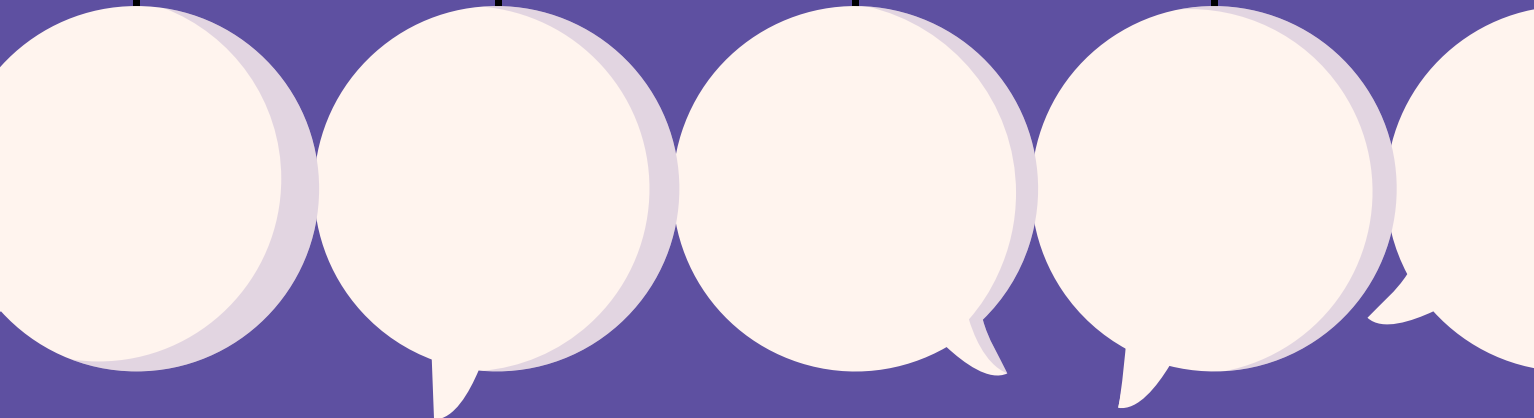


Telling a Story to



Make Capital **Click**

How a budget in brief focused on capital spending can help residents understand the value of public investment

BY JODIE HARTMAN, ASHAY PRABHU AND KYLE WEDBERG

Budgeting for capital items can be difficult—the costs can be high, the timelines long, and the descriptions complicated. There is often a disconnect between residents' impressions of local government purpose and spending, compared to the reality. And whether the municipality maintains a complicated multi-year plan or a simple single-page spreadsheet of projects, explaining those projects to the average constituent can be confusing and overwhelming. Using storytelling techniques to communicate capital items in a way that's easy to understand can help you reach a broad sector of your community and increase engagement.

The budget in brief document

Governments can start out by publishing a budget in brief for capital—brief being the operative word. Before diving in to create your budget in brief, take some time to organize your ideas. If you have limited space, what are the most important ideas to convey? How can you illustrate your data in a way that the average constituent can relate to and understand? Remember that you need to not only capture the reader's attention, but retain it—so organize your ideas in a way that's condensed, high-level, and easily digestible.

A good story has a beginning, a middle, and an end. At the beginning of your capital story, tell the reader your purpose, drawing them in with why the information is important to them. These introductory comments are also a

great place to lay out your prioritization methodology (why certain projects are included in the plan and other projects are left out).

The middle of the story is the data. Without getting lost in the details, tell your reader—from a high level—what you plan to invest in for your community's capital needs and how you plan to pay for these projects. Highlight the projects that will have the biggest impact on your community.

The end of the story is the impact, which is arguably the most important piece. Sharing insights about why certain projects are being planned provides perspective and, ideally, communicates the government's overall vision of the plan or the impact of the project. A resident may not understand why lining the sanitary

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EXHIBIT 1 | Explaining Why Preventative Maintenance Is Worth the Money



sewer pipes will save them considerable tax dollars throughout the years and considerably reduce the likelihood of sewage backup into their own homes, but your capital story can educate them about it. A resident may think that too many resources go to the annual road resurfacing program, but you can explain the impact a lower annual threshold would have. Fewer potholes mean less damage to personal vehicles, and early intervention means big savings—spending \$10,000 for repairs in the next two years might save the government a cost of \$200,000 in 10 years. Helping constituents relate to what these costs mean for their own homes and neighborhoods can go a long way toward building understanding and support.

Financial impact

Explaining financial impacts to the community can be a daunting task. Your story needs to convey both the impact on residents' household budgets and, more importantly, its contribution to the community. This can be done in a variety of ways.

Turn the narrative on its head. Instead of telling the public how much you are spending, tell them how much you are *investing* in the public asset(s). As good stewards of public funds, the community can appreciate investments in their infrastructure and the community's future.

Break down the numbers to a per capita basis. If you tell the average person your budget plans to invest \$2.8 million on vehicles next year, the dollar amount is staggering and out of scale for their personal budgets. But if you tell that person you plan on procuring four squad cars, a fire truck, and three plow trucks for just \$70 per resident, the impact is much more relatable and comprehensible.

Provide comparisons for preventative maintenance costs versus emergency repairs. This method lends itself nicely to major maintenance such as sewer lining or road resurfacing. Being able to illustrate how the tax dollars can be used more effectively

on preventative maintenance, saving the taxpayer real money, is a story worth telling. [See Exhibit 1.]

Make relative comparisons to the average constituent's household budget. Household expenses are a fact of life for most adults. Areas that can have a direct comparison to items in the household budget provide an opportunity to demonstrate the value their tax money can provide. An example would be the cost of a gallon of drinking water from the tap in their home compared to the cost of a gallon of water from the local grocery store. When explained side by side, the value can be staggering. [See Exhibit 2.]

EXHIBIT 2 | Demonstrating the Value of Drinking Water



EXHIBIT 3 | Visuals Reflecting Different Levels of Spending

Representative Pavement Surface Using Pavement Condition Index (PCI)

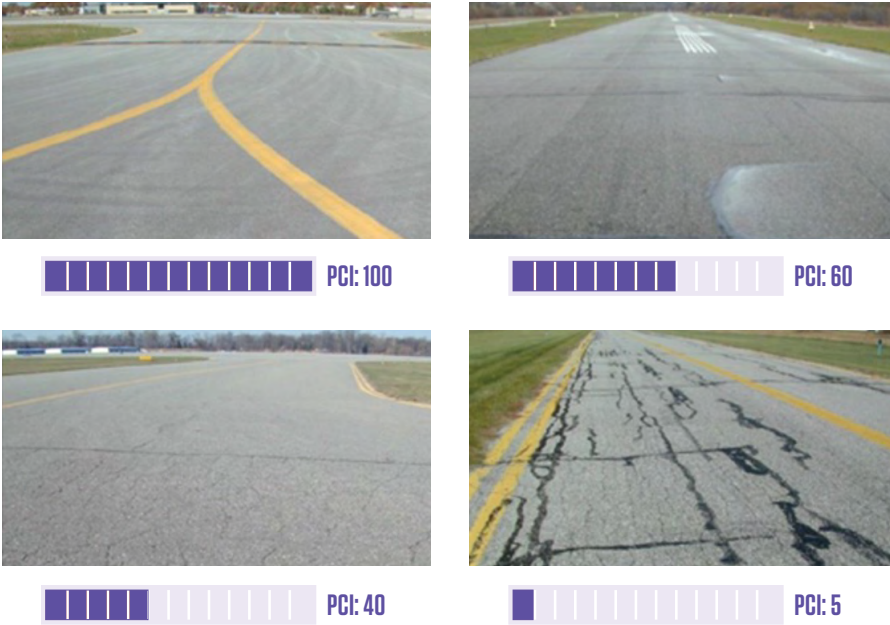


EXHIBIT 4 | Example Community Asset Investment Graphic

Asset/Service	Direct Benefit	Your Share Per Year
Roads and Sidewalks	Smoother drives, fewer potholes, less vehicle damage	\$12
Traffic Improvements	Faster commute, less congestion	\$6
Emergency Response	Police and ambulances reliably available	\$10
Snow Removal	Safe winter roads for commuting	\$6
Water Infrastructure	Clean drinking water, safe waste removal	\$8
Asset Maintenance	Community pride, aesthetic improvements	\$8
Total Annual Investment per Resident		\$50

Conveying benefits

While the dollars and cents are a critical piece of the story, other approaches can be incorporated. Since your residents are likely asking what’s in it for them, your story should answer that question.

Use common language. Governments use a lot of acronyms and technical terms, but that makes it easy to get lost in the titles of projects without understanding what is really being done and why. Name the project and explain it like you’re talking to a teenager, which makes your message more likely to get across. Once residents understand the project, they’re more likely to support it.

Lay out direct benefits. Show residents how the project can improve their lives. Investments in roads create better road conditions with fewer potholes and less damage to vehicles. Intersection improvements are inconvenient and annoying, but they lead to better traffic flow, fewer delays on the daily commute, and less congestion.

Demonstrate the state-of-asset continuum. Maintaining assets might be largely about financial savings, but there’s also an aesthetic aspect that can be important to residents, most of whom want to take pride in the appearance of their community. Showing actual images of what a minimal amount of investment buys, compared to what the ideal investment looks like, allows the community to give better input into how they want their tax dollars to be spent. (See Exhibit 3.) This approach lends itself well to visible assets such as benches, roads, and sidewalks.

Scale your assets. When faced with the capital assets lists of a typical organization, the size and sheer volume can be too great for residents to comprehend. Breaking it down to scale allows community members to grasp the reasons why the investment is needed. For example, visualizing 184 lane miles without context is difficult, but telling your residents you have enough lane miles to cover the distance between Soldier Field in Chicago and Lambeau Field in Green Bay is something most Chicagoans can

SOURCE: THE STATE OF MICHIGAN INFRASTRUCTURE COUNCIL

EXHIBIT 5 | Community Asset Investment Graphics from the City of Wyndham, Victoria



picture. Telling the community that a new water tower is needed to increase capacity by 1 million gallons is abstract; telling them that 1 million gallons of water is enough to flush the typical toilet 625,000 times is much more relatable.

Scale your investment. Let's say you have 50,000 residents in your community and 57 lane miles, or about 301,000 feet, of roadway. Each resident then "owns" about six feet of roads. You have identified \$1.2 million in your annual budget to resurface the roads. Per capita, that charge breaks down to \$40 per resident for their respective six feet per year. If the roads aren't maintained and a full replacement is necessary, that per capita responsibility increases astronomically to cover the \$20 million. Now, instead of \$40 per resident, the charge is \$400.

On a bigger scale, let's assume you have the same 50,000 residents, but you are now looking at your full asset listing of \$50 million. Maintaining your assets in their ideal state each year requires an investment of 5 percent of the cost they bear, or \$2.5 million per year. Spread over your entire population, that is \$50 per year in capital investment costs. That \$50 per person provides police squad cars and ambulances to reliably respond to emergencies within

minutes; snowplows to clear their roads overnight and make commuting to work in the morning as safe as possible; and infrastructure to deliver dependable drinkable water on demand and to remove waste from the home. Without that investment, the costs rise for replacement with every maintenance item deferred, and the \$50 is no longer nearly enough.

Communicating the numbers to scale in ways that residents can understand emphasizes the value of the investment the municipality is making in the community's assets, and it demonstrates a commitment to maximizing the value of that investment. Telling the story of a backlog of replacements or improvements necessary because maintenance wasn't prioritized is a much more painful story to tell your residents, especially when they hear what it will cost them. Exhibit 4 provides a basic, single-page example that incorporates several of these elements. (See Exhibit 5 for graphically enhanced versions from the City of Wyndham, Victoria.)

Key takeaways

Telling your capital story is an important communication tool for any organization. To be effective, remember the following tips.

- **Keep it short.** The longer the document, the more likely you are to lose your audience well before the end.
- **Keep it focused.** Concentrate on the details you most want or need to convey in a limited amount of space.
- **Keep it simple.** Round big numbers as much as you can. Humans have limited mental capacity to remember, or understand, really big numbers, so instead of \$147,258,369, stick with \$147 million.
- **Keep it relatable.** When your constituents can compare a project to their own home or their own budget, they have a better chance at understanding the necessity of the investment and supporting it.
- **Keep it understandable.** Ask people outside of your department, your organization, or even your industry to help strategize, plan, build, and revise your brief. This allows you to craft your story with outside perspectives and test how effective it is.

And most importantly, remember to tell your story, not just facts. 🗣️

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