

Departmental Strategic Plan

Administrative Services Department

For the Period 2006-2010

Dated July 25, 2005

Approved: Michael E. Bailey August 1, 2005
[Department Director] Date

Approved: _____
Mayor Mike McKinnon Date

Submitted to Council _____
Date

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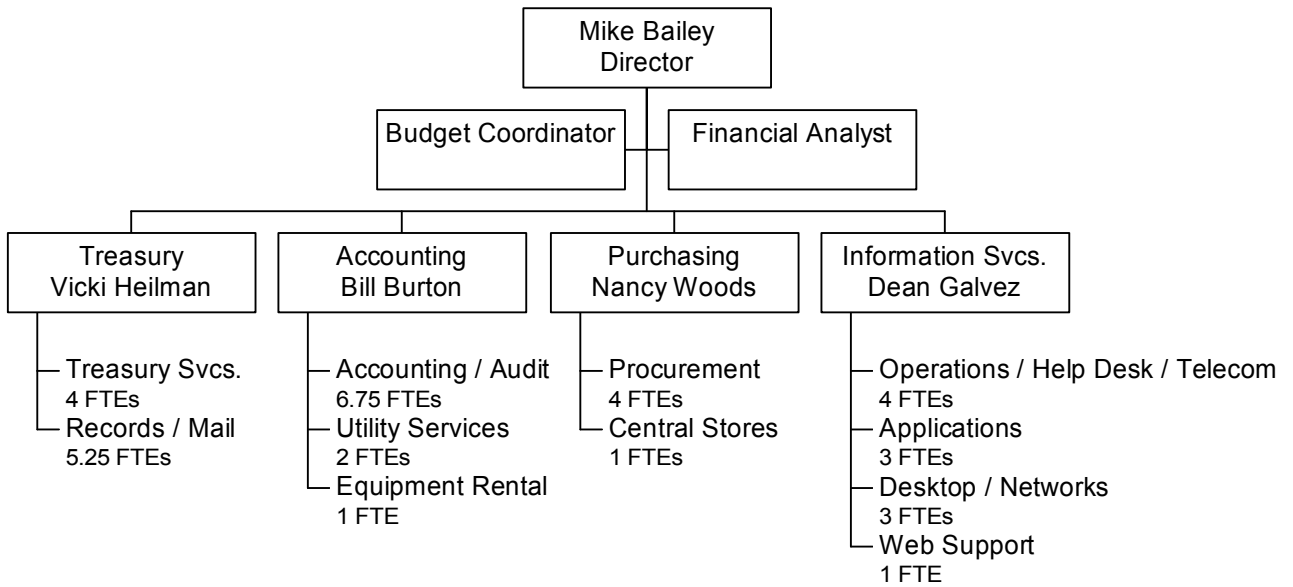
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Department Mission

The Administrative Services Department is committed to exceeding the expectations of our customers by providing responsible leadership in financial, purchasing and technological services.

Department Organization

As of June 30, 2005



Organizational Structure Discussion –

There are no plans to change the organizational structure of the department.

The department reviewed options for changing roles and responsibilities of units of our organization. We determined that the current organizational structure serves the city best.

Personnel

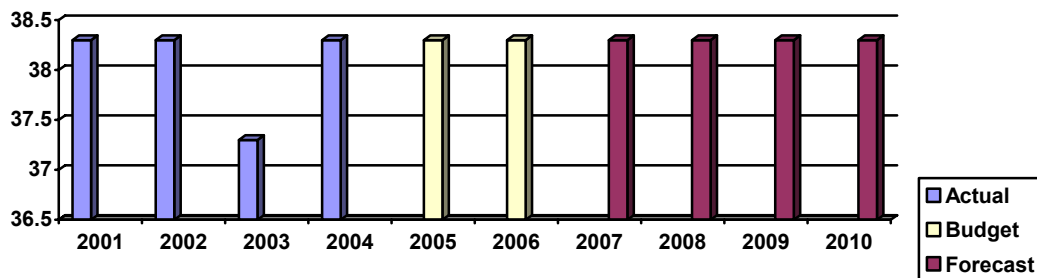
As of 2005

	2003	2004	2005	2006	2007	2008	2009	2010
	Actual	Actual	Actual	Actual	Budget	Budget	Forecast	Forecast
Finance Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Treasury Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Accounting/Audit Services	7.3	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Utility Billing Serve	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Record Services	5.0	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Purchasing & Contracts	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Central Stores	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Equipment Rental	0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Information Services	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>
Total	<u>37.3</u>	<u>38.0</u>	<u>38.0</u>	<u>38.0</u>	<u>38.0</u>	<u>38.0</u>	<u>38.0</u>	<u>38.0</u>

The total number of personnel in the department reached in high of 41 in 1999. The reduction to 38.3 is the result of the following:

- Eliminated the graphics arts function in 2001
- Reduced staff is required as a result of improvements in technology
- Added the fleet specialist in 2004 when we assumed this responsibility

Total Department FTE's



Future Needs and Trends

We expect that the personnel needs required to support the department’s service functions are now stable. We do not expect further staff reductions, or needed growth, however ongoing staff and service resource adjustments will be required to meet new and expanded department services growth.

The changes in major city applications have begun to subside which helps stabilize our operations personnel (payroll, accounts payable, purchasing, general ledger and utilities) The migration toward E-government public services delivery from over the counter at City facilities during normal business hours to an online self serve model at citizen convenience is a major goal. Our strategy is to leverage technology, as an enabler to meet increased public service demands, timely information access and improve City resource efficiency. Council funding for the IT Plan will be required.

Description of Major Functions and Operations

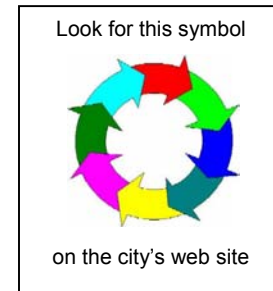
Our department consists of five divisions that operate eight programs.

Administration:

The administration division oversees the department's activities, coordinates with the Mayor's office and the City Council. This division is responsible for the development of the city budget and implementation of the Council's budget initiatives.

Other responsibilities include risk management and City Clerk. This division prepares financial reports provided to the Mayor, City Council and the public (also available on our website).

Budget and Strategic Planning – The city utilizes a biennial budget in accordance with RCW 35A.34. The city also has a comprehensive performance management system that is supported by our department. Performance management includes the strategic plans as well as performance reports and the biennial budget. The budget process includes analyzing financial data, estimating revenue, calculating estimated salaries and wages, assisting department personnel, and auditing and compiling the budget documents for the preliminary and final budgets. Staff is also responsible for monitoring the budget throughout the year by comparing budget to actual activity. The Annual Budget was submitted to the Washington Finance Officers Association (WFOA) and Government Finance Officers Association (GFOA) awards program winning the award for the first time in 2000 and each year thereafter. Strategic planning follows the guidance found in LMC 2.70 and includes working with the Performance Management Team and city departments as necessary. We participate in the ICMA Center for Performance Measurement and also provide other measures not included in the ICMA program. The City has earned the ICMA's Certificate of Distinction for its work in Performance Measurement.



Accounting Division:

The accounting division provides accounts payable, payroll, utility billing, accounting / general ledger, fixed asset, financial reporting, city fleet and other related services.

Accounts Payable (2.5 fte) - Accounting staff process invoices for payment. Payments are processed every other week on a current basis. The Accounting Manager is the "auditing officer" of the city that means that each payment is authorized as a legal obligation of the city by the Accounting Manager. The Council Audit Committee also approves the vouchers for payment at the Council's business meetings. The accounts payable staff maintains the records validating payments made by the city as legal obligations.

Payroll (2 fte) – The city processes a bi-weekly payroll and each payroll process includes all full-time and part-time staff. The city pays about 100 part-time employees along with its approximately 350 full-time employees each payday. This staff also processes all payments associated with payroll, such as withheld taxes and employee benefits. The payroll staff is also called upon for analysis of wage proposals, such as during union negotiations, and assists with payroll budget forecasts.

Utility Billing (2 fte) – The city processes its utility accounts in cycles. The city has broken the accounts into sixteen routes and two routes are billed each week. Therefore, the entire city system is billed bi-monthly (accounting for off weeks). Approximately 800 water accounts are billed each week. In addition there are accounts without water service (such as sewer only and surface water) which this staff bills. Closely monitoring delinquent payments, which includes water disconnections, and filing liens for non-payment, is also a responsibility of the staff. Customers contact these employees to change service. Changes to service include moving into or out of our service area and temporary changes such as vacations.

Accounting / General Ledger (2.25 fte) – This staff manages the chart of accounts for the city and oversees all accounting activity to insure it complies with “generally accepted accounting principles” (GAAP) as well as the State Auditor’s “Budgeting, Accounting and Reporting System” (BARS). Journal entries, budget amendments, adjusting entries and lots of advice to internal city customers represent much of the work. In addition, this staff monitors grant accounting activity in support of grant program managers to help assure compliance with grant conditions and comply with financial reporting requirements. This group coordinates the annual audit by the Washington State Auditor’s Office.

Fixed Assets (0 fte) – Maintenance of the fixed asset records is a time intensive task of this division. This work is performed by a variety of people as a secondary duty. The addition of city infrastructure (streets, sidewalks, paths, etc) to the fixed asset system represents a significant task to be accomplished in 2005 and 2006. After the initial inclusion, the infrastructure asset inventory will be kept current (along with depreciation schedules) in accordance with new GASB directives.

Financial Reporting (0 fte) – The “Comprehensive Annual Financial Report” (CAFR) is compiled each year by staff of the Accounting Division. This is the official annual financial report of the city and serves as the basis for the annual audit. The State Auditor’s Office provides its “auditor’s opinion” concerning this report. The report has been submitted to the Government Finance Officers Association (GFOA) for its review under an awards program. The city’s CAFR has received the GFOA award for the past seventeen consecutive years. In addition, this staff prepares numerous other financial reports for the city.

City Fleet Management (1 fte) – The division has been responsible for the management of the city’s fleet since 2004. One full-time position was transferred to the division in 2004 to assist with this responsibility. This function assures the timely replacement of city vehicles according to a schedule consistent with Council policy and as approved in the budget. The function also oversees the disposition of surplus vehicles. They also set the replacement component of the internal equipment rates assessed to city departments which provides the resources to replace vehicles according to the schedule.

Treasury Services/ Records Division

This division provides the following services: cash and investment management, cashiering, business and specialty licenses, records maintenance, accounts receivable, mail, directory assistance (Receptionist), oversight of pension systems, budget development and bond collections.

Cash and Investment Management (1.5 fte) – The Assistant Finance Director monitors the cash position of the city daily. Assures that all funds collected by the city are credited to the proper accounts and that the funds collected have been deposited into the appropriate banks. Determines the amount of cash that should be kept on hand to meet short-term needs, such as, payroll, accounts payable and debt service payments. The City’s Investment Committee is responsible for directing the investments of surplus cash in accordance with the Council policy. A reconciliation report of cash and investments compared to the bank statements is completed monthly by Treasury staff. Staff also prepares cash and investments reports for the quarterly financial reports and annual report.

Cashiering (1.5 fte) – This is currently both a centralized and decentralized function. The cashiers at City Hall accept payments from customers for utility bills, business licenses, special assessments, permit and inspections fees. Staff also verifies the daily cash reconciliation’s from the various departments which also accepts payment, such as, Parks and Recreation, Golf Course, Police Department and Senior Center and provides them with a receipt. They prepare the daily bank deposits and audit the daily cash receipts to control totals. In addition, they research and process all refunds requests made by the other departments. Collection of all NSF checks is also their responsibility. “Treasurer’s Checks” are prepared for all immediate payments by this staff (usually 17 per week).

Business and Specialty Licenses (1.0 fte) - Staff is responsible for the issuance of new and renewal licenses to all individuals who own or operate a business within the city limits.

They check each application for completeness and electronically route them to the appropriate departments, and upon approval, process and issue the customers their license. For the year 2004, the city issued - 4,560 business licenses—of which, 2,492 were residential, 388 were home occupation and 1,680 were for non-resident. In addition, staff monitors delinquent accounts and takes appropriate action for noncompliant businesses. All business and specialty licenses are regulated under the Lynnwood Municipal Code, Title V.

Records (2.25 fte) – The city records are maintained in two separate areas. The first being the legal and official records which staff records, scans and files in the main vault. The other records are defined as archived and staff records them as received and in accordance with the Washington State Archivist Guidelines, they are stored in the records center until the official destruction date or filmed then destroyed. Staff is responsible for the filming, scanning and/or destruction of these documents. The records staff also processes all city legal publications and ensures that all city ordinances have been codified.

Accounts Receivables (.5 fte) – Treasury staff prepares accounts receivable billings for all departments for the sale of goods and services provided. Billings are processed as

requested by the departments and payments are recorded into the proper accounts. The staff maintains an on-line retention schedule to determine delinquent accounts and works with the collection agency to collect the accounts that are over 90 days past due.

Mail (.5 fte) - Staff is responsible for receiving, sorting and distributing the daily incoming mail citywide. They process the citywide outgoing mail by determining the correct amount of postage due and sort the mail delivery to the post office. They also assist with mailing outgoing packages for the city via US Mail, Parcel Post and Federal Express.

Directory Assistance (1 fte) - Responsible for receiving and directing in coming calls thru the City's switchboard. Greets the customers as they enter the City lobby and directs them to the appropriate department. Maintains the City's phone directory on a quarterly basis. Assist other Administrative Services divisions and other departments with a variety of tasks, such as processing utility bills, data entry of employment applications into the GEMS Human Resource Management System, etc. Responsible for maintaining and ordering supplies for the city hall supply cabinets.

Oversight of LEOFF Disability Board and Firemen's Pension Board (1 fte) - Staff serves as the Administrator/Secretary to the boards, which involves preparation of the agendas, minutes and distribution of packets to the Boardmembers. Correspondence, processing medical claims, preparation of paperwork for active members seeking disability retirement, and processing monthly pension payments represent the majority of the work involved. In addition, this staff conducts the annual elections for Board members. There are currently 53 LEOFF 1 or pre-LEOFF employees / retirees in the City of Lynnwood.

Bonds (0 fte) – The city currently has debt obligations in the form of General Obligation, Revenue, LID Bonds and private notes. This debt was incurred to complete capital projects. It is the Treasury staff's responsibility to establish annual bond and interest schedules for payment to the Fiscal Agent and prepare the notices of collection for publication and maintain the outstanding bond registers. In addition, staff works with the Bond Counsel and Underwriters to provide them with financial and other data for preparation of official documents for the issuance of bonds.

Information Services:

Customer service, network management, telephony support, office automation support, and application support and development make up the basic services provided by this division. As the division transitions to a new operational model the delivery of services will evolve. The description of services follows:

Application Services (3 FTE):

Application team provides business system software support for City and vendor applications, to include software development, project management, software maintenance, and data management. Customer end user support for many existing application systems occurs on a day-to-day basis. This section is responsible for working with City programs to identify activities where efficiency or quality can be improved through use of applications, business process changes or automation. The work of this section includes the analysis of business needs and identification of business improvements; definition of system requirements and estimates; the selection of

commercial software or the design and construction of computer programs to include Web e-government application (intranet/internet) development.

Operations / Help Desk / Phone Services (4 FTE):

The Help Desk serves as the main point of contact for all City IT requests, scheduling and resolution and Computer Operations. Provides required support to operate the major City business applications. The work of this section includes data preparation, job setup, scheduling, data backup, tape offsite management, and technical and customer assistance.

The Telecommunication Services section provides efficient and cost effective telephone and related services to all City programs. The section is responsible for managing and maintaining the telephone PBX, voice mail, data communications, remote telephone systems, and mobile phone support. This group is also responsible for vendor coordination with Verizon and State of Washington for data circuits, telephone repair, and maintenance of equipment upgrades (PBX, Key Systems and associated instruments). This group coordinates services for 800 lines, and long distance calling. Telecommunications also provides voice mail system administration, technical support, and training. The team supports the work of all departments by providing voice and data services to all City properties and maintaining approx. 275 telephone instruments.

Network and Desktop Services (3 FTE):

The PC/Network services include technical support, problem resolution, consulting, systems integration, technology purchasing, and product evaluation. The section plans, designs and directs the installation of all City information technology infrastructure enhancements. This group is responsible for managing the overall operation of the City computing infrastructure (network, application/database servers (20), personal computers (300), local and wide area networks, operating system software), including data/voice wide area network communications, office automation, and Internet/Intranet infrastructure. This section manages and maintains the information technology that supports all City programs; it also provides the connections for data sharing between City, State and the Internet. Provides Citywide cable plant management, infrastructure design, installation/support, and email, data backup, IT disaster and recovery services.

Web Services (1 FTE):

The services include consulting, design and direct Department support regarding the City Internet/Intranet Web site presence (design, layout, look-feel, content organization, and navigation for efficient access). Manages the Web site and conducts planning and research to improve City services. Works with the applications section to incorporate e-government services through the City web portal. Ensures the website design is in accordance with municipal best practices.

Purchasing & Contracts:

This division manages purchases of equipment, material and supplies and contracts for professional and routine services.

The Purchasing & Contracts (4 FTE)

Provides procurement and contracting services to all departments of the city. These procurement activities include:

- soliciting bids and quotes by phone, fax and sealed bidding
- writing bid specifications and preparing bid documents, legal ads, council bid calls, bid awards, contracts, sole source justifications, interlocal agreements, etc.
- maintaining supplier data and seeking new suppliers
- analyzing bids and quotes received to determine lowest, responsive and responsible bidder
- analyzing proposals to determine most advantageous proposal
- making award recommendations to City Council
- determining when competitive bids are not necessary
- issuing Purchase Orders and change orders
- monitoring goods and services received for compliance with the Purchase Order terms and conditions
- solving disputes between city and supplier
- requisition training and assistance
- interviewing sales staff
- maintaining a Small Works Roster and soliciting, awarding, and administering Small Works Roster contracts
- maintaining an Architect and Engineers roster
- promoting “buy recycled”
- encouraging local, minority, disadvantaged and small businesses to do business with the City
- leading a Shared Small Works Roster program as well as a new in 2005 shared Architects and Engineers roster in which over 50 public entities participate
- assuring compliance with statute, federal regulations, and Lynnwood Municipal Code, policies and guidelines
- administering contracts using the contract database to monitor in particular renewals, expirations and insurance requirements
- administering a P-Card program

Central Stores (1 fte) – The Purchasing Division also includes Central Stores. This operation supplies the Public Works Department, Parks Department, Police and Fire, with the routine supplies for day-to-day work. Tools and supplies are maintained in an inventory, and crews can stop at the warehouse throughout the day to have immediate access to any routine and/or needed supply.

Department Goals, Objectives and Outcomes

Review of Goals from 2003 Strategic Plan

Goal #1 - Improve customer relations in the Utility Billing area.

Result - We were unable to get the on-line customer inquiry initiatives completed as yet and hope to in the next twelve months.

Goal #2 - Establish GASB 34 compliant reporting standards for Infrastructure Assets.

Result - We have been reporting in compliance with GASB 34 for 3 years. The City won an award from GASB for its early implementation. We need to report infrastructure assets in 2005 to remain in compliance.

Goal #3 - To readily provide the state auditors and others with a list of assets purchased with federal funds.

Result – We are able to identify assets purchased with federal funds.

Goal #4 - To streamline and improve efficiency in the Division / eliminate the need to manually stuff envelopes in all areas during 2004.

Result – We purchased an envelope stuffer and have reformatted mailings to automatically stuff envelopes.

Goal #5 – Enhance and streamline the business license process with the implementation of a new business license system, which will include a new business license application form.

Result – We implemented the system and new business processes improving turn-around time, transparency to all involved and posted the forms and performance data on our web site.

Goal #6 – Improve the productivity of the cashier area by implementing more on-line services and an additional cashiers station within the Police Department.

Results – We have implemented electronic payment of invoices on a limited basis and will expand over time. We have implemented an electronic tool that title companies can use to get access to city information. We continue to need to provide on-line bill paying services and accept credit cards or other electronic payment more widely throughout the city.

Goal #7 – Make the bureaucracy of buying items as streamlined as possible while protecting the accountability necessary with the use of public funds.

Results – We have continued to improve the procurement card program while clarifying its appropriate use within city policies. We have continued our training efforts.

Goal #8 - Develop and continuously improve staff expertise.

Results – Staff training and development continues to be a very high priority in the department. We are pleased with our staff's expertise.

Goal #9 – Seek to leverage departmental expertise in assisting other city agencies and functions.

Results – We have expanded the regional tools supported and implemented by Lynnwood such as the public works contract tool.

Goal #10 – Utilize technology to leverage city resources and provide superior service.

Results – The city's Information Technology Strategic Plan was updated during 2004 along with improvements to the web site. The electronic agenda development tool was implemented in 2004.

Goal #11 – Provide improved customer service to city employees with technology problems.

Results – We did not make the hoped for improvements in transparency of help desk work orders.

Goal #12 – Continue to implement the managing for results program.

Results – The city received an award for its program in 2004 from ICMA.

Goals, Objectives and Outcomes for 2005 – 2010 Plan

Treasury and Records

Goal #1- Improve the productivity of the cashier area by implementing the new GEM'S Centralized Cash Receipting (CCR) System and implement more on-line services. (economic opportunity goal)

Objective #1 – Provides centralized cash collection of utility and accounts receivable payments as well as all other non-billed revenues.

Objective #2 – Provides direct access to customer utility accounts for referencing the status of their account, eliminating the need to access two separate systems.

Objective #3 – Allows for the acceptance of credit cards improving customer convenience while decreasing the amount of cash handling and collection of NSF checks.

Objective #4 – Provide on-line bill paying for Utility customers eliminating the need for manual processing of bills.

Outcome- Improved customer service, operating and cost efficiencies.

Goal #2 – Perform a review of the type of public records submitted and stored in the records center and determine the appropriate method and most cost effective means for retaining (microfilm, microfiche, imaging or hold and destroy) based on the Washington State Guidelines. Evaluate what records can be scanned at the originators desktop and then sent to records for destruction.

Objective #1 - Reduce paper record handling and the need for storage space.

Objective #2 - Scanning provides for real-time desktop accessibility of the record.

Objective #3 - Enforces the disposition of obsolete records.

Objective #4 - Work with internal customers to identify the essential records that should be submitted and retained, eliminating the need for storing non-essential records.

Outcome- Improved retention and access to appropriate records while containing costs.

Information Services

Goal #1 – Implement the City IT Plan to address essential technology infrastructure needs required to provide public services and improve government efficiency.

Objective 1: Obtain City Council funding for IT Plan phases based on Capital Facilities Plan Priorities

Objective 2: Develop project plans, timelines, status reports and publish on the City Intranet

Objective 3: Implement the funded City IT Plan projects

Outcome- Maintenance of city investment in technology assets while maximizing the use of technology tools for service delivery.

Goal #2 - Redesign The City's public web site to enable improved citizen communications and services delivery.

Objective 1: Improve the City Public website design (Ease of Use, Look & Feel, Navigation, Search-ability, etc.)

Objective 2: Migrate the City web site from a document approach to interactive web services

Objective 3: Improve City Department service efficiency and effectiveness

Outcome- Improved efficiency in providing access to public information.

Goal #3 - Implement Information Services Work Request System enhancements to improve day-to-day support services, customer satisfaction, effectiveness, and efficiency.

Objective 1: Refine day-to-day IS support (Processes, Data Collection, Standards, Customer Expectations, Priorities)

Objective 2: Improve customer communication (scheduling, follow-up, status) by providing online web reporting

Objective 3: Develop workload indicators (work type, services provided, performance measures)

Outcome- Improved customer service and transparency of effort.

Goal #4 - Replace the current City intranet website to significantly improve City/Employee information access, communication and handling of intra-department service requests.

Objective 1: Organize the vast amount of internal information so its easily accessible/available.

Objective 2: Enhance inter-departmental communication and collaboration.

Objective 3: Improve internal employee service request handling efficiency and effectiveness.

Outcome- Improved internal / employee communication.

Goal #5 - Support City business projects that have a major IT component.

Objective 1: Provide technical management in support of City business projects

Outcome- Improved service delivery of city programs.

Accounting

Goal #1 - Improve customer relations in the Utility Billing area.

Objective #1 - Establish the capability for those customers that qualify on-line account inquiry and credit card payment option. This item is covered in the IT Plan and hopefully will be accomplished in 2005.

Objective #2 - Study ways to streamline operations to improve efficiency and better handle customer needs.

Outcome – Improve staff efficiency and customer satisfaction (our mission).

Goal #2 - Establish GASB 34 compliant reporting standards for Infrastructure Assets. (infrastructure goal, financial management goal)

Objective #1 - Team with Public Works to account for the City's Infrastructure Assets by one of two available methods approved by the GASB Statement 34: Calculate cost and depreciation back to 1980; and the modified approach requiring periodic condition assessments by the end of 2005.

Objective #2 - Develop an efficient and reliable system to track infrastructure improvements in the city's records such that they easily comply with GASB 34 requirements.

Outcome – Comply with mandated reporting requirements and good management.

Goal #3 - Streamline and improve efficiency in the Division. (financial goal)

Objective #1 - Create additional reports using the Gems database that will be quick and easy for non-technical persons to use by the end of 2006. Use of new GEMS software can help in this area.

Objective #2 – Explore the use of on-line employee access to some pay records including printing a paycheck stub

Objective #3 - Study procedures currently used in each area and determine if they are really needed, and if so, can they be improved upon to save effort and time. This will occur over the next two years with the complete review being accomplished by the end of 2006.

Objective #4 - Improve other department's access to the GEMS System by providing ability to obtain more information needed by the departments. Provide additional training to other departments on the use of proper account coding.

Objective #5 – Provide improved accountability for the City's vehicular equipment replacement fund.

Outcome – To improve service to our customers and improve operating efficiency.

Purchasing & Contracts

Goal #1 – Simplify, clarify, and streamline procurement and contracting process

Objective #1 – Recommend purchasing and contracting revisions to Lynnwood Municipal Code to City Council.

Objective #2 – Implement a single purchasing policy that is synchronized with Lynnwood Municipal Code.

Outcome – Improve staff efficiency and customer satisfaction (our mission).

Goal #2 – Perfect contract database

Objective #1 – Form multi-division task group to review and make recommendations for improvements that will augment it's usefulness, reliability, data validity, and purpose.

Objective #2 – Implement recommendations

Objective #3 - Maintain improvements

Outcome – Improve staff confidence that the contract database is a reliable and complete source of information.

Evaluations of programs and services

Performance Targets

Workload Measures

	2002 Actual	2003 Actual	2004 Actual	2005 Target	2006 Target	2007 Forecast	2008 Forecast
Treasurer's Checks	875	785	750	725	700	670	650
AP Checks	6,757	6,916	6,850	7,007	7,168	7,332	7,500
AP Transactions	18,929	19,500	19,555	20,687	21,308	21,947	22,605
Payroll Checks	10,868	11,141	12,417	12,721	13,032	13,351	13,678
Utility Bills	63,626	66,827	70,189	73,551	77,074	80,766	84,634
Business License	4,443	4,197	4,324	4,540	4,675	4,675	4,675
Personal Computers	368	380	399	419	427	440	453
Telephones / PBX	330	340	347	354	360	368	375
Cellular Phones	165	170	170	170	170	170	170
Landlines	98	98	98	98	98	98	98
Pagers	120	94	85	80	75	70	65
City Fleet Vehicles	205	205	205	207	208	209	209
Purchase Orders	324	226	297	750	750	750	750
Pro-Card Transactions	2,672	2,718	3,002	2,800	2,800	2,800	2,800
Pro-Card Amount	490,000	525,000	851,000	600,000	600,000	600,000	600,000
Bids / RFPs / agreements	27	50	50	50	50	50	50
Small Works Projects	21	14	16	8	14	8	14
Vendors w/transactions	1,432	1,357	1,364	1,400	1,400	1,400	1,400
Accounts Rec. billing	963	915	942	960	980	1,000	1,030
Public Information Requests	12	18	15	20	15	20	15
Special Events Permits	38	25	30	40	50	75	100
Help Desk Calls	2,902	2,600	2,500	2,500	2,500	2,500	2,500
Claims against City	53	45	40	40	40	40	40
City damage claims	20	23	20	20	20	20	20

Note: Amount of Treasurer checks will decrease and A/P checks will increase if an enhancement is made to the system where we can issue refund checks to multiple customers under one vendor number.

Effectiveness Measures

	2002 Actual	2003 Actual	2004 Actual	2005 Target	2006 Target	2007 Forecast	2008 Forecast
Customer Satisfaction:							
- Overall	5.7	5.9	5.6	6.2	6.3	6.4	6.5
- Flexibility	5.6	5.8	5.4	6.2	6.3	6.4	6.5
- Courtesy	6.2	6.3	6.7	6.6	6.7	6.8	6.8
- Problem solving	5.4	5.2	5.2	6.2	6.3	6.4	6.5
- Promptness	5.5	5.9	6.0	6.2	6.3	6.4	6.5
- Financial Information	3.8	5.0	5.7	6.0	6.2	6.3	6.5
- Equipment Replacement			3.8	5.0	5.5	6.0	6.5
Return on Investment: Compared to LGIP	175%	200%	150%	150%	150%	150%	150%
Computer Network Uptime			99%	99%	99%	99%	99%
Telephone System Uptime			100%	100%	100%	100%	100%

Efficiency Measures

	2002 Actual	2003 Actual	2004 Actual	2005 Target	2006 Target	2007 Forecast	2008 Forecast
Bill payments from:							
- Invoice date				30 days	30 days	30 days	30 days
- Date rec'd by AP				7 days	7 days	7 days	7 days
Public Records:							
- Average turn-around			3 days	3 days	3 days	3 days	3 days
- % provided in one day			75%	75%	75%	75%	75%
Business License:							
- % issued in 1 month		75%	90%	100%	100%	100%	100%
- % issued in 2 weeks		30%	50%	75%	85%	90%	100%
- % issued in 1 week		10%	20%	50%	75%	80%	80%
Procurement time:							
- Bid items			30 days	30 days	20 days	20 days	20 days
Help Desk:							
- Cost per call							
- Answered immediately			20%	30%	40%	50%	50%
- Answered in 24 hours			75%	80%	80%	80%	80%
- Answered in 5 days			100%	100%	100%	100%	100%

Data Methodology

The workload measures come from a variety of sources directly related to producing the work product.

The efficiency and effectiveness measures are either from the source systems (as in workload measures) or from the department's annual customer survey.

Analysis

The following observations are made:

- The workload of the department will vary, but generally will continue to increase as other activity in the city increases. The department will manage this growing workload through productivity improvements.
- The emphasis on customer expectations seems evident in the survey results. We are seeing improvement in the perception that the department is concerned about and is improving its responsiveness to customer needs.

Explanatory Information

The department was assigned the responsibility for the fleet replacement in 2004 which is when we added measures related to that function.

A shift in emphasis occurred in the Purchasing Division in 2005 which is evident in the illustrated measures.

Departmental Strategy

General Organizational Changes:

No significant changes in either the structure or funding levels for the department are anticipated.

The Administrative Services Department wishes to explore with the Mayor and Council the benefits of a conversion to Internal Service Funds for city administrative support functions.

Conversion to Internal Service Funds - Background

The department has made changes and improvements to its service delivery systems. Service delivery has been a focus of the department for several years. The department developed and will continue to utilize the results of the customer survey to seek opportunities for further improvements for our customers. We focus on service delivery improvements while assuring the city continues to comply with regulatory requirements.

Conversion to Internal Service Funds – Consequences of a Change

The primary affect of such a change would be to use a business type model for management of these functions as contrasted to a traditional governmental model. For instance, a cost allocation model would be created to recover the costs necessary to support administrative service operations. This model would be based on the benefits provided to the front-line programs. It would be negotiated with the front-line departments with clear accountability for service delivery by the administrative functions.

The new model would provide for the timely replacement of associated equipment and systems. Built into the cost model would be the equipment costs, through an amortization approach. This will provide resources to renew equipment on a schedule approved by the Mayor and Council and allocated to front-line departments.

Increased accountability for administrative costs would provide increased transparency for cost versus benefits of administrative functions. Essentially, our customers as well as the Mayor and Council would be able to influence the administrative budgets and activities.

Funding for administrative functions would be added to front-line program budgets in initial years, in an amount equal to the administrative budget. No negative budget impact will occur to front-line program budgets. However, once implemented, the subsequent budget amounts would be subject to review by front-line program managers and the administrative service team.

Conversion to Internal Service Funds – Benefits and Rationale

1. Currently, direct city services include primarily direct costs in their business models. For instance, fire suppression includes the direct costs of personnel and equipment for fire suppression. It does not include the related (overhead) costs of record keeping, payroll, computer systems and other support costs represented by our department's expenditures. City general government expenditures should

consist of governance and executive management, not support functions as it currently does.

As a result, city reports reflect an under-reporting of the costs of front-line services and an overstatement of costs for general government services.

2. The current Administrative Services business model does not foster a maintenance of services approach to service delivery. An Internal Service Fund would include the equipment and other assets necessary to perform our various functions. A replacement schedule for all such equipment would be developed and included in the budget. The cost of replacement would be included in the allocated costs.
3. Improved productivity and a clear customer service focus will be emphasized. Training and other improvements should be demonstrated by increased proficiency or be challenged by those paying for the service.

Also related to productivity is the need to maintain an excellent work environment for our employees. We will monitor the quality of the office equipment used and recommend improvements and replacement in order to keep it safe and highly functional.

Continued emphasis of electronic commerce will occur over the next few years. We will seek to leverage the technology investments on behalf of improved access to service for our customers. We look forward to funding of the approved Technology Strategic Plan II.

Strategic Budget

	2001-02	2003-04	2005-06	2007-08	2009-10
By Program	Actual	Actual	Budget	Forecast	Forecast
Administration	598,824	853,940	893,518	898,978	898,978
Treasury	674,518	639,951	716,520	720,898	720,898
Accounting / Audit	1,332,325	1,271,712	1,329,628	1,337,753	1,337,753
Information Services	2,144,422	2,150,583	2,266,531	2,280,381	2,280,381
Purchasing	539,969	572,171	642,565	646,491	646,491
Records	658,513	693,694	812,465	817,430	817,430
Central Stores	187,258	201,887	269,430	271,076	271,076
Self-Insurance	<u>1,407,025</u>	<u>1,531,586</u>	<u>1,252,000</u>	<u>1,259,650</u>	<u>1,259,650</u>
Total	7,542,853	7,915,524	8,182,657	8,232,657	8,232,657
By Expense Type					
Personnel	4,805,664	5,064,560	5,342,151	5,342,151	5,342,151
Operations & Maintenance	2,604,844	2,732,520	2,695,429	2,695,429	2,695,429
Capital Outlay	40,394	-	-	50,000	50,000
Other	<u>91,951</u>	<u>118,444</u>	<u>145,077</u>	<u>145,077</u>	<u>145,077</u>
Total	7,542,853	7,915,524	8,182,657	8,232,657	8,232,657
FTE's	37.3	38.3	38.3	38.3	38.3

Comments about Strategic Budget

Little or no change in resources needed is anticipated in the future (other than inflation). Should we change the model to a business type model, a fair amount of work will be required to assure good cost allocation models are developed.

It remains our goal to exceed the expectations of our customers while consuming as little of the public resources made available to the city as possible.

Summary of Funds Requested

Page Ref.	\$ Requested	Description
12	215,000	IT Plan 2006 - Critical Needs
12	165,000	IT Plan 2007 - Critical Needs
12	450,000	IT Plan 2008 - Critical Needs
	830,000	Total Requested