

Finance

Program Outcome Statement

Maintain the public trust through sound financial management and the efficient and effective use of Bellevue's financial resources.

Goals:

- Ensure the long-term financial stability and health of Bellevue
- Protect the City's financial integrity and credibility
- Strengthen the department for continued excellence

Services and Accomplishments

The City of Bellevue's Finance Department consists of the following teams: Purchasing, Payroll, Accounts Payable, Contracting Services, Tax, Treasury, Accounting, Business Systems and Budget. The Finance Department provides financial services for all City operations. It assists departments in purchasing supplies, paying vendors, managing the contract process, and developing budgets. It provides payroll services for all City employees, is responsible for cash management, collects business and other taxes, and performs city accounting functions. The Finance Department also produces official reports for City Council and the general public, including operating and capital budgets, and the Comprehensive Annual Financial Report.

The following are the major 2007-2008 accomplishments:

Goal: Ensure the long-term financial stability and health of Bellevue

- Attained total business tax audit, delinquency and detection recoveries in 2007 of \$6.3 million
- Increased usage of the ERP system by 315% and users by 240%. (Attributable to the implementation of Payroll and HR Self-Service for employees which includes online pay stubs)
- Received the Government Financial Officers Award for Distinguished Budgetary Presentation
- Saved almost \$300K through the activities of our centralized purchasing office
- In 2007, exceeded the average yield of 90-day Treasury Bills by 0.16%, equivalent to an additional \$344,000 of investment revenue
- Converted City's financial accounting to a modified accrual basis

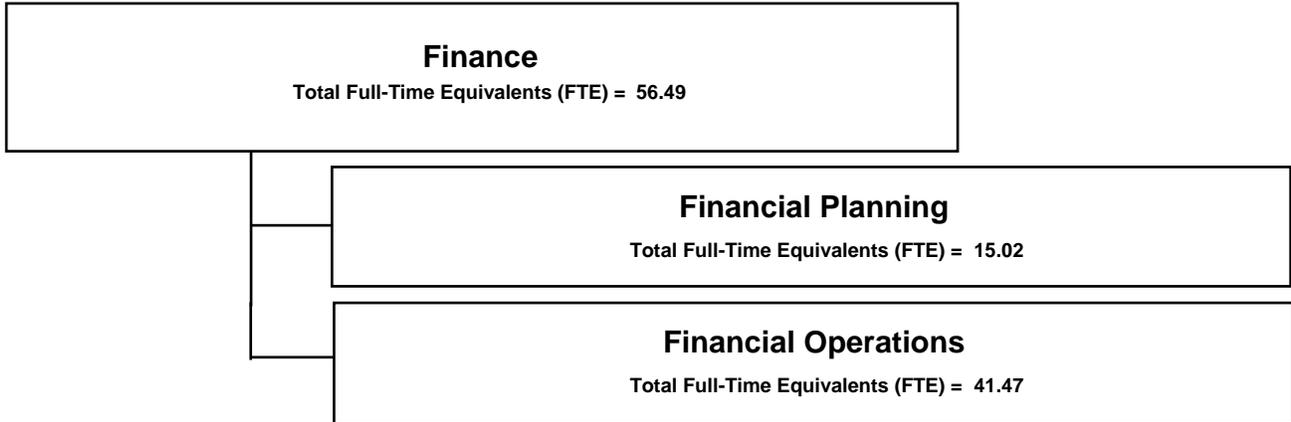
Goal: Protect the City's financial integrity and credibility

- Received an unqualified audit opinion from the State Auditor's Office for 2007
- Maintained Aaa credit rating
- Developed and completed the first cycle of the City's long range planning process
- Completed four internal audit reviews
- Developed a new Cash Policy and Procedures document
- Conducted reviews of cash handling practices at a couple of City facilities
- Migrated to a new banking platform which resulted in enhanced efficiencies due to automation of manual processes
- Discontinued the use of city warrants by introducing issuance of checks to all city vendors

Goal: Strengthen the department for continued excellence

- Automated and streamlined business processes including online pay advices, timekeeping and refund processing
- Completed initial integration of ECM to JDE for invoice lookup
- Department-wide participation in process to identify tools to enhance departmental communication
- Revised business expensing and contracting policies

Finance
Organizational Chart



**City of Bellevue
2009-2010 Biennial Budget**

Finance

| Budgeted Cost Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Financial Planning | 8,180,884 | 9,786,880 | 9,470,131 | 10,841,481 |
| Financial Operations | 5,004,215 | 5,089,100 | 5,764,317 | 5,985,241 |
| Base Budget | 13,185,098 | 14,875,979 | 15,234,448 | 16,826,721 |
| Reserves | 3,041,000 | 5,554,647 | 799,632 | 840,058 |
| JDE Ongoing Staffing | - | - | 98,252 | 105,610 |
| Tax Analyst | - | - | 68,404 | 73,820 |
| Program Enhancements | - | - | 166,656 | 179,430 |
| Total Budget | 16,226,098 | 20,430,626 | 16,200,736 | 17,846,209 |

| Expenditure Category Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Personnel | 5,004,859 | 5,122,351 | 5,715,708 | 5,938,846 |
| Interfund | 235,942 | 998,576 | 741,437 | 767,915 |
| M & O | 7,726,297 | 8,532,052 | 8,943,959 | 10,299,390 |
| Capital | 218,000 | 223,000 | - | - |
| Total Expenditures | 13,185,098 | 14,875,979 | 15,401,104 | 17,006,151 |
| Total Reserves | 3,041,000 | 5,554,647 | 799,632 | 840,058 |
| Total Budget | 16,226,098 | 20,430,626 | 16,200,736 | 17,846,209 |

| Funding Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund | 6,976,016 | 7,124,068 | 8,042,842 | 8,387,126 |
| Land Purchase Revolving Fund | 730,000 | 730,000 | - | - |
| Operating Grants/Donations/Sp Reserves Fund | 238,000 | 208,409 | 215,370 | 219,175 |
| Interest & Debt Redemption-Regular Fund | 5,754,082 | 12,145,149 | 7,589,272 | 8,869,298 |
| LID Control Fund | 110,000 | - | - | - |
| General CIP Fund | 2,418,000 | 223,000 | 353,252 | 370,610 |
| Total Resources | 16,226,098 | 20,430,626 | 16,200,736 | 17,846,209 |

| FTE Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Financial Planning | 14.57 | 14.57 | 15.02 | 15.02 |
| Financial Operations | 39.92 | 39.92 | 41.47 | 41.47 |
| Total FTE | 54.49 | 54.49 | 56.49 | 56.49 |

**City of Bellevue
2009-2010 Biennial Budget**

Finance

| Key Departmental Metrics | Unit of Measure | Type of Indicator | FY 2007 Actual | FY 2008 Target | FY 2009 Target | FY 2010 Target |
|--|-----------------|-------------------|----------------|----------------|----------------|----------------|
| Financial Operations | | | | | | |
| Identify 250 unregistered businesses | # | Effectiveness | - | 250 | 250 | 250 |
| Tax revenues from delinquencies, audits, & detection (\$mil) | \$ | Effectiveness | 6.30 | 1.80 | 5.80 | 5.80 |
| Decrease total number of contracts through consolidation | % | Efficiency | - | - | 5 | 5 |
| Decrease number of Accounts Payable checks processed by 2% | % | Efficiency | - | - | 2 | 2 |
| Receive unqualified audit opinion | Yes=1, No=2 | Effectiveness | 1 | 1 | 1 | 1 |
| Review adherence to Cash Policy/Procedures at 10 locations | # | Workload | - | - | 10 | 10 |
| Amount saved through central purchasing savings | \$ | Efficiency | 273,000 | 150,000 | 150,000 | 150,000 |
| Financial Planning | | | | | | |
| % Year-end expense variance from 2nd quarter report. | % | Effectiveness | 0.50 | 1.00 | 1.00 | 1.00 |
| % Year-end revenue variance from 2nd quarter report | % | Effectiveness | 0.80 | 2.00 | 2.00 | 2.00 |
| % Return on City investments exceed standards | % | Effectiveness | 0.16 | 0.20 | 0.15 | 0.15 |
| Earn biennial GFOA Distinguished Budget Award | Yes=1, No=2 | Effectiveness | 1 | 1 | 1 | 1 |
| City Bond Rating (Moody's) | 1=Aaa | Effectiveness | 1 | 1 | 1 | 1 |

Finance

2009-2010 Work Initiatives

Goal: Ensure the long-term financial stability and health of Bellevue

- Update long range capital & operating budget plan.
- Update Bellevue Convention Center Authority Operating Agreement.
- Continue Audit, Delinquency and Detection programs.
- Complete implementation of new tax system.
- Bel-Red finance plan.
- B&O tax allocation & apportionment.
- Municipal court and jail alternatives.

Goal: Protect the City's financial integrity and credibility

- Enhance internal audit and review program.
- Reinforce cash handling training, review cash processes and conduct surprise cash counts.
- GFOA best practice reviews.
- Grants management review.

Goal: Strengthen the department for continued excellence

- Continue to identify and implement business and system improvements that increase efficiency and/or improve customer service (e.g. timekeeping, vendor payments).
- Respond to vendor changes by developing the integration between our financial processes systems and the vendor's (e.g. MEBT, FSA, Procard).
- Leverage the integration between JDE and other internal and external automated systems.
- Develop succession and employee development plans.
- Update performance evaluations.
- Implement customer satisfaction standards/surveys.
- Improve internal communications.

Major Challenges for the Biennium

- Optimizing the integration of the financial systems with other key internal and external automated systems for efficiency and effectiveness.
- Recruiting and retaining high quality employees.
- Clarifying our roles, both internally and externally, within a changing organizational structure.
- Providing leadership and guidance to departments while promoting innovation.
- Building division/department coordination while getting our core work done.
- Staying on top of the increased demand for services and expectations in the midst of system changes and resource instability fluctuations.

City of Bellevue
2009-2010 Biennial Budget

Finance Financial Operations

Program Statement

Maintain the public trust through the efficient and effective use of Bellevue's financial resources including uniform tax collection, accurate payments and financial reports, sound investment strategies, and strong internal controls.

Summary of Services Provided

Manage the City's assets through effective financial operations and the implementation of strong internal controls.

| Budgeted Cost Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Accounting | 676,788 | 663,090 | 581,696 | 605,294 |
| Accounts Payable | 404,512 | 416,293 | 444,392 | 463,221 |
| Business Systems | 82,874 | 85,780 | 90,380 | 94,141 |
| Central Services | 66,037 | 72,899 | 374,586 | 383,964 |
| Contracting Services | 548,085 | 567,648 | 678,925 | 708,013 |
| Director's Office | 470,216 | 483,401 | 522,922 | 542,802 |
| General CIP Projects | - | - | - | - |
| General Services-Purchasing | 644,498 | 616,041 | 690,978 | 753,868 |
| Payroll | 698,190 | 704,144 | 651,743 | 641,919 |
| Tax | 1,006,207 | 1,020,659 | 1,113,051 | 1,150,851 |
| Treasury | 406,808 | 459,145 | 615,645 | 641,166 |
| Base Budget | 5,004,215 | 5,089,100 | 5,764,317 | 5,985,241 |
| JDE Ongoing Staffing | - | - | 98,252 | 105,610 |
| Tax Analyst | - | - | 68,404 | 73,820 |
| Program Enhancements | - | - | 166,656 | 179,430 |
| Total Budget | 5,004,215 | 5,089,100 | 5,930,973 | 6,164,671 |
| Expenditure Category Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
| Personnel | 3,514,234 | 3,592,587 | 4,033,031 | 4,183,280 |
| Interfund | (24,749) | 3,081 | 187,981 | 195,897 |
| M & O | 1,514,730 | 1,493,433 | 1,709,961 | 1,785,494 |
| Capital | - | - | - | - |
| Total Expenditures | 5,004,215 | 5,089,100 | 5,930,973 | 6,164,671 |
| Funding Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
| General Fund | 5,004,215 | 5,089,100 | 5,832,721 | 6,059,061 |
| General CIP Fund | - | - | 98,252 | 105,610 |
| Total Resources | 5,004,215 | 5,089,100 | 5,930,973 | 6,164,671 |

**City of Bellevue
2009-2010 Biennial Budget**

**Finance
Financial Operations**

| FTE Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Accounting | 6.00 | 6.00 | 4.50 | 4.50 |
| Accounts Payable | 4.10 | 4.10 | 4.20 | 4.20 |
| Business Systems | 0.50 | 0.50 | 1.00 | 0.50 |
| Contracting Services | 5.50 | 5.50 | 6.50 | 6.50 |
| Director's Office | 3.07 | 3.07 | 3.02 | 3.02 |
| General Services-Purchasing | 6.00 | 6.00 | 6.00 | 6.00 |
| Payroll | 6.00 | 6.00 | 5.00 | 5.00 |
| Tax | 5.00 | 5.00 | 6.00 | 6.00 |
| Treasury | 3.75 | 3.75 | 5.25 | 5.25 |
| Total FTE | 39.92 | 39.92 | 41.47 | 41.47 |

| Key Departmental Metrics | Unit of Measure | Type of Indicator | FY 2007 Actual | FY 2008 Target | FY 2009 Target | FY 2010 Target |
|---|----------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Ensure the City's long-term financial stability and health | | | | | | |
| Identify 250 unregistered businesses | # | Effectiveness | - | 250 | 250 | 250 |
| Tax revenues from delinquencies, audits, & detection (\$mil) | \$ | Effectiveness | 6.30 | 1.80 | 5.80 | 5.80 |
| Decrease total number of contracts through consolidation | % | Efficiency | - | - | 5 | 5 |
| Decrease number of Accounts Payable checks processed by 2% | % | Efficiency | - | - | 2 | 2 |
| Amount saved through central purchasing savings | \$ | Efficiency | 273,000 | 150,000 | 150,000 | 150,000 |
| Protect the City's financial integrity and credibility | | | | | | |
| Receive unqualified audit opinion | Yes=1, No=2 | Effectiveness | 1 | 1 | 1 | 1 |
| Review adherence to Cash Policy/Procedures at 10 locations | # | Workload | - | - | 10 | 10 |

Issues related to Department Performance

- The City received an unqualified audit opinion for its Comprehensive Annual Financial Report (CAFR).
- The Tax Office recovered \$6.3 million in local tax revenues for audit, delinquency and detections work – 275% of the total target.
- 2008 saw a 315% increase in enterprise resource planning (ERP) system usage over 2007 levels.
- Payroll and HR-related efficiencies were made possible by leveraging our ERP system investment.
- Savings from central purchasing in 2007 were \$273,000. The bulk of these savings came through the disposal of surplus property (\$174,000).

Program Notes

The purpose of this program is the ongoing financial operations for City resources.

The 09-10 Budget includes the addition of a Tax Analyst position to assist with the growing volume of delinquent collections and desk audits. This position is supported by tax revenue recoveries. Additionally, this budget makes permanent one staff support position for the City's Financial Reporting System.

**City of Bellevue
2009-2010 Biennial Budget**

**Finance
Financial Planning**

Program Statement

Maintain the public trust through sound financial management by providing timely and accurate financial information to enhance decision making.

Summary of Services Provided

Provide the City Council, public, and department staff with timely, accurate, and high quality financial information in an efficient, cost-effective manner to enhance decision making and maximize stewardship of the City's financial resources.

| Budgeted Cost Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Budget | 1,265,934 | 1,306,191 | 1,428,467 | 1,516,191 |
| Business Systems | 82,874 | 85,780 | 90,380 | 94,141 |
| Director's Office | 470,216 | 483,401 | 522,922 | 542,802 |
| General CIP Projects | 218,000 | 223,000 | 255,000 | 265,000 |
| Investments/Debt | 152,778 | 159,597 | 168,352 | 174,931 |
| LTGO Bond - Supplemental CIP | - | 847,745 | 1,033,624 | 1,037,574 |
| New City Hall Debt Service | 5,753,082 | 6,472,757 | 5,756,016 | 6,991,666 |
| Operating Grants | 238,000 | 208,409 | 215,370 | 219,175 |
| Base Budget | 8,180,884 | 9,786,880 | 9,470,131 | 10,841,481 |
| Reserves | 3,041,000 | 5,554,647 | 799,632 | 840,058 |
| Total Budget | 11,221,884 | 15,341,527 | 10,269,763 | 11,681,539 |
| Expenditure Category Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
| Personnel | 1,490,626 | 1,529,765 | 1,682,678 | 1,755,566 |
| Interfund | 260,691 | 995,496 | 553,456 | 572,019 |
| M & O | 6,211,567 | 7,038,620 | 7,233,997 | 8,513,896 |
| Capital | 218,000 | 223,000 | - | - |
| Total Expenditures | 8,180,884 | 9,786,880 | 9,470,131 | 10,841,481 |
| Total Reserves | 3,041,000 | 5,554,647 | 799,632 | 840,058 |
| Total Budget | 11,221,884 | 15,341,527 | 10,269,763 | 11,681,539 |
| Funding Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
| General Fund | 1,971,802 | 2,034,969 | 2,210,121 | 2,328,066 |
| Land Purchase Revolving Fund | 730,000 | 730,000 | - | - |
| Operating Grants/Donations/Sp Reserves Fund | 238,000 | 208,409 | 215,370 | 219,175 |
| Interest & Debt Redemption-Regular Fund | 5,754,082 | 12,145,149 | 7,589,272 | 8,869,298 |
| LID Control Fund | 110,000 | - | - | - |
| General CIP Fund | 2,418,000 | 223,000 | 255,000 | 265,000 |
| Total Resources | 11,221,884 | 15,341,527 | 10,269,763 | 11,681,539 |
| FTE Summary | FY 2007 Budget | FY 2008 Budget | FY 2009 Budget | FY 2010 Budget |
| Budget | 10.00 | 10.00 | 10.00 | 10.00 |
| Business Systems | 0.50 | 0.50 | 1.00 | 1.00 |
| Director's Office | 3.07 | 3.07 | 3.02 | 3.02 |
| Investments/Debt | 1.00 | 1.00 | 1.00 | 1.00 |
| Total FTE | 14.57 | 14.57 | 15.02 | 15.02 |

**City of Bellevue
2009-2010 Biennial Budget**

**Finance
Financial Planning**

| Key Departmental Metrics | Unit of Measure | Type of Indicator | FY 2007 Actual | FY 2008 Target | FY 2009 Target | FY 2010 Target |
|---|-----------------|-------------------|----------------|----------------|----------------|----------------|
| Ensure the City's long-term financial stability & health | | | | | | |
| % Year-end expense variance from 2nd quarter report. | % | Effectiveness | 0.50 | 1.00 | 1.00 | 1.00 |
| % Year-end revenue variance from 2nd quarter report | % | Effectiveness | 0.80 | 2.00 | 2.00 | 2.00 |
| % Return on City investments exceed standards | % | Effectiveness | 0.16 | 0.20 | 0.15 | 0.15 |
| Protect the City's financial integrity and credibility | | | | | | |
| Earn biennial GFOA Distinguished Budget Award | Yes=1, No=2 | Effectiveness | 1 | 1 | 1 | 1 |
| City Bond Rating (Moody's) | 1=Aaa | Effectiveness | 1 | 1 | 1 | 1 |

Issues related to Department Performance

- The Budget Office works closely with departments in projecting revenues. With careful attention to the economy and a good understanding of economic indicators, revenue collections were within 0.8% of the projections made in the 2nd Quarter Budget Monitoring Report. This was well within our goal of 2%.
- The Budget Office also works closely with departments to project year end expenditures. Expenditure projections stated in the 2nd Quarter Budget Monitoring Report varied 0.5% from actual year end expenditures. This was well within our target goal of 1%.
- The City again was awarded the GFOA Distinguished Budget Award. This entails a comprehensive review of the City's budget documents and provides a good indicator that the City's budgeting process is providing outstanding guidance to City leadership in managing Bellevue's business.
- For 2007, Bellevue's investments exceeded the average yield of 90-day Treasury Bills by 0.16%, equivalent to an additional \$344,000 of revenue. Actively managing our investments allows us to obtain a fair rate of return while protecting the City's capital and assuring adequate liquidity.

Program Notes

Budget staff continue to enhance the quality of the City's budget process. Some examples include improved links to outcome and performance budgeting, more in-depth analyses, and heightened scrutiny of City budgets.

**City of Bellevue
2009-2010 Biennial Budget**

Finance

| Biennial Budgeted Cost Summary | 2007-2008 Budget | 2009-2010 Budget | % Change |
|--|-----------------------------|-----------------------------|-----------------|
| Financial Planning | 17,967,763 | 20,311,612 | 13 % |
| Financial Operations | 10,093,314 | 11,749,557 | 16 % |
| Base Budget | 28,061,077 | 32,061,169 | 14 % |
| Reserves | 5,554,647 | 840,058 | (85)% |
| JDE Ongoing Staffing | - | 203,862 | - |
| Tax Analyst | - | 142,224 | - |
| Program Enhancements | - | 346,086 | - |
| Total Budget | 33,615,724 | 33,247,313 | (1)% |
| Biennial Expenditure Category Summary | 2007-2008 Budget | 2009-2010 Budget | % Change |
| Personnel | 10,127,210 | 11,654,554 | 15 % |
| Interfund | 1,234,518 | 1,509,352 | 22 % |
| M & O | 16,258,349 | 19,243,349 | 18 % |
| Capital | 441,000 | - | - % |
| Total Expenditures | 28,061,077 | 32,407,255 | 15 % |
| Total Reserves | 5,554,647 | 840,058 | (85)% |
| Total Budget | 33,615,724 | 33,247,313 | (1)% |
| Biennial Funding Summary | 2007-2008 Budget | 2009-2010 Budget | % Change |
| General Fund | 14,100,084 | 16,429,968 | 17 % |
| Land Purchase Revolving Fund | 730,000 | - | - % |
| Operating Grants/Donations/Sp Reserves Fund | 446,409 | 434,545 | (3)% |
| Interest & Debt Redemption-Regular Fund | 17,898,231 | 15,658,938 | (13)% |
| General CIP Fund | 441,000 | 723,862 | 64% |
| Total Resources | 33,615,724 | 33,247,313 | (1)% |