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## **The Payoffs of Financial Transparency.**

For years, if residents of Rocklin, Calif., near Sacramento, wanted to review the city's budget priorities or see how those priorities linked to revenue and spending, they had to sort through numerous PDFs. While the financial information was useful, it wasn't very user-friendly. And that didn't satisfy city leaders who prided themselves on Rocklin's long tradition of transparency, according to Kim Sarkovich, Rocklin's chief financial officer and assistant city manager.

But when a city posts its financial data in a format that's easy to find, read and understand, the payoff can be huge. That has certainly been the case with New York City's Checkbook NYC. The website, which was launched in 2010, lets residents track how the city spends its money through a very navigable dashboard of charts and tables. New York was not the first city to make its financial information so readily available and transparent, but the Sunlight Foundation says it's "one of the best examples of an open checkbook-style website that we've found."

As a growing number of cities have embraced the financial transparency trend and started creating their own versions of open checkbooks, they've either gone the route laid down by New York, using open-source software to develop their own dashboards of fiscal information, or have turned to third parties. These outside companies help with the task of transforming tabular data that often resides in proprietary software programs into the kind that can be viewed, visualized and, in some cases, republished for other purposes.

The U.S. Public Interest Research Group found in 2013 that 17 of America's 30 largest cities had some kind of online database of expenditures. But just two cities, Chicago and New York, were considered true models of public accessibility, according to the group. Some of the problems with the other fiscal websites, included poor usability, search issues, spotty information on spending, and a lack of information on which companies and nonprofits receive taxpayer funds.

Two years ago, Rocklin launched its own checkbook-style website. Sarkovich, who has been in city government for 23 years, says interest in financial data has ebbed and flowed over the years. But today's online tools have made financial viewing much more interesting and understandable. For example, she says, when a Walmart store opened in Rocklin many people expected the city's revenue to jump from the store's property taxes. "I was able to show them on the website why that wasn't the case," says Sarkovich. With the same financial transparency, she was able to show neighborhoods clamoring for a new park just how much it would cost. "They could see how it would affect our revenue," she says.

The ease of use explains the growing popularity of companies like Socrata and OpenGov, which have built public financial websites for more than 250 governments, including Rocklin, in just three years. "The technology is easy to install and everyone gets very excited when they see the charts," says Zac Bookman, CEO of OpenGov.

There are hurdles, however. "I get calls weekly from other cities that want to do what we're doing, but when I explain the process, some city officials realize the amount of work involved in closing their books in order to display accurate and up-to-date financial information," says Jason Johnson,

Rocklin's budget and technology manager.

In addition to the initial work, there are upfront costs. Rocklin currently pays \$1,800 a year to display its annual financial data, but will begin spending \$3,600 when it starts updating financial data on a monthly basis. Larger cities spend more: New York spent \$7 million developing Checkbook NYC.

Financial transparency, in the view of advocacy groups like the Sunlight Foundation, is fundamental to democracy. City officials agree, although they see it in more practical terms. "These dashboards," says Sarkovich, "allow citizens to better understand the mechanics of how city government works."

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