



Department of Finance

Dwight Dively, Director

Mission Statement

The mission of the Department of Finance is to provide financial resources, systems, and services to the City's departments, workforce, and the public, so that Seattle takes care of business efficiently, effectively, and fairly.

Ordinance #120181, passed in the fall of 2000, created a new Department of Finance as part of the reorganization of the Executive Services Department. However, due to time constraints involving the City's budget and the complexities of creating new funds, the 2001 Adopted and 2002 Endorsed Budget of the Department of Finance remained consolidated within the Executive Services Department Budget. The 2002 Adopted Budget now finalizes the budget/financial side of the reorganization by creating a separate budget for the Department of Finance, consistent with the new organizational structure. No additional General Subfund resources are required to implement this final step in the reorganization.

Goals

- Improve Finance products and services to customers.
- Increase the efficiency of our processes and procedures and keep costs competitive.
- Support our diverse workforce and enhance employee competencies, involvement, partnerships, performance, and work environment.
- Increase customer satisfaction and public perception that the Department of Finance provides value and responds effectively.

Appropriations

| Fund/Line of Business | Summit Code | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|--------------------|--------------------|---------------------|----------------------|----------------------|---------------------|
| General Subfund | | | | | | |
| Administration | C81 | 0 | 0 | 0 | 4,571,621 | 4,478,414 |
| Finance | C82 | 0 | 0 | 0 | 27,984,139 | 27,038,496 |
| Revenue & Consumer Affairs | C85 | 0 | 0 | 0 | 6,916,311 | 6,742,281 |
| Department Total | | 0 | 0 | 0 | 39,472,071 | 38,259,191 |
| Positions (In Full Time Equivalents) | | 0.00 | 0.00 | 0.00 | 325.10 | 325.10 |

Finance

Administration

Purpose Statement

The purpose of the Administration line of business is to provide executive direction and leadership, public information, strategic financial and operational planning, debt management, risk management, human resources services, and administrative support, so that Department managers, staff, and other decision-makers can make informed decisions on how to best serve our customers.

Key Performance Targets

- Decrease the department's overhead costs as a percentage of the total budget.
- As a measure of financial health, maintain the City's strong bond rating. Within the past eighteen months, the City has received the highest ratings (AAA) on our voter-approved general obligation debt from all three major credit rating agencies.

Programs

| Program | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| Executive Management | 0 | 0 | 0 | 4,571,621 | 4,478,414 |
| Line of Business Total | 0 | 0 | 0 | 4,571,621 | 4,478,414 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 26.60 | 26.60 |

Administration: Executive Management

Purpose Statement

The purpose of the Executive Management program is to provide executive direction and leadership, public information, strategic financial and operational planning, debt management, risk management, human resources services, and administrative support, so that department managers, staff, and other decision-makers can make informed decisions on how to best serve our customers.

2002 Proposed Program Changes

Add \$115,000 and 1.0 FTE Executive I position in 2001, per Ordinance #120434. This position oversees and directs the newly formed citywide Risk Management function in the Department of Finance, and was created in response to the Council's Judgement/Claims Subfund Statement of Legislative Intent and the work of the Risk Management Oversight Committee.

Add \$414,506 and transfer 1.0 FTE Administrative Specialist I, 2.0 FTE Claims Adjuster I, 2.0 FTE Claims Adjuster II, and 1.0 FTE Claims Manager from the Law Department in 2002 to create a citywide risk management function in the Department of Finance. These positions investigate and evaluate claims for damages made against the city. As a result of this transfer, the work of claims managers and adjusters is better coordinated with the work of the rest of the risk management team. A total of \$387,571 in funding is transferred in from the Law Department. The remaining funding is supported by fund balance from the former Executive Services Department.

Add \$500,000 to fund increased insurance premiums in 2002. This increase is primarily due to the higher cost of earthquake insurance coverage.

Reduce the Executive Management program budget by \$50,000 in 2002. This reduction impacts the program's Debt Management function, and does not affect program services.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Executive Management program budget by \$93,207. This includes a \$30,000 reduction in Debt Management Policy Advisory Committee expenditures, as well as a number of other administrative cost reductions in computer hardware and software, training, office equipment, and other items. It should be noted that \$23,186 of the total program reduction was supported by payments from other City departments. Those payments will be refunded to contributing departments, resulting in a net General Subfund expenditure reduction of \$70,021.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 4,571,621 | 4,478,414 |
| Program Total | 0 | 0 | 0 | 4,571,621 | 4,478,414 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 26.60 | 26.60 |

Finance

Finance

Purpose Statement

The purpose of the Finance line of business is to provide contracting and warehousing services, implement and maintain business technologies, receive and disburse City funds, and provide financial planning and reporting services, so that customers can meet their business needs in an affordable and timely manner.

Key Performance Targets

- Meet or exceed the current year's budget target for investment yield.
- Minimize the supplemental appropriations funded by the General Subfund, as a percentage of the current year's total Adopted Budget.
- Increase to 100% the percentage of standard business hours when major automated systems are functionally available to users.
- To assure the timely availability of financial data to policy makers, complete and publish the current year's Comprehensive Annual Financial Report by mid-May of the following year.

Programs

| Program | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| Treasury | 0 | 0 | 0 | 3,842,155 | 3,746,876 |
| Contracting | 0 | 0 | 0 | 5,548,190 | 5,306,314 |
| City Budget Office | 0 | 0 | 0 | 2,459,642 | 2,408,669 |
| Business Technology | 0 | 0 | 0 | 12,172,346 | 11,725,975 |
| Accounting | 0 | 0 | 0 | 3,961,806 | 3,850,662 |
| Line of Business Total | 0 | 0 | 0 | 27,984,139 | 27,038,496 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 218.50 | 218.50 |

Finance: Accounting

Purpose Statement

The purpose of the Accounting program is to perform financial transactions and provide financial reporting so that the City remains fiscally solvent.

2002 Proposed Program Changes

Transfer \$944,000 and 15.0 FTE, various titles, to the Fleets and Facilities Department (FFD) in 2002. These positions perform accounting functions for FFD.

Reduce the Accounting program budget by \$15,000 in 2002. This reduces funding available for temporary staffing resources.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Accounting program budget by \$111,144. This is made up of a \$93,500 reduction in computer hardware expenditures, and a \$17,644 reduction in tuition and training expenditures. It should be noted that \$38,334 of the total program reduction was supported by payments from other City departments. Those payments will be refunded to contributing departments, resulting in a net General Subfund expenditure reduction of \$72,810.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 3,961,806 | 3,850,662 |
| Program Total | 0 | 0 | 0 | 3,961,806 | 3,850,662 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 44.00 | 44.00 |

Finance

Finance: Business Technology

Purpose Statement

The purpose of the Business Technology program is to plan, strategize, design, develop, implement, and maintain business technologies so that the City of Seattle's business activities are supported.

2002 Proposed Program Changes

Add \$161,000 in 2002 for the development, operation, and maintenance of a new automated towing system. The system tracks the status of impounded vehicles. This system is funded by a towing company remittance of \$7 per vehicle.

Reduce the Business Technology program budget by \$106,000 in 2002. This reduces the software and hardware budgets for Summit, the City's accounting system.

Reduce the Business Technology program budget by \$22,000 in 2002. This reduces the Human Resources Information System software and hardware budgets.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Business Technology program budget by \$446,371. This includes a \$230,000 reduction in computer hardware expenditures, \$133,400 in savings resulting from position freezes, a \$55,000 reduction in consultant contracting expenditures, and a number of other administrative cost reductions. It should be noted that \$202,451 of the total program reduction was supported by payments from other City departments. Those payments will be refunded to contributing departments, resulting in a net General Subfund expenditure reduction of \$243,920.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 12,172,346 | 11,725,975 |
| Program Total | 0 | 0 | 0 | 12,172,346 | 11,725,975 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 56.50 | 56.50 |

Finance: City Budget Office

Purpose Statement

The purpose of the City Budget Office is to provide a results-based budget and policy and financial management for the Mayor, so that the Mayor, City Council, and citizens can make informed decisions to achieve the City's goals.

2002 Proposed Program Changes

Reduce the City Budget Office program budget by \$12,000 in 2002. This reduction impacts miscellaneous expenses and does not affect program services.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the City Budget Office program budget by \$50,973. This includes \$17,710 in salary reductions, a \$9,884 reduction in consultant contracting expenditures, and a number of other administrative cost reductions. It should be noted that \$10,326 of the total program reduction was supported by payments from other City departments. Those payments will be refunded to contributing departments, resulting in a net General Subfund expenditure reduction of \$40,647.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 2,459,642 | 2,408,669 |
| Program Total | 0 | 0 | 0 | 2,459,642 | 2,408,669 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 25.00 | 25.00 |

Finance

Finance: Contracting

Purpose Statement

The purpose of the Contracting program is to anticipate and meet the unique contracting and warehousing needs of customers; provide education throughout the contracting process; administer policy and law; implement the City's various social objectives in contracting; and provide fair, thorough, and responsive service to customers so they can meet their business needs in an affordable and timely manner.

2002 Proposed Program Changes

There are no program changes from the 2002 Endorsed Budget to the 2002 Proposed Budget.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Contracting program budget by \$241,876. This includes \$111,413 in savings resulting from a position freeze, a \$100,292 reduction in consultant contracting expenditures, as well as a number of other administrative cost reductions. It should be noted that \$108,214 of the total program reduction was supported by payments from other City departments. Those payments will be refunded to contributing departments, resulting in a net General Subfund expenditure reduction of \$133,662.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 5,548,190 | 5,306,314 |
| Program Total | 0 | 0 | 0 | 5,548,190 | 5,306,314 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 50.00 | 50.00 |

Finance: Treasury

Purpose Statement

The purpose of the Treasury program is to receive and disburse City funds so that the City remains fiscally solvent.

2002 Proposed Program Changes

Add \$79,000 to fund higher bank fees in 2002. The City's recent banking services agreement with Wells Fargo bank has resulted in higher-than-anticipated bank fee costs.

Add \$64,000 in 2002 to fund maintenance for remittance processing machinery.

Add \$66,284 and 1.0 FTE Treasury Cashier position in 2001. The position was created by Ordinance #120186 and is funded by Seattle Public Utilities.

Reduce the Program's budget by \$25,000 in 2002. This reduction affects postage costs related to the program's Warrants Issuance function.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Treasury program budget by \$95,279. This includes \$50,279 in savings resulting from a position freeze, as well as a number of administrative cost reductions in office equipment and supplies, tuition, and other fee expenditures. It should be noted that \$45,965 of the total program reduction was supported by payments from other City departments. Those payments will be refunded to contributing departments, resulting in a net General Subfund expenditure reduction of \$49,314.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 3,842,155 | 3,746,876 |
| Program Total | 0 | 0 | 0 | 3,842,155 | 3,746,876 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 43.00 | 43.00 |

Finance

Revenue & Consumer Affairs

Purpose Statement

The purpose of the Revenue & Consumer Affairs line of business is to provide administration and enforcement of the City's different license, tax, and animal control codes for Seattle residents, so that budget expectations are met and public safety is maintained.

Key Performance Targets

- Increase the percentage of taxicabs passing their first inspection.
- Increase the number of animal placements made, as a percentage of the total number of animals in our care.

Programs

| Program | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| Weights and Measures | 0 | 0 | 0 | 1,104,910 | 1,099,910 |
| Revenue and Licensing | 0 | 0 | 0 | 3,228,379 | 3,140,379 |
| Animal Control | 0 | 0 | 0 | 2,583,022 | 2,501,992 |
| Line of Business Total | 0 | 0 | 0 | 6,916,311 | 6,742,281 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 80.00 | 80.00 |

Revenue & Consumer Affairs: Animal Control

Purpose Statement

The purpose of the Animal Control program is to provide enforcement, animal care and spay/neuter services for Seattle residents, so that pet overpopulation is decreased and controlled and public safety is maintained.

2002 Proposed Program Changes

There are no program changes from the 2002 Endorsed Budget to the 2002 Proposed Budget.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Animal Control program budget by \$81,030. This includes \$42,230 in savings resulting from a position freeze, as well as a number of administrative cost reductions in uniforms, tuition, and other expenditures.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 2,583,022 | 2,501,992 |
| Program Total | 0 | 0 | 0 | 2,583,022 | 2,501,992 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 34.00 | 34.00 |

Finance

Revenue & Consumer Affairs: Revenue and Licensing

Purpose Statement

The purpose of the Revenue and Licensing program is to provide administration and enforcement of the City's license and tax codes, so that budget expectations may be met.

2002 Proposed Program Changes

There are no program changes from the 2002 Endorsed Budget to the 2002 Proposed Budget.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Revenue and Licensing program budget by \$88,000. This includes a \$30,000 reduction for interest payments related to over-collections, based on recent experience, as well as a number of administrative cost reductions in computer hardware, postage, consultant services, and tuition expenditures.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 3,228,379 | 3,140,379 |
| Program Total | 0 | 0 | 0 | 3,228,379 | 3,140,379 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 36.50 | 36.50 |

Revenue & Consumer Affairs: Weights and Measures

Purpose Statement

The purpose of the Weights and Measures program is to provide regulation of businesses for the public, so that there are accurate weights and measures and safe taxicabs.

2002 Proposed Program Changes

Reduce the Weights & Measures program budget by \$10,000 in 2002. This reduction affects Safe Ride taxi subsidies. Service levels are not affected because the number of people accessing this service is much lower than projected.

2002 Adopted Program Changes

Due to the combined impact of the region's economic downturn and the passage of I-747, reduce the Weights and Measures program budget by \$5,000. This reduces the taxi fare budget related to drivers of impounded vehicles. Service levels are not affected because the number of people accessing this service is much lower than projected.

Resources

| Funding Source | 2000 Actual | 2001 Adopted | 2002 Endorsed | 2002 Proposed | 2002 Adopted |
|---|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Subfund | 0 | 0 | 0 | 1,104,910 | 1,099,910 |
| Program Total | 0 | 0 | 0 | 1,104,910 | 1,099,910 |
| Positions (in Full Time Equivalents) | 0.00 | 0.00 | 0.00 | 9.50 | 9.50 |

Finance

Position Changes

| | |
|--|---------------|
| 2002 Proposed FTE Total | 325.10 |
| Program/Position Changes (in Full Time Equivalents) | |
| <u>Accounting</u> | |
| Delete Fin Anlyst (Transfer to Fleets & Facilities Department) | (1.00) |
| Add Fin Anlyst (Transfer back from Fleets & Facilities Department) | 1.00 |
| Subtotal 2001 Mid-year and 2002 Changes | 0.00 |
| 2002 Adopted FTE Total | 325.10 |