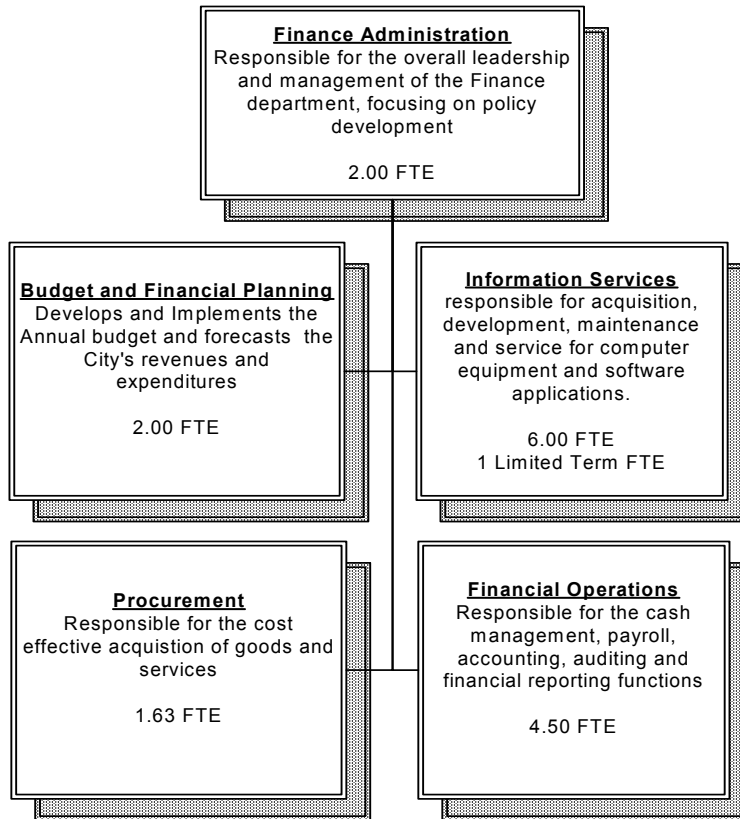


Finance Department

2002 Budget Department Overview

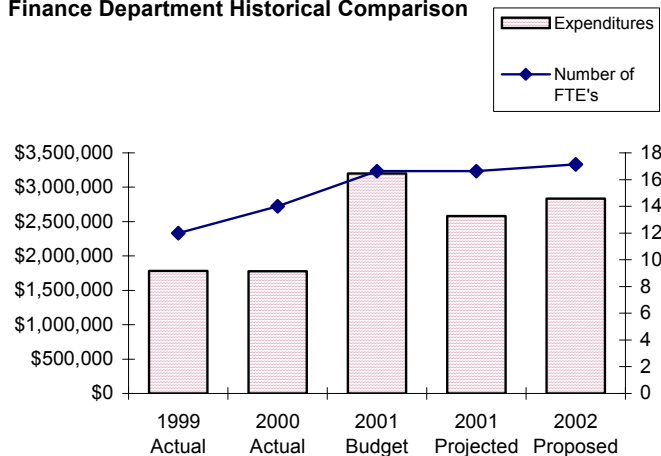
MISSION STATEMENT

The Finance Department provides excellent and innovative financial and technological services to City departments for the purpose of enhancing the community of Shoreline.

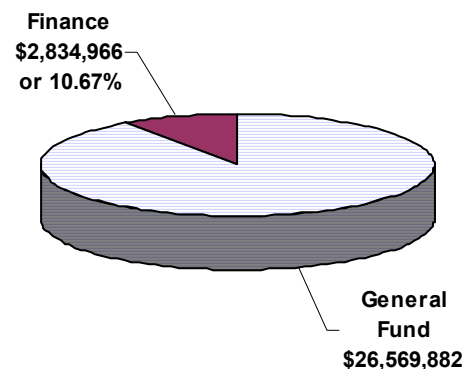


	1999 Actual	2000 Actual	2001 Budget	2001 Projected	2002 Proposed	2001 Projected versus 2002	Percentage Change
Expenditures	\$1,781,542	\$1,777,068	\$3,201,453	\$2,579,515	\$2,834,966	\$255,451	9.90%
% of General Fund	8.49%	7.62%	12.13%	10.65%	10.67%	0.02%	0%
Number of FTE's	12	14	16.63	16.63	17.13	0.5	3.0%

Finance Department Historical Comparison



2002 Finance as a Share of the General Fund



2001 Key Department Accomplishments

- ◆ Revised and implemented new purchasing policies and procedures. This resulted in the delegation of authority throughout the organization to more efficiently acquire goods and services for City operations.
- ◆ Implemented Accounts Receivable System to meet State Auditor recommendations and to more effectively manage City resources.
- ◆ Implemented pilot performance measurement program with the City Manager's Office, City Attorney, Customer Response Team, Police and Finance Department to start measuring the effectiveness of these City operations.
- ◆ Implemented new Asset Management and Customer Response Management systems with installation of the Hansen Software system. This has allowed city-wide use of the customer response data base reducing duplication of effort and providing customers with contradictory information from City departments.
- ◆ Implemented three major components of the City's three year technology plan which included a security assessment of the City's computer network, enhancement of the City's web site, and implementation of a new payroll/human resource software system.

2002 Key Service Level Changes

Finance Technician – 0.50 FTE

This position would have the primary responsibility for cash receipting, on-going maintenance of the accounts receivable system and serve as a resource to departments in the area of cash handling and documentation of procedures. The current finance technician would be able to then absorb some responsibilities for daily deposits, petty cash management, and maintenance of electronic audit records within the financial system. With the absorption of these duties by the current finance technician, the accountant should have some capacity to implement the fixed asset system and provide on-going maintenance in this area, assist in the bond management area, and provide some staffing support to departments in the area of grant management.

Cost:

\$3,500	One-time start-up costs
<u>\$22,505</u>	On-going annual costs
<u>\$26,005</u>	Total 2002 costs

Outcome Measure

- ◆ More accurate reflection of outstanding revenues due the City through the implementation of the City's accounts receivable system.
- ◆ Ability to track City assets through the use of the fixed asset system to enhance the City's accountability of accounting for and maintaining its assets.
- ◆ Ability to provide three City-wide training sessions on the use of the City's financial system, financial project management, and system reporting capabilities to increase the knowledge and ability of City staff to effectively use the City's financial software system.
- ◆ Provide documented handbooks on cash handling to standardize cash procedures and improve internal controls.
- ◆ Integration of financial system with new permitting software to reduce redundancy of data entry.

Addition of Right-of-Way Infrastructure to Geographic Information System

The City's Geographic Information System (GIS) will be expanded to include land and survey records to facilitate the mapping of the City's right-of-way infrastructure and other City assets. A database of real property assets and their current uses will be established.

Cost:

\$75,000	One-time start-up costs
<u>\$0</u>	On-going annual costs
\$75,000	Total 2002 costs

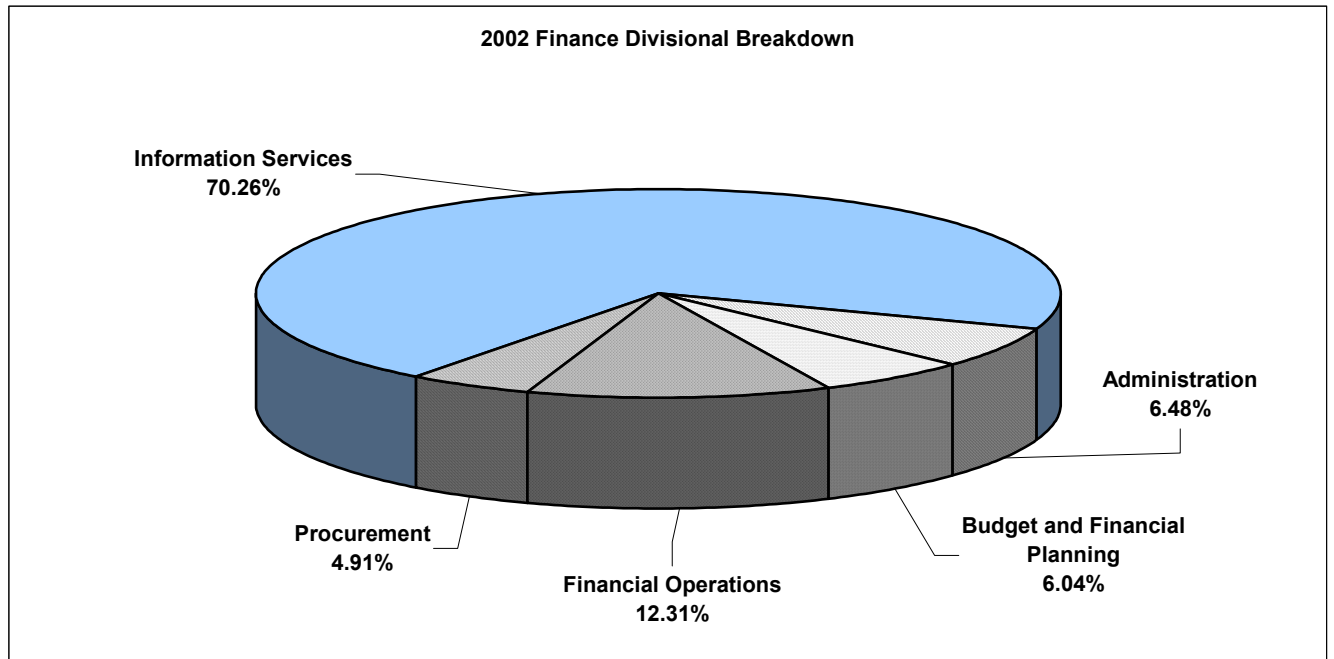
Outcome Measure

- ◆ The development of informational and professional resources to support the management of City owned real property.

Finance Department

2002 Budget Department Overview

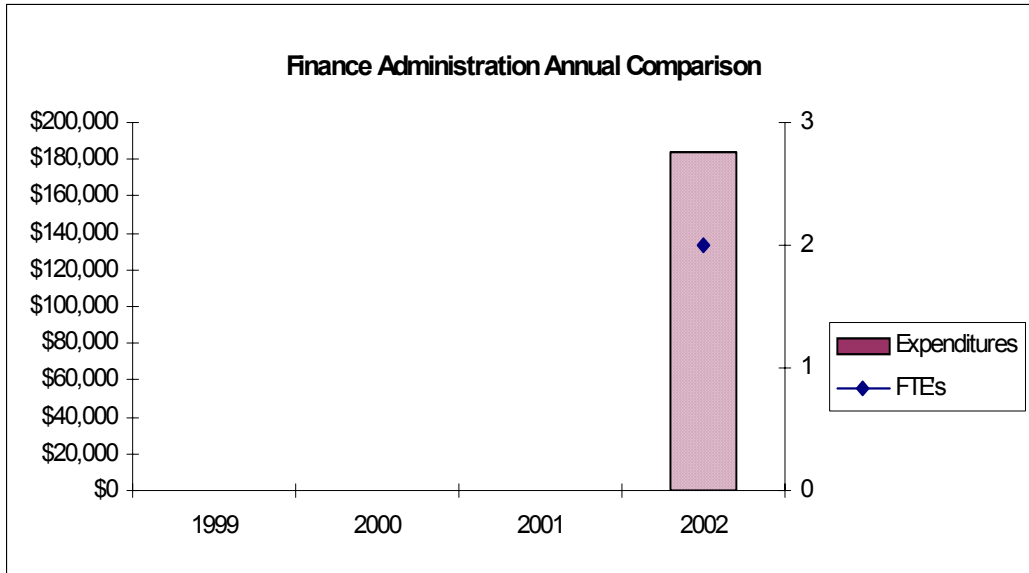
1999 - 2002 Budget Expenditure Comparison							
Objects by Department	1999 Actual	2000 Actual	2001 Budget	2001 Projected	2002 Proposed	2002 Proposed versus 2001 Projected	Percent Change
Salary & Benefits	905,400	902,319	1,122,459	1,021,010	1,258,817	237,807	23.3%
Supplies	154,155	222,567	818,941	592,860	621,530	28,670	4.8%
Services	576,397	519,925	1,172,852	803,445	850,369	46,924	5.8%
Intergovernmental Services	84,791	53,478	87,200	72,200	100,750	28,550	39.5%
Capital	60,799	78,779	0	90,000	3,500	(86,500)	(96.1%)
Total Finance Budget	\$ 1,781,542	\$ 1,777,068	\$ 3,201,452	\$ 2,579,515	\$ 2,834,966	\$ 255,452	9.9%
Division							
Administration	0	0	0	0	183,830	183,830	0.0%
Budget and Financial Planning	199,100	174,517	223,516	215,359	171,207	(44,152)	0.0%
Financial Operations	236,024	294,125	348,158	356,097	348,951	(7,146)	(2.0%)
Procurement	122,893	96,515	140,613	150,664	139,158	(11,506)	(7.6%)
Information Services	1,223,525	1,211,911	2,489,166	1,857,395	1,991,821	134,426	7.2%
Expenditure Total	\$ 1,781,542	\$ 1,777,068	\$ 3,201,453	\$ 2,579,515	\$ 2,834,966	\$ 255,452	9.9%
Revenue Source							
Revenue	0	0	0	0	0	0	0.0%
General Fund Subsidy	\$ 1,781,542	\$ 1,777,068	\$ 3,201,453	\$ 2,579,515	\$ 2,834,966	\$ 255,452	9.9%
Total Revenue	\$ 1,781,542	\$ 1,777,068	\$ 3,201,453	\$ 2,579,515	\$ 2,834,966	\$ 255,452	9.9%



PURPOSE STATEMENT

ADMINISTRATION

The administration division is responsible for the overall leadership and management of the department. The division focuses on process and policy development and provides general administrative support to all divisions.



** 2002 is the first year in which this division has been segregated from the other Finance divisions.

2002 Key Division Objectives

ADMINISTRATION

- ◆ Analyze impacts of implementing a biennial budget process and make recommendation to the City Council for future implementation.
- ◆ Work with department divisions to develop three-year work plans in order to enhance the long-term planning of the department with a desire to enhance the customer service levels provided to both internal and external customers.
- ◆ Utilize inter/intradepartmental teams to review work processes, improve work efficiencies and effectiveness, and remain responsive to the needs of our customers.
- ◆ Provide team development opportunities within the department to strengthen the “team” working relationships and provide forums to enhance interdepartmental communication.

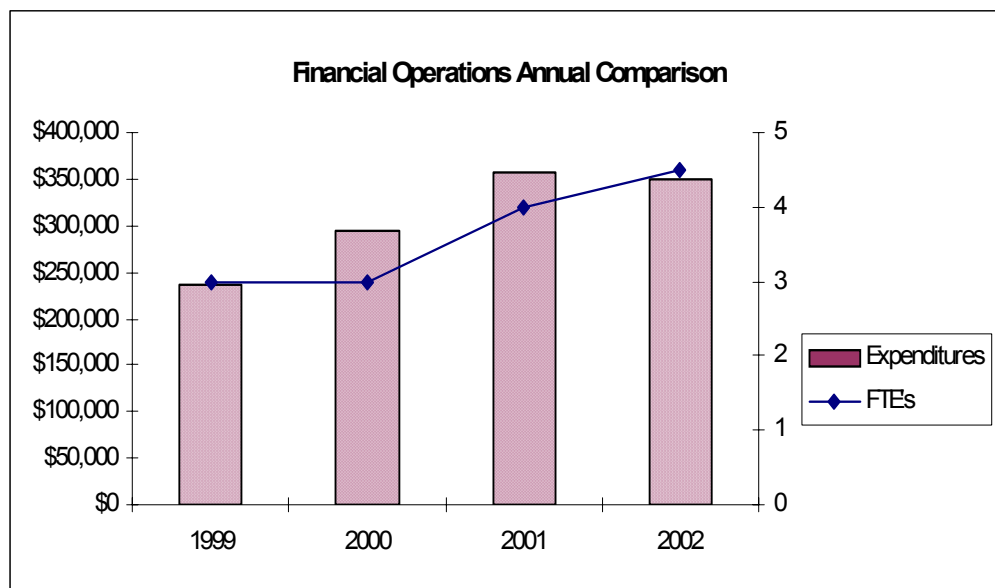
Performance Measurement – Administration

Type/Description	Target	2002	2003	2004
Workload Measures				
➤ Number of staff reports submitted				
Efficiency Measures				
➤ Department budget as a percentage of City’s General Fund				
➤ Department Staff to City Staff Ratio				

PURPOSE STATEMENT

FINANCIAL OPERATIONS

Financial Operations is responsible for the cash management, payroll, accounting, auditing, and financial reporting functions for the City of Shoreline.



2002 Key Division Objectives

OPERATIONS

- ◆ Analyze impacts, provide recommendations, and develop a work plan for the implementation of GASB 34.
- ◆ Continuation of the Payroll/Human Resource implementation project.
- ◆ Conclude the Fixed Asset implementation project.
- ◆ Compile cash handling procedures and process manuals, cash receipting documentation and process manuals and conduct training sessions on each system.
- ◆ Conduct training sessions on utilization of the IFAS financial management system.

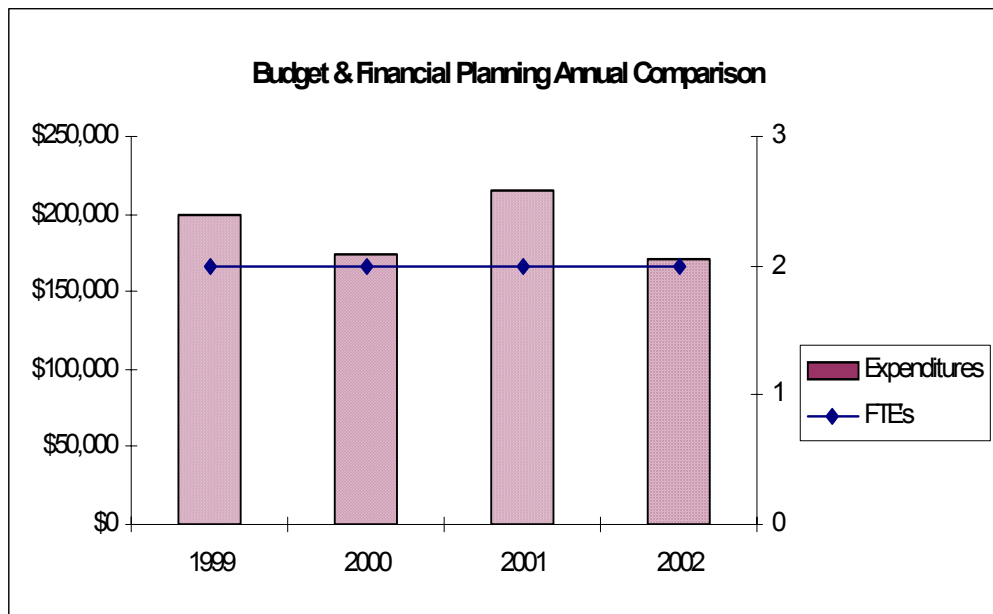
Performance Measurement – Operations

Type/Description	Target	2002	2003	2004
Workload Measures				
➤ Number of accounts payable checks issued				
➤ Number of cash receipt transactions				
➤ Number of payroll checks issued				
Outcome/Effectiveness Measures				
➤ % of Time Month-End Close Process completed within 10 working days of month end	90%			
➤ Date that Annual Financial Report is Completed	May 31			
➤ Average number of days between receipt and deposit of revenue items	1			

PURPOSE STATEMENT

BUDGET & FINANCIAL PLANNING

Budget and Financial Planning is responsible for the planning, organization, and implementation of the budget process for the City, as well as the development and forecast of the City's short and long-term revenues and expenditures.



2002 KEY DIVISION OBJECTIVES

BUDGET & FINANCIAL PLANNING

- ◆ Train and assist all departments in the development of useful Performance Measures to be included in the 2003 budget document (Phase 2).
- ◆ Implement a budget development system that easily integrates with the City's financial system and meets the needs of budget and departmental staff.
- ◆ Develop an implementation plan for the migration to a biennial budget as directed by Council.

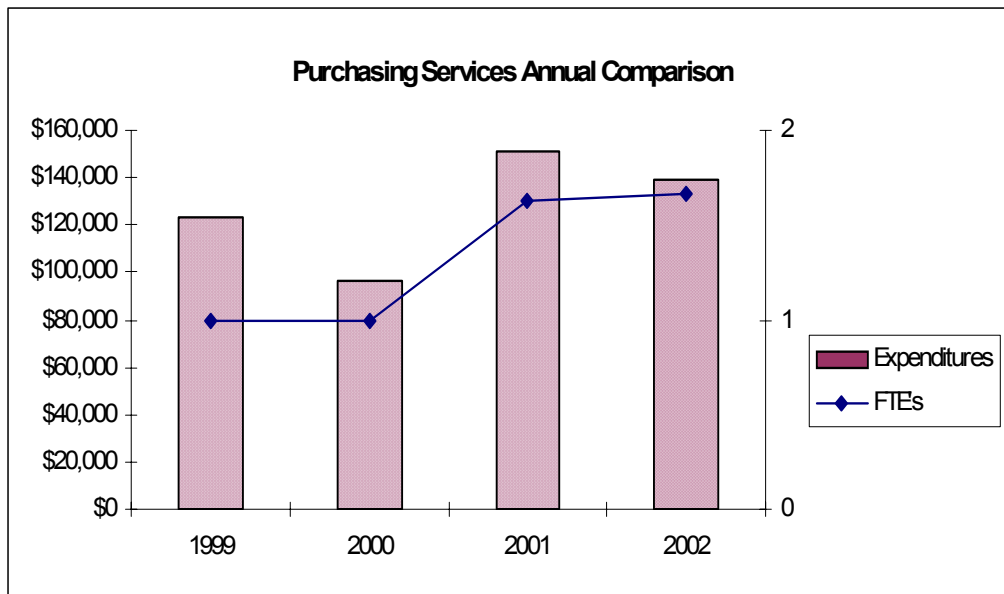
Performance Measurement – Budget & Financial Planning

Type/Description	Target	2002	2003	2004
Workload Measures				
➤ Number of special projects				
Outcome/Effectiveness Measures				
➤ Accuracy of revenue and expenditure forecasts based on second quarter financial projections	95%			
➤ Number of months departmental expenditure and revenue reports are completed and delivered to departments by target date	90%			
➤ Average number of days to compile quarterly financial report	5			
Efficiency Measures				
➤ Average cost to print annual budget				

PURPOSE STATEMENT

PURCHASING

Purchasing is responsible for providing cost effective, fair, and competitive acquisition processes to acquire goods and services needed by City Departments to provide services to the Shoreline Community.



2002 Key Division Objectives

PURCHASING

- ◆ Implement on-line requisition process within the IFAS Purchasing module.
- ◆ Develop performance measures within the Procurement division.

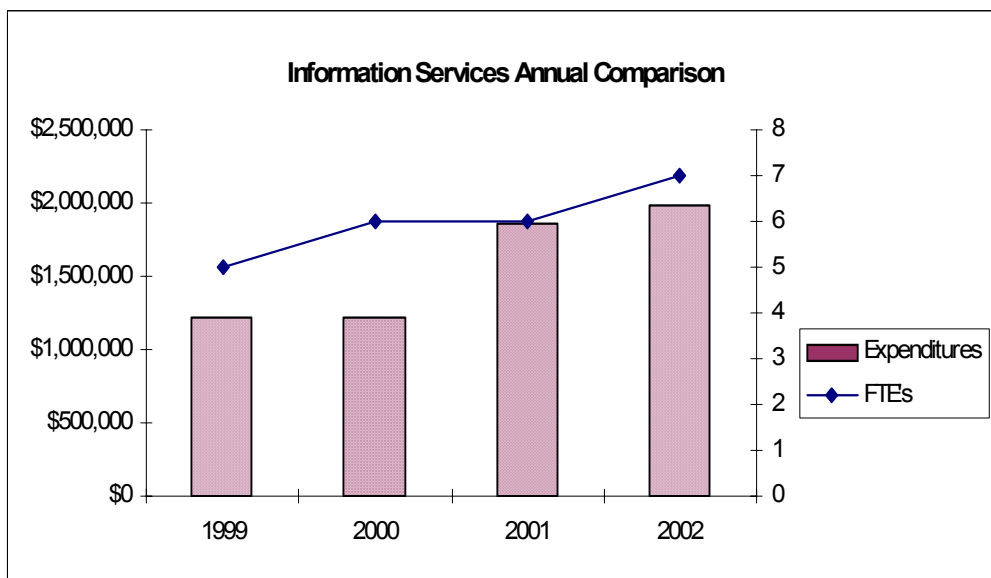
Performance Measurement – Purchasing

Type/Description	Target	2002	2003	2004
Workload Measures				
➤ Number of Purchase Orders Processed				
➤ Number of Bids and Request for Proposals Processed				
Outcome/Effectiveness Measures				
➤ Number of Hours to Develop RFP's and Bids				
➤ % of Customers Giving a Minimum Rating of Very Good	85%			
Efficiency Measures				
➤ Average Cost per Purchase Order				

PURPOSE STATEMENT

INFORMATION SERVICES

Information Services is responsible for the acquisition, development, maintenance, and service of all critical computing equipment, including software applications. In addition, Information Services Division provides strategic technical consultation services to city departments enabling on going maintenance and enhancements to existing operations.



2002 Key Division Objectives

INFORMATION SYSTEMS

- ◆ Complete the acquisition and implementation of Parks, Recreation & Cultural Service and the Payroll/Human Resource Information System applications.
- ◆ Design and implement the integration between enterprise applications (Hansen, IFAS, Parks and HR) to ensure maximize utilization of shared data while allowing opportunities to streamline existing procedures.
- ◆ Continue to achieve the objectives set forth in the City Information Systems Strategic Plan for the current year.

Performance Measurement – Information Services

Type/Description	Target	2002	2003	2004
Workload Measures				
➤ Number of Help Desk Calls				
➤ Number of GIS requests				
Outcome/Effectiveness Measures				
➤ % Help Desk Calls Responded to or Resolved Within 24 hours	85%			
➤ % of Customers giving the IS Level of Service a minimum rating of Very Good	85%			
➤ % of GIS Requests Completed Within Original Time Estimate	85%			
➤ % of Technology Plan Applications and/or Projects Implemented on Schedule	85%			
Efficiency Measures				
➤ Budget as a percentage of the City's General Fund				