

# Looking for the Good

## In Praise of Local Government Officials & Employees (Cities, Counties and School Districts)

By Lewis F. McLain, Jr.

### An Open Letter to the Naysayers

#### Introduction

There comes a point in time when you just have to say something, to do something. After over 40 years, I cannot remain silent any longer. The wave of negativism has been strong for many years when it comes to city council, school board and commissioners' court meetings. This is a call to all citizens and local government employees to help communicate important messages that have long been overlooked or simply not spoken. It is so easy to be a naysayer. The poison spreads and before long there is a feeding frenzy to attack just for the sake of attacking.

I have seen mean-spirited people who sound like they know what they are talking about whip a group of people into a tizzy who are drawn into the fight but have no clue about the substance of the inflammatory language being used. There is always a tell-sign because the naysayers start throwing in words like "transparency" and "waste" but have no specific point when you try to pin them down on their assertion. Another tell-sign is when they start throwing in references to issues going on at the federal level or start quoting historical patriots or philosophers to show they have nailed the truth.

Most of what is good in our communities have been built over years by strong leaders and visionaries. In many cases, as history will attest, it has been the news publishers leading the way to progress and greatness. Naysayers want to undo, break down or at least thwart the work of many good people. This negative movement has got to be offset.

#### Looking for the Good

We need people who look for the good instead of simply dwelling on the bad or perceived bad they can find. We need people who not only feel a sense of

gratitude for all that we are blessed to have and, more importantly, be willing to step up and express that appreciation to elected officials and government staffs doing their best to make wise decisions on behalf of the public.

We need people who are willing to attend council meetings and point out the good. We need letters sent in abundance to include the praise for tough decisions and the thanks for the civic duty of volunteers and the hard work of paid staffers. We need to match the naysayers 10:1 when the primary motivation is to express a chronic complaint for anything they can find or for any person they can demonize.

Does this mean councilmembers or staff members should never be questioned and only heaped with praise? Absolutely not. There is always a forum with willing ears in order for anybody to address a concern or grievance. **Looking for the Good** is about providing a balance and spreading a new perspective to every corner of governance possible.

#### What are the Messages?

Surprisingly, many of the messages of those **Looking for the Good** are the same as the naysayers. Much of the difference that sets the two mindsets apart is how the messages are delivered and whether they are slanted or fact-based. These are hardly new messages from me given I have been writing about them for 33 years. Just not to the right audience.

We want to be supportive of responsible government and to show that backing by being new messengers that can help fill a void and to bring new energy for leaders, managers and workers trying to bring quality services to their jurisdictions. Following are some of the messages of **Looking for the Good** supporters. This is not a club or PAC. It is a way of life.

1. We encourage decorum and civility in all its forms with respect for other officials with a willingness to point out when there is a deterioration surfacing in any public forum.
2. We will offer our services to new and current council members, the news media and citizens to better understand government finances and how the local government operates. This includes workshops, printed materials and news stories to the extent that we can provide them as volunteers.
3. All of our analyses and statements will be fact-based with any kind of opinion stated separately. We will encourage the same from naysayers and call them into question when blended and false.
4. We will make every effort to encourage efficient and effective services by promoting productivity improvements and making those government efforts known publicly. We know there are many.
5. We will discourage waste but will make it clear what we mean by "waste" when we use that term and impose that clarity requirement on those who use the word loosely.
6. We encourage reasonable risk taking to improve services or saving money and do not believe it is a punishable act if there is an occasional failure.
7. We acknowledge that mistakes are made all the time by the best of public officials. We are encouragers and not blame-seekers. When lessons are learned and not repeated, we will celebrate and balance forgiveness with actions to remove those who have made a mistake.
8. We will take to task any naysayer who makes unfounded statements, uses and promotes false information and any misuse of data that sounds like facts and are asserted as the truth. Our findings will be made public.
9. We will take and promote the view of bond rating agencies and our bond holders who favor and expect sound financial decisions today with great weight given to their impact on the future. We will encourage life-cycle costing of new services to be studied and explained to the public and for the source of funding to be clearly stated.
10. We are supportive of the Public Information Act, for open government in all of its forms and for transparency. However, we discourage petty and numerous requests that are clearly for the purpose of intimidation and nuisance and will point out those abuses as we learn about them.
11. We will encourage every form of reasonable transparency but will make it clear what we mean by "transparency" and impose that clarity requirement on those who use the word loosely and for the purpose of baseless inflammatory accusations.
12. We will inquire of naysayers, especially those attacking transparency, if they have spent time studying the enormous resources on the governments' Web site as well as for disclosures made in the Official Statements issued for bond sales that are available online in order to gain an understanding how independent outsiders study facts and make decisions based on facts.
13. We will publicly oppose statements regarding the absoluteness of decisions not to raise the revenues to pay for services before knowledge is gained on the ability and willingness to reduce services to close budget gaps.
14. We will note to the news media when statements are made about the need to do more to address local problems that are followed months later about criticisms to raise revenues to pay for addressing the problems highlighted by the media.
15. We will support, assist in the measurement of and insist that the condition of aging infrastructure be estimated along with the cost of addressing items such as buildings, streets, sidewalks, water & sewer facilities and screening walls.

16. We will point out when decisions are being made to defer spending on needed items being shoved to the future, making them more costly. We will request that it be made public when deferral decisions today are making maintenance turn into repairs, repairs into rehabilitation and rehabilitation into replacement costs.
17. We will insist the full cost of employee retirement systems, other retirement benefits and current leave policies be measured and disclosed along with information regarding plans to fund same.
18. We will address public complaints brought to the local level that invoke references to state and federal grievances. We must keep the topics focused on those things within the control and responsibility of local officials. We must publicly highlight when our local governance forums are being used as a substitute for a complaint with Austin or Washington.
19. When property taxes are mentioned as grievances that include references to the totality of local property taxes, we will address the comparisons that include items beyond the control of the local governance body being addressed. The total taxes are important to understand but should not be comingled to make an inaccurate assertion.
20. We will do all we can to enumerate the entire body of services provided by the government entity being addressed in order to balance the focus of taxes and fees with the services being provided, most of which can be shown to be very economical.
21. We will emphasize the origin of the services to better understand those that are state or federal mandates that involve public health and safety as well as services that are, in fact, those that were requested by the citizens themselves through their council representatives in past years.
22. We will emphasize that most of the budgetary decision facing today's governing bodies are in response to actions put into motion by past councils. We will encourage current councils to not act surprised or to apologize when they happen to be seated with the bills come due. In fact, we will assist in pointing out a report card from councils from five or ten years ago that are impacting today's budget.
23. On the other hand, we will point out those decisions being made today that will impact future councils serving our children and grandchildren with expectations that there are more opportunities than threats even though both need to be discussed. Equal emphasis will be placed on the impact of doing nothing to prepare for a sustainable future. We will share our understanding of the dilemma facing all governing bodies and help by providing a perspective.
24. We will encourage 20-year strategic planning. It is evident that annual budgets and even five-year plans are not sufficient for disclosing the challenges that arrive in longer cycles. Twenty years is the period for most bond issues, for a change in the generation of citizens and within the zone of the average employment cycle.
25. We will be supportive of hard decisions that are made with the informed judgment, proper deliberation and full disclosure of the future impact.
26. We will emphasize the purpose of representative governance that is to address the issues of the individual as much as possible while having over-arching obligations to do what is best for the community as a whole with an inter-generational perspective.
27. We will emphasize the competitive environment that has evolved over the last decade or two that did not exist for many years. In that regard, the motivation to incentivize business recruitment and retention is rooted in the expectation that there will be a long-term financial benefit to the city as a whole.

28. We will point out that most local governments extend many benefits to the elderly and those on a fixed income through tax exemptions. However, all residential constituencies are benefitted by a strong mix of business constituencies (and they are constituencies) that pay more in taxes than the services they demand. In essence, business properties subsidize residential properties. That point should be made and understood regarding the extent the governing body can address the ability to pay with an eye toward fairness.
29. We will provide a perspective when possible to show that simply looking at an increase in the budgetary dollars alone is misleading for comparative purposes. If a fair and accurate picture is to be provided, it is imperative to adjust spending comparisons for a) services that were requested by citizens; b) the cost of inflation; and c) the growth in the population served.
30. It is also fair to take related factors into consideration for the revenue side by showing a) new revenues that were generated by the new services added, if any; b) the inflationary component on the property tax base through revaluations; and c) the property tax base increase through new additions.
31. We will point out the leap-frog dilemma involved in the arrival of new or additional revenues in relationship to the earlier arrival of the demand for services. The property valuation and collection time lag versus the service demand is as much as 18 months and places budgetary pressures on the local government that are not always evident at first glance.
32. We will remind local officials and the public of the pitfalls of comparing with other adjacent jurisdictions by using only one metric such as tax rates. The breadth and depth of services differ quite significantly between local jurisdictions. However, the business mix, the average household income and the average value per house are much more significant. In essence, one must know the details about a multitude of factors for each entity included in a comparison. The accurate interpretation of comparative data is difficult and can be easily misused and abused.
33. We will point out the dilemma facing local governments when it comes to assuring services can be provided at acceptable levels well into the future that makes a single budget view too myopic to reveal the full picture. Water rights, landfill permitting, park land acquisition and a multitude of investments for a responsible future require the expenditure of large dollar amounts today.
34. We will explain that true innovations that will benefit the future often require an investment today. Like in any business where a certain amount of research and development investment is necessary to make strides in improved service delivery, local governments are no different.
35. We will point out the misuse and misinterpretation of large numbers. Local governments are, in fact, huge enterprises when compared to individual business in the community and certainly to the household budget. The infrastructure costs dwarf those of all but the largest of industries. The debt requirement is unparalleled since councils and staff deal with decisions that affect the next several decades. It is meaningful to use some common ratios and metrics to measure extremes, but using only large numbers as an argument is simply wrong.
36. The compensation for local government workers is certainly a component of public information and should be monitored. However, the law of large numbers enters into the equation here, too, in that executive and professional education and training are very costly whether in the business of managing companies or managing governments. Risk-taking is also costly as it applies to fire, EMS and police services. Lastly, every job in local government is open to anyone who possess the education, experience and, in many cases, the physical qualifications.

37. We will discourage fights between local governments. The excuse to “fight for our citizens” leads to very bad and costly decisions in the long-term and, in fact, is detrimental to the public in many cases. We will be watchful for those events that start off as small skirmishes but are leading to a costly battle. We will try to head those off by providing actual cases where nobody won other than lawyers and expert witnesses and, within just a few years, nobody can remember how the fight got started.

*(Lewis F McLain Jr has been involved in local government since 1973 as an employee, consultant, writer, adjunct professor, trainer and observer. He lives in McKinney, Texas and is currently bringing this message to his local governmental entities in an effort to balance a naysayer movement. He has been married to wife, Linda, for 45 years and enjoys his son and daughter-in-law, Kenneth & DeAnne, and three grandkids who also live in McKinney. Lewis' resume' is attached, and he can be reached at [lfm@citybase.net](mailto:lfm@citybase.net))*

38. We will encourage regional cooperation. It is a fact that many governmental challenges are too big and costly to be handled by one jurisdiction alone. If dialogue and fairness will prevail both at the initial decision point and over the long-term and as programs mature, great economies are possible. However, we will also point out that over a long time period of a few decades, there may be points in time when one party is benefited more than another. Mature and responsible leadership is required during every phase as new naysayers come on the scene and want to “fight for their citizens” to eke out a perceived benefit at a single point in time.

### **An Urgent Request**

If you are interested in supporting these statements and being a part of **Looking for the Good** philosophy, please let me know. If you are willing to be available to monitor and speak up against naysayers and to lend support to local government staffs and governing boards, then give me your thoughts. I can only do so much and mostly in my own town.

However, I truly believe something has to be done to stop this insane naysayer movement that is putting cities at risk and making life miserable for many local government officials doing their best to build great communities. The continuing trend, if not reversed, will be detrimental to the citizens in the long term.

Permission is granted to pass this paper to any and all governing bodies, citizens (including naysayers), news media and academic institutions. LFM

## **Resume' for Lewis F. McLain, Jr.**

### **Consultant, Trainer, Writer, Analyst, Investor**

**Academic:** Graduated from University of North Texas in December 1971 with a BBA in Accounting. Taught Undergraduate and Graduate Courses at Southern Methodist University (1979 - 1983), University of Dallas (1983) and University of North Texas (1993). Taught a UNT graduate course in MPA program (2006): Performance Measures for Local Governments and Non-Profits. Completed continuing education courses at Collin College (2012) in Business Intelligence/Knowledge Management, SQL Server 2008 R2 Essentials, Integrated Services, Analysis Services and Reporting Services.

**Employment:** Boise Cascade Envelope Division – Assistant Controller (1972-1973); Garland - Budget Director (1973-1977); Dallas County - Budget Officer (the first in Texas) (1977-1979); First National Bank in Dallas – Vice President Public Finance (1979-1980); Fiscal Planning Consultant (1981 - 2001); North Central Texas Council of Governments, Director of Administration (2001-2002); CityBase.Net, Inc., President (2000-Current), McLain Decision Support Systems, Principal (2004-Current); Part-Time Special Projects Fiscal manager, NCTCOG (2008-2012)

#### **Consulting Experience:**

**Areas of Specialty:** Impact Fees; Water & Sewer Rate Studies; Stormwater Drainage Fees; Multi-Year Financial Planning; Budgeting & Performance Analyses; Computer Modeling (Excel); Financial Analyses; Build-Out Analyses; Real Estate & Economic Feasibility Analyses; and Training & Workshops.

**Previous and Current Clients:** Addison, Arlington, Bellaire, Cedar Hill, Carrollton, College Station, Conroe, Coppell, Dallas County, Dallas Area Rapid Transit, Duncanville, Euless, Fort Worth, Friendswood, Granbury, Grand Prairie, Grapevine, Greenville, Highland Park, Highland Village, Huntsville, Hurst, Irving, Lancaster, La Porte, Lewisville, McKinney, Missouri City, North Richland Hills, Plano, Princeton, Richardson, San Marcos, Seagoville, Southlake, Trophy Club and University Park.

**Seminars/Workshops:** With National, State and Regional Organizations (100+). Orientation to Microcomputers, Impact Fees, Utility Rate Making, Fiscal Impact Analyses, Budgeting/Multi-Year Financial Planning, Finance/Budget Officer Mentoring and Development and Ethics & Various Managerial Topics. Most Recently Municipal Problem Solving Using Excel as the Analytical Tool.

#### **Publications (Mostly GFOAT Monthly Newsletter):**

"Cost of Service Lessons Afforded by a Fleet Maintenance Analysis" April 2008.

"The Slippery Slope of Sales Tax Revenues" February 2008

"Disobeying the Laws of Arithmetic" January 2008.

"In Search of a Methodology to Normalize Water Revenues" August 2007.

"A Method and Rationale for Calculating the Average Age of Your City" June 2007.

"A Fire Station Site Model & How This is Related to Budgeting" May 2007.

"The Need to Replace Public Debate with Community Dialogue" July 2006. (Co-Authored).

"Using the Monthly Experience Curve to Assist With Continuous Year-End Estimate" June 2006.

"Please Don't Bring Me a Problem Without a Solution: A Message from Management" October 2005.

"Effective Finance Directors Have Strong Chief Accountants" September 2005.

"GFOAT Resource Library – Official Statements" July 2005.

"Develop an Exit Strategy: There Can Be Life After Municipal Government" June 2005.

"Will The Real CPI Please Stand Up" April 2005.

"The Handwriting Is On The Wall" March 2005.

"The Math of Space & Place" March 2005.

"Understanding the Capacity in Cost Analysis" November 2004.

"This Is What I Know: A Primer for Newly Elected Officials" July 2004

"Applying Technical Analysis To Sales Tax Data" March 2004.

"Stormwater Drainage Fees – Why Are You Waiting?" August 2003.

"Understanding Budget Arithmetic" June 2003.

"Zero-Base Budgeting Revisited" February 2003.

"Between Epiphany and Elvis – A Memo In Preparation of a Staff Planning Meeting" January 2003.

"About Those Leave Policies: A Follow-Up to a Previous Article" October 2002.

"Now More Than Ever Is The Time To Be Vigilant" July 2002.

"The Not-So-Visible Costs of Fringe Benefits and Leave Benefits" June 2002.

"The Pareto Principle – the 80/20 Rule" February 2002.

"How Will Electric Deregulation Affect Electric Franchise Fees?" August 2001.

"Analyzing Solid Waste Rates for Commercial Customers" April 2001.

"Three Little Words" September 2000.

"The Business of GFOAT" August 2000.

"Capital Project Management: Do It Right on the Front End or Suffer the Forensic Audit on the Back End" July 2000.

"City Manager Memorandum: Preparing for a Pre-Budget Retreat" February 2000.

"The Basics of Budgeting for Newly Elected Officials" Texas Town & City June 2000

"The Financial Functions Overlaid with Managerial Functions: Emphasizing the Management in Financial Management" October 1999.

"Impact Fees and the Finance Official: Accounting Requirements on The Horizon and The Overall Instructional Value of Impact Fee Issues" September 1999.

"The GFOAT Executive Directorship" July 1999 Co-Authored with Kathy DuBose and Charles Cox.

"General Principles of Web Design and Thinking about the Finance Section" June 1999.

"Fiscal Diplomacy Tool - The Decision Matrix" April 1999.

"Welcome to WWW.GFOAT.ORG" March 1999.

"The Politics and Practicalities of Information Overload" January 1999.

"The Value of Comparative Data – Part III – Understanding Your Tax Base" December 1998.

"Deputized To Play Fairly" November 1998.

"The Value of Comparative Data – Part I" September 1998.

"Preparing For A Job Interview – Including The One You Want To Keep" June 1998.

"Financial Planning Fundamentals - Can You Handle The Truth?" April 1998.

"Will The Real Fund Balance Please Stand Up" March 1998.

"Why Good People Steal" February 1998.

"Mentorship - Achieving That Delicate Balance" September 1996.

"Developing Utility Rates To Satisfy Economic Development Objectives" December 1992.

"An Argument For Recovering Delayed Tax Collections In The Building Permit Fee" October 1993.

"An Elected Official Workshop Trilogy" October 1989.

"Big Differences In Texas Counties" August 1989.

"How Strategic Planning Can Help Put Budgeting In Perspective" October 1988.

"A Look At Interest & Sinking Funds In Light Of Truth-In-Taxation And Tax Reform" July 1988.

"Personal Financial Planning Offered As An Employee Assistance Program" February 1988.

"Tax Abatements - Wake Up Finance Directors!" December 1987.

"The Bank Franchise Tax - It Still Ain't Fixed!" August 1987.

"Professional Accreditation: A Texas Effort" June 1987.

"What Can I Learn From You? A Preparatory Exercise For Budgeting" April 1987.

"Frustration & Fatigue: The Aftermath Of The Audit" March 1987.

"The Bond Buyer Index: A Look At The Historical Trends" January 1987.

"Finance Directors Want To Look Under The Hood" November 1986.

"Finance Director Stress Management" October 1986.

"An Argument For A Golden Years Trust Fund" January 1986.

"Are You Part Of The Management Team?" December 1985.

"Investment Policies" November 1985.

"Treasury Bill Discount Rate Vs. Yield" October 1985.

#### **Other Government Leadership Roles:**

Executive Director, GFOAT. Engaged by the Government Finance Officers Association of Texas (GFOAT), an 800+ member organization, to be the contractual Executive Director in a part-time relationship from 1999 to 2004. Duties included general leadership, coordination and assistance to the GFOAT Board and standing committees. Remained as Newsletter Editor until June 2006.

Recipient of the first GFOAT Ethics Award in 2003 and given the honor of having the award being named, "The Lewis F. McLain, Jr. Ethics in Leadership Award."