

Reorganization Overview: City Budget Office & Department of Finance and Administrative Services

Presented to the Seattle City Council
Finance and Budget Committee
May 18, 2010

Objective of the Re-Organization

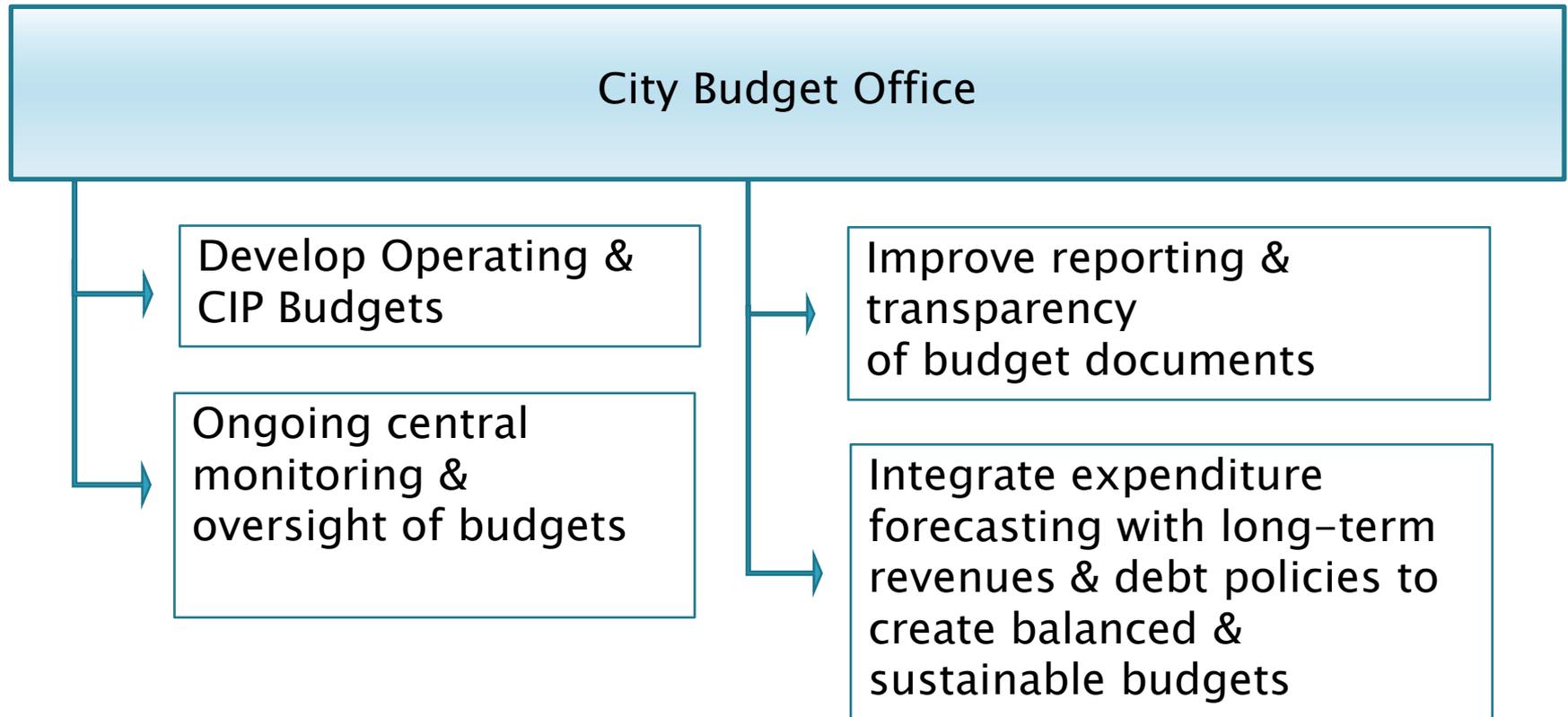
- ▶ To create improved management and oversight of finance and budget functions:
 - City Budget Office: Responsibility for developing and enforcing the City's budget and developing revenue and debt strategies to support the budget in a more centralized manner, with an increased emphasis on long-term financial planning.
 - Department of Finance & Administrative Services: Responsibility for enhancing and integrating the City's financial and accounting procedures and systems, as well as tax administration and business regulation. Also responsible for revenue forecasting and consolidated administrative functions.

Re-Org Overview

- ▶ Department of Finance is eliminated and the City Budget Office (CBO) is created:
 - Will provide more centralized and focused budget planning and oversight, with an emphasis on long-term financial planning
 - Development of operating and Capital Improvement Program budgets
 - Integration of long-term debt and revenue strategies into budget planning
 - Centralized oversight and monitoring of budget positions

Re-Org Overview (continued)

- ▶ Create - 2 separate entities

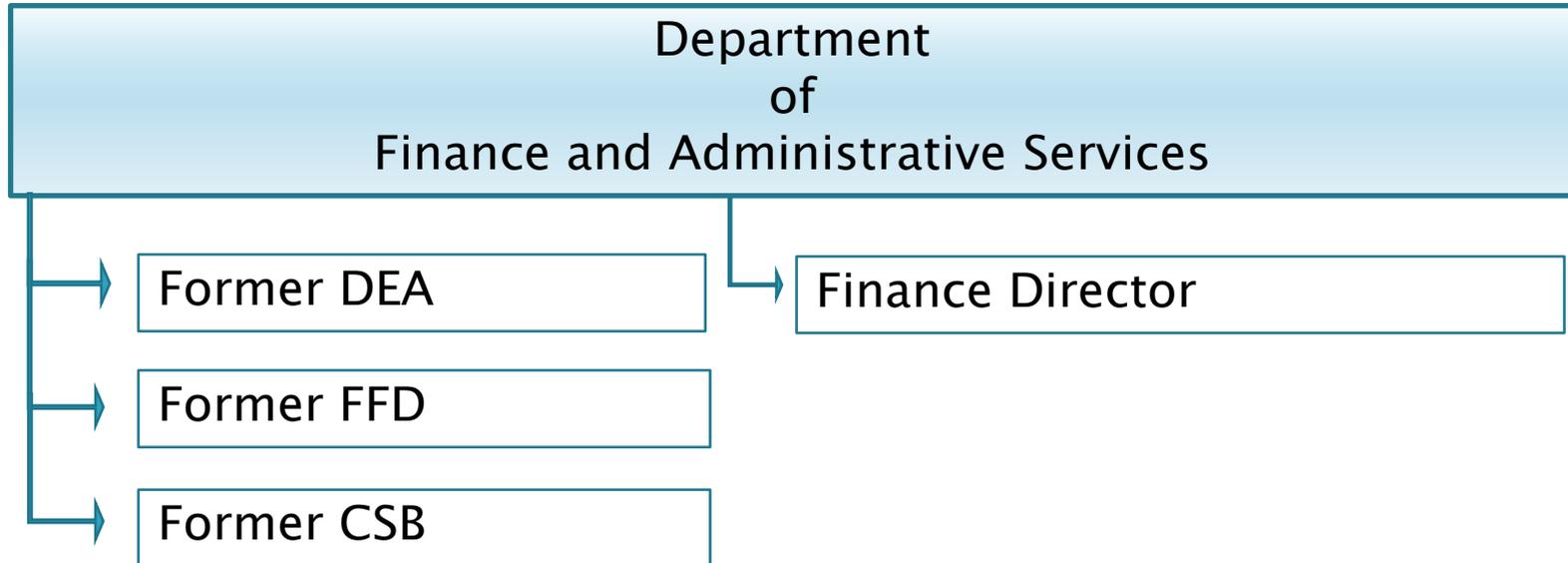


Re-Org Overview (continued)

- ▶ Department of Finance and Administrative Services (FAS) created by merging:
 - Department of Executive Administration (DEA),
 - Fleets and Facilities Department (FFD),
 - Department of Neighborhoods' Customer Service Bureau (CSB), and
 - Small portion of former Department of Finance, including revenue forecasting, debt management, and investment and tax policy.
 - Finance Director position, required by City Charter, transfers to FAS.

Re-Org Overview (continued)

- ▶ Create - 2 separate entities (continued)



FAS Re-Org Objectives

- ▶ **Integrate financial policies with financial management**
 - Revenue forecasting and
 - *Tax collections*
 - *Treasury*
 - *Will allow for a baseline by which to measure licensing compliance and collection effectiveness*
 - Investments and debt management
 - *Manage liquidity*
 - *More intensively manage yield from cash pool*
 - Accounting policy
 - *Better decision making*
 - *Better compliance*

FAS Re-Org Objectives (continued)

- ▶ **Align internal services with operating divisions**
 - Contracting and Capital Programs
- ▶ **Create efficiencies**
 - Unified
 - *Human resources*
 - *Internal budgeting*
 - *Accounting*
 - *Information technology*
 - *Public disclosure*
 - *Director's office*

FAS Lines of Business

▶ Financial Management

- Treasury
- Revenue
- Central accounting
- Payroll
- Revenue forecasting
- Investments
- Debt management

FAS Lines of Business (continued)

▶ Internal services

- Business technology
- Procurement
 - *Purchasing of goods and routine services*
 - *Public works contracting*
- Facilities
- Fleets

FAS Lines of Business (continued)

- ▶ **Regulatory and public safety**
 - Consumer protection
 - *Taxis*
 - *Weights and measures*
 - Nightlife noise
 - Animal control
- ▶ **Constituent Services**
 - CSB has relied on DEA for years
 - Need technology and analytical support

FAS Re-Org Structure & Details

- ▶ **Department head, two deputies will manage City of Seattle's most functionally diverse department as a team.**
- ▶ **Day-to-day functional oversight divided among team:**
 - **Acting Director Fred Podesta**
 - constituent services,
 - business regulation/consumer protection
 - business technology,
 - budget and central services,
 - facility operations,
 - purchasing services, and
 - department administration.

FAS Re-Org Structure & Details

(continued)

- ▶ **Day-to-day functional oversight divided among team:**
 - Deputy Director and Acting Finance Director Glen Lee
 - tax administration,
 - debt management,
 - risk management,
 - treasury services,
 - accounting services,
 - American Recovery and Reinvestment Act,
 - economic forecasting, and
 - program technology.

FAS Re-Org Structure & Details

(continued)

- ▶ **Day-to-day functional oversight divided among team:**
 - Deputy Director Mary Pearson
 - contracting services,
 - Seattle Animal Shelter,
 - fleet services, and
 - capital development/construction management.

2010 Budget Impacts

- ▶ Re-org achieved without having to create new budget or position authority
- ▶ Re-org allows cuts mid-year 2010; details will be announced in June