RESPONSIBLE GOVERNMENT

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OFFERS

RESPONSIBLE GOVERNMENT

I WANT A CITY GOVERNMENT THAT IS RESPONSIBLE AND RESPONSIVE TO ITS RESIDENTS AND BUSINESSES

REQUEST FOR OFFERS

TEAM MEMBERS

Team Lead: Erika Vandenbrande, Planning
Team Member: Lynn Arakaki, Public Works
Team Member: Julie Howe, Human Resources
Team Member: Ryan Spencer, Parks & Recreation
Team Member: Charu Naik, Community Member

DASHBOARD INDICATORS

Indicator 1: Percent of community responding positively regarding satisfaction with City services.

Measure Description: A measure used to provide information on the level of community satisfaction to specific government-provided services.

Calculation Method: Data for this measure will be generated by the City's biennial survey.

Indicator 2: Trend in Redmond's Price of Government.

Measure Description: The Price of Government is literally defined as the sum of all taxes, fees and charges collected by all sectors of city government divided by the aggregate personal income of that government's constituents. The calculation is used to define a band within which residents are willing to pay for government services. In Redmond, the band is 5%-6% of personal income which is typical for local governments.

Calculation Method: The sum of all taxes, fees and charges collected by Redmond divided by the aggregate personal income of the City's residents.

Indicator 3: The City's bond rating.

Measure Description: A measure used to reflect the City's ability to meet and/or exceed fiscal policy benchmarks which contribute to an excellent credit rating. Some of these benchmarks include:

- The Price of Government remains within the 5%-6% range (see above);
- The City's general operating reserves and economic contingencies are budgeted at a level adequate to maintain future financial stability;
- User fee reviews are performed as scheduled;

- Long-range forecasts are prepared and used to plot an appropriate financial course and to make course corrections as necessary;
- The City maintains an annual contact with rating agencies to report on the City's current financial conditions; and
- Quarterly expenditures and revenue reports are presented to Council in a timely manner 100% of the time.

Calculation Method: Determined by bond rating agencies. Redmond's current rating is AAA with Standard and Poor's and Aa2 by Moody's Investor Service.

INTRODUCTION/SUMMARY OF CAUSE & EFFECT MAP

The process for refining the Cause and Effect Map for this budget priority included citizen input and team brainstorming. The team relied upon the considered, well thought out work of the previous teams as a resource and guide. The list of factors were maintained in four general, but inclusive categories that best represent the elements of a responsible and responsive government. The team believes the factors not only stand alone, but reinforce each other. Moreover, the factors and strategies to achieve the outcome of a responsible and responsive government are distinguished from similar factors and strategies contained in other priorities by the fundamental, versus more programmatic, emphasis. Overall, we believe this budget priority of "Responsible Government" helps form the foundation for and reinforces successful outcomes in the other budget priorities.

The factors listed below are prioritized based on the belief that one factor provides the foundation for success of the following factors. The team believes all factors combined are important to achieve the priority of a responsible and responsive government.

Factor 1: Effective Leadership and Empowerment
Effective leadership can be demonstrated at all levels of the municipal organization by: 1) supporting the City's vision; 2) enabling and empowering City employees to demonstrate innovation and flexibility in realizing and communicating the vision; 3) engaging in cross-departmental alliances; and 4) providing opportunities for the professional development of staff. Effective leadership is proactive in generating regional partnerships that foster cooperation and yield benefits across city boundaries or jurisdictional borders. Effective leadership and empowerment provides the foundation for a responsible and responsive government.

Factor 2: Fiscal Responsibility
The City has a responsibility to manage its resources in a conservative and transparent manner so that our citizens and business community can be assured we are properly administering their contributions. Planning for the future necessitates providing for a comprehensive strategic financial and economic plan that includes policies and relevant compliance mandates, that: 1) demonstrates an understanding of the City's demographics; 2) forecasts future revenues and expenditures; 3) includes a budget that allows for economic fluctuations; 4) provides for managing the condition of our assets; and 5) includes investment strategies and appropriate fee structures. These all play an important role towards being a responsive and responsible government.

Factor 3: Quality Service
The community can expect high quality, reliable, and responsive customer service by talented City staff through the use of effective and efficient systems and operations. Proactive and innovative approaches to City services are important to meet or exceed the community's expectations.

Factor 4: Community Connections and Communication
Residents, businesses, partners, and visitors are each part of the community. Connecting and communicating with the community is critical in realizing a responsible government. Readily available access to and sharing of current information, being approachable, engaging the public through sharing of ideas and opinions, as well as outreach and education each contribute to a sense of connection.

PURCHASING STRATEGIES

WE ARE LOOKING FOR OFFERS THAT:

Strategy 1: Establish, cultivate, maintain and enhance the quality of the Redmond work force.
This can be accomplished through: 1) developing an organizational culture that fosters leadership and empowerment; 2) successful attraction/recruitment and retention of experienced and well-trained personnel; and 3) providing and supporting innovative approaches to employee training and professional development.

Offers will be favored that are goal based and consider all areas of organizational and employee development.

Strategy 2: Encourage intra-city and regional collaboration and partnerships.
We cannot do everything alone. Being a responsible government requires City staff to work together in cross departmental alliances, as well as in partnership with other governments in the region and the private sector. Offers will be favored that consider opportunities that build cooperation and yield benefits within and across city boundaries.

Strategy 3: Improve or enhance customer service.
The community can expect high quality, reliable and responsive customer service by talented City staff. Effective and efficient systems and operations are core to supporting superior customer service. Offers will be favored that provide proactive and innovative approaches to City services that are important to meet or exceed the community's expectations.

Strategy 4: Focus on financial strategies and systems that reinforce credibility with the community.
Offers will be favored that demonstrate good stewardship, conservative and transparent budgeting practices, an understanding of the community's demographics, consistency with the City's comprehensive strategic financial and economic plan, addresses sustaining the City's assets, and compliance with city policies and/or mandates. Any mandates or responses to changes in government laws must be clearly defined within the offer.

Strategy 5: Effective and efficient systems, technology and operations enable us to provide community connections and excellent customer service.
Ensuring online access to services allows for information exchange, provides opportunities for community engagement, and increases employee productivity.

Offers will be favored that enhance services provided to customers, both internal and external, as well as eliminate or reduce redundancies.

Strategy 6: Through outreach, education, citizen and business involvement, creatively and effectively engage the community.
Offers will be favored that proactively connect with the community to identify issues, solutions, and strategies that create the environment that supports a responsible government.

CIP PURCHASING STRATEGIES

Strategy 7: Urban Centers
Realize Redmond's vision for Downtown and Overlake[1] by providing needed facilities, services and improvements within these two urban center neighborhoods. Offers will be favored that directly support implementation of the vision and that clearly demonstrate the benefit of funding during the 2013-2018 Capital Investment Program (CIP).

Strategy 8: Neighborhoods
Provide infrastructure connections and systems in Redmond's established neighborhoods. Offers will be favored that directly support improved connections within or between neighborhoods and that clearly demonstrate the benefit of funding during the 2013-2018 CIP.

Strategy 9: Preservation of capital
Provide for the preservation of the City's infrastructure system. Offers will be favored that maintain and improve the reliability, safety and integrity of the system.

Strategy 10: Value for investment
Achieve high value for the dollars invested and demonstrate efficiency in cost, timing, and approach. Offers should describe how projects have been coordinated to provide the most effective approach and to minimize disruption to the community. In addition, explain how the offer leverages actions and resources by others, through partnerships; for example, meet the strategic needs of the City.

Strategy 11: Comprehensive Plan and Vision Blueprint
Carry out the Comprehensive Plan and Vision Blueprint – Capital Investment Strategy, 2013-2030, as well as adopted functional plans. Offers will be favored that implement recurring policy direction and priority projects from these documents, as well as leverage other projects in a cross-functional manner.

NOTES/PRACTICES/SUPPORTING EVIDENCE

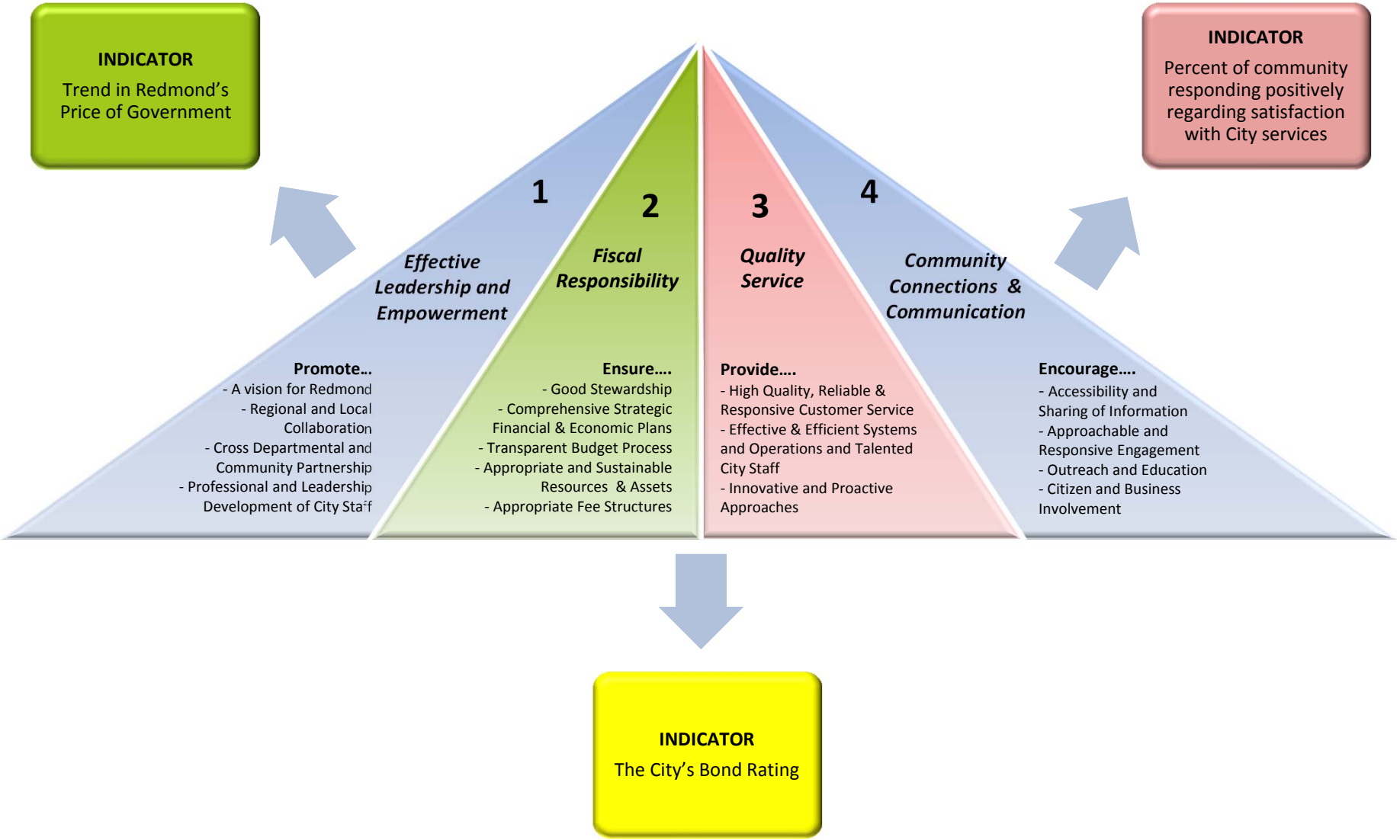
The team believes that Responsible Government provides the underlying foundation for the success of the other identified priorities. Paying the City's debt service is a critical element of being a responsible government, because it is an important part of the equation for the City's bond rating. This, in turn, affects the cost of borrowing.

Our recognition of the importance of effective leadership and empowerment, good stewardship, professional staff, quality customer service, and community engagement formed the basis in the development of this Request for Offers.

[1] See Redmond's Comprehensive Plan for the vision for Downtown and Overlake

Responsible Government

I want a city government that is responsible and responsive to its residents and businesses



RESPONSIBLE GOVERNMENT

2013-2014 OFFER SUMMARY

Page No	Offer #	Offer	Department	Ranking	2013-2014 Adopted Budget[1]
194	EXE2480	City Administration and Management	Executive	1	$819,756
196	FIN2413	Utility Billing	Finance	2	1,617,513
199	FIN2514	Budgeting and Forecasting Services	Finance	3	1,171,523
201	EXE2487	City Council	Executive	4	360,852
203	HUM2522	Employee Recruitment and Selection Program	Human Resources	5	716,643
206	FIN2532	Information Services	Finance	6	6,826,732
263	FIN2555	Open Data Repository - Unfunded[2]	Finance	7	0
209	HUM2524	Training and Organizational Development Program	Human Resources	8	508,355
212	FIN2540	Accounting and Auditing	Finance	9	1,119,148
214	HUM2520	Labor Relations, Compensation, and Policy Administration	Human Resources	10	1,048,093
217	FIN2503	Hearing Examiner Services	Finance	11	51,575
219	FIN2502	Clerk's Office Division - Records and Election	Finance	12	1,018,205
222	HUM2521	Benefits Program Development and Administration	Human Resources	13	514,500
225	FIN2525	Citywide Contingencies	Finance	14	5,764,016
227	FIN2486	Payroll Administration	Finance	15	790,447
229	HUM2523	Safety and Workers Compensation Programs	Human Resources	16	1,953,137
232	FIN2526	Citywide Reserves	Finance	17	8,564,937
234	EXE2510	Innovation Fund	Executive	18	175,000
236	FIN2589	Information Technology Strategic Initiatives	Finance	19	693,000
239	FIN2515	Citywide Mail Services	Finance	20	201,790
242	FIN2512	Capital Equipment Replacement Reserve	Finance	21	4,450,947
244	FIN2516	Accounts Payable Services	Finance	22	624,283
247	LEG2494	Civil Legal Services	Legal	23	322,880
249	FIN2536	Treasury Management	Finance	24	838,287
266	FIN2578	Network and Data Security - Unfunded[2]	Finance	25	0
252	FIN2592	Risk Management	Finance	26	2,604,817
254	FIN2533	Outstanding Debt Obligations	Finance	27	9,868,589
256	EXE2495	Regional Policy and Services	Executive	28	1,267,033
258	FIN2517	Purchasing Services	Finance	29	613,622
261	PW2439	Provide Dependable Vehicles and Equipment	Public Works	30	5,146,759
					$59,652,439

Notes:

1. Adopted Budget totals may not include ending fund balances and fund transfers for all offers.
2. Offers with zero budget were submitted for consideration through the budget process, but not funded or approved.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2480
Type of Offer: OFFER - ONGOING

CITY ADMINISTRATION & MANAGEMENT

Description:

What: The Mayor's Office serves as the Executive Branch of Redmond's government whose mission is to assess community needs, propose policies, develop strategies responsive to those needs, as well as coordinate and support implementation by the departments. The Office provides leadership and is involved on a day-to-day basis in strategic planning for the future, vision implementation, policy development, intra-city and regional collaboration, and partnerships.

Why: City Administration and Management provides for the Executive Branch's continued administration, management, and coordination of City activities to advance citizens' priorities and address community needs. Leadership through articulation and implementation of the City's vision ensures City staff is in alignment with each other and regional partners as Redmond strives to enhance its urban centers, Downtown and Overlake, and provide services to a well-connected and technology savvy community. The Mayor's Office has led the customer service and innovation and efficiency initiatives to better enable staff to meet the community's needs efficiently and effectively. Well thought out and timely internal and external communication is also a large part of the Mayor's Office responsibility to engage and reinforce credibility with the community and work force, as well as promote transparency in City government (see Connecting Community and Government offer in the Community Building priority for details). Lastly, a well-managed City with clear goals and objectives is essential to demonstrating fiscal stewardship, promoting community connections and providing excellent customer service.

How: With overall responsibility of the City organization, this offer speaks to the Responsible Government priority through effective leadership and empowerment by articulating the vision of Redmond, leading major initiatives, such as the innovation and efficiency initiative and fostering cooperation between City staff, the City Council and area stakeholders. The emphasis on fiscal stewardship and transparency by the Executive Office is demonstrated through the calculation of the price of government to set future fiscal policy and community involvement in the Budgeting by Priorities process. Through management of the Office of Communications, City Administration focuses on connecting with the Redmond Community by providing updated tools, such as the City's website or print material such as *Focus on Redmond.*

Funding this offer will maintain the current level of Mayor's Office responsibilities in advancing the mission stated above. Measures for this offer include the "dashboard" indicators for each Budgeting by Priority's priority since the Mayor's Office plays a prime leadership role in ensuring that citywide functions and services are coordinated to advance these key indicators, as well as the related performance measures and outcomes from departmental offers.

Who: As the Mayor's Office is responsible for aligning the City's service efforts with citizen priorities, its oversight/coordination role is critical to meet customer/community service needs. The City Administration and Management offer reflects support of all areas of customer service by clearly articulating the City's vision and providing up to date information on major initiatives through a variety of print, e-mail and online forums.

Performance Measures:

1. Percentage of Community responding positively regarding satisfaction with City services as measured in the biennial citizen survey.
2. Percentage of Community responding positively regarding the future direction of the City as measured in the biennial citizen survey.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2480
Type of Offer: OFFER - ONGOING

CITY ADMINISTRATION & MANAGEMENT

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Citizen Satisfaction with City Services	90.00	82.00	84.00	84.00	Percent
Citizen Response Regarding Future Direction	90.00	76.00	83.00	83.00	Percent

Scalability:

Scalability Proposed: The Executive Department has managerial oversight over Citywide Administration and Management, Regional Policy and Services, portions of Civil Legal Services, and the Prosecutor's Office. Taken together, a 5% scalability for these offers is approximately $170,000. It is proposed that the scalability for these offers could be met through: 1) a $70,000 reduction in the litigation line item of the Civil Legal Services budget to right-size the budget for recent litigation/claims activity; and 2) a $100,000 reduction in the Prosecutor's Office through elimination of the 0.5 full time employee (FTE) prosecutor position. The impacts of each of these reductions are described below:

In recent years, the City's litigation line item has not been fully expended, due to fewer litigation/claims cases filed against the City and more rigorous budget scrutiny to ensure expenditures are properly charged to departmental budgets. While the City's current litigation outlook suggests this is a prudent reduction, it should be noted that it is difficult to predict when/if future litigation/claims may be filed in Fiscal Year 2013-2014.

The reduction of the 0.5 FTE Prosecutor position was proposed in Fiscal Year 2011-2012, but was restored by the City Council due to the City's then-proposed traffic safety camera program. Because the traffic safety program was discontinued in early 2012, this reduction is again proposed for Fiscal Year 2013-2014. Impacts to the Office's workload from this reduction are described in the Prosecutor's Office offer.

Scalability Recommended: No change in this program. However, as noted above scalability for the entire department appears in the Prosecutor's offer (EXE2507) and the Civil Legal offer (LEG2494).

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$330,877	$347,527	$678,404
Ongoing-Others	$85,497	$55,855	$141,352
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$416,374	$403,382	$819,756
	2.250	2.250	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2413
Type of Offer: OFFER - ONGOING

UTILITY BILLING

Description:

What: Utility Billing provides billing, customer service, and collection of the City's water, wastewater, stormwater, and King County's wastewater treatment charges. In 2012, Utility Billing billed over $43 million and mailed approximately 140,000 statements and late notices to approximately 17,000 utility customers.

Why: The Utility Billing offer addresses effective leadership, fiscal responsibility, quality service and community connections and communications. Additionally, this offer speaks to customer service, good stewardship, enhanced services through effective technology, and improved communication. Fees collected support the administration, maintenance, and capital improvements of the City's utility services. Utility Billing supports the community by fostering public trust through the correct and accurate accounting of all monies billed and received, efficient collection of revenues, and providing accurate and timely information to elected officials, rate consultants and City staff to ensure reasonable rates and desired services.

Providing excellent customer service is an integral mission of the Revenue Division, and as such, the focus is on providing accurate billings, prompt and fair resolutions and responses to billing questions, service requests, and general customer inquiries, as well as ensuring strong internal controls over all financial activities. The Utility Billing operation is lean and highly efficient, yet customer service over the phone is readily available nine hours per day, Monday through Friday.

How: The collection of utility and other receivables are accomplished through weekly billings and servicing of accounts, prompt recording (billing, receipts), balancing of month-end accounts receivable, reporting, auditing and analyzing revenues and statistical reports, and providing customer service.

Utility Billing is focused on providing quality, effective and efficient service to both external and internal customers. Our goal for the next biennium is to continue to develop digital government services that provide transparency and access to information that will enhance our service delivery, our relationships with our utility customers and the larger community.

Who: External customers include residential and commercial utility customers, and other government agencies and schools. Internal customers include Council, all city departments through efficient processes and accurate and timely information about utility accounts and revenues.

Performance Measures:

1. Bad debt ratio is less than .01% of total utility revenues billed during a calendar year.
2. Via a survey mechanism, percent of utility customers that rate their overall customer service experience with Utility Billing as 4 (out of 5) or better.

Performance measure one, addresses fiscal responsibility and good stewardship of resources. Maintaining a low bad debt ratio requires that collections are managed in an effective and efficient manner.

A large majority of internal customers were satisfied or very satisfied with their overall customer service (89%), quality (94%) and timeliness of their responses (91%). In early 2011, cashiering services was moved to Treasury and therefore Utility Billing was surveyed separately. In early 2012, Utility Billing received an overall customer service rating of 5 (the highest rating) from all survey respondents.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2413
Type of Offer: OFFER - ONGOING

UTILITY BILLING

2011 was the first year an external customer service survey was conducted and approximately 80% of utility customers rated services provided by Utility Billing as 4 or higher (5 being the highest). Seventy-nine percent (79%) of the survey responders contacted Utility Billing by phone and approximately 37% of the calls were for services other than Utility Billing.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Bad Debt Ratio	0.01	0.14	0.06	0.03	Percent
Internal Customer Satisfaction Rating (4+)	89.00	0.00	89.00	90.00	Percent
External Utility Billing Customers	80.00	0.00	80.00	80.00	Percent

Scalability:

Scalability Proposed: A 5% budget reduction to the next biennium budget ($54,239) will result in a loss of one half time employee (0.5 FTE) which may impact service delivery, such as timely collections of accounts receivable balances, longer call wait times, and cause delays to system upgrades, and responses to customer requests.

New Offer
Included in this offer is a new Utility Billing System that addresses the incorporation of technology with a focus toward providing online access to services and creatively engaging the community through a variety of avenues to provide information. The current Utility Billing System has been in place since 1998 and does not provide the customer driven requirement for online services and GIS interface. In order to fulfill this requirement and meet the community desires for online services, a major upgrade or a conversion to a new system is required.

The majority of customer requests have been for an online service where they can pay their utility bills and receive their billing statements. The online service will provide enhanced 24/7 service with real time access to utility accounts, more efficient payment options, reduce mailing expenses (postage, printing/mailing services), increase employee productivity and improve customer service. Additionally, the GIS interface will eliminate duplicate data entry, saving staff time and provide more accurate reporting capabilities.

The projected timeline for the new software replacement is early 2013. Currently, the estimated software replacement cost is $600,000, to be funded by Utilities (Water/Sewer/Stormwater Funds), which does not include any anticipated hardware replacement costs.

Scalability Recommended: No change to program.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2413
Type of Offer: OFFER - ONGOING

UTILITY BILLING

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$375,289	$384,724	$760,013
Ongoing-Others	$127,000	$130,500	$257,500
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$600,000	$0	$600,000
TOTAL	$1,102,289	$515,224	$1,617,513
	4.000	4.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2514
Type of Offer: OFFER - ONGOING

BUDGETING & FORECASTING SERVICES

Description:

What: Encouraging fiscal stewardship, promoting financial accountability, and ensuring fiscal compliance with state and federal laws is a part of the role of the Financial Planning vision. On behalf of the community and City departments, Financial Planning leads the biennial Budgeting by Priorities (BP) process and development of the six-year Capital Investment Program (CIP). The Division also provides fiscal review and monitoring of the City's economic climate by preparing the City's six-year financial forecast, reviewing revenue conditions, tracking revenue impacts from governmental legislation, promoting and protecting Redmond's interest on a regional level, as well as regularly updating and identifying appropriate fees and charges for service.

Financial Planning acts as fiscal consultants to the various City departments. Analysts are called on to lead studies, participate on regional committees, and troubleshoot Citywide issues and challenges.

Why: Financial Planning services speak to leadership and fiscal responsibility in the Responsible Government priority by providing elected officials, the Mayor, Department Directors and City staff with tools and information to make timely and informed decisions. Through assessments and analysis, Financial Planning focuses on emerging trends, performance indicators and financial policy issues to recommend course corrections, if warranted, and monitor the overall fiscal health of the City. Financial Planning also serves on regional committees to promote and facilitate regional interests while protecting Redmond's interests.

How: Through budgeting, long-range forecasting, policy analysis, model development and systematic assessment of operating plans, Financial Planning analyzes how to meet the needs of a vibrant community. Examples of Financial Planning's work include playing a lead role in the City's Budgeting By Priorities process, collaborating with the Executive Office and the Fire Department to develop a Fire Cost Management Plan, and assessing the City's fleet to determine the adequacy of vehicle replacement reserves.

Who: Financial Planning serves a wide array of customers, including:

- The Redmond Community by answering tax and fee questions, research assistance and providing timely information;
- The Mayor and Council through providing analysis and information for decision-making purposes, as well as Citywide economic updates and recommendations on potential actions;
- The Department Directors by advising on the financial impact of operating plans, participating in cross-departmental projects, such as the Development User Fee and Fleet studies and helping with budget issues and challenges;
- Redmond's regional and local partners by imparting information, representing Redmond's perspective and providing policy analysis and expertise on financial matters; and
- City staff by troubleshooting budget issues, monitoring and tracking revenues and expenditures, as well as providing financial expertise on policy and programmatic challenges.

Performance Measures:

1. Rating of survey respondents' satisfaction with timeliness and quality of Financial Planning services as measured by an internal survey.
2. Internal customer satisfaction with overall budget information resources as measured by an internal survey.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2514
Type of Offer: OFFER - ONGOING

BUDGETING & FORECASTING SERVICES

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Satisfaction with Timeliness and Quality	80.00	72.00	77.00	80.00	Percent
Customer Satisfaction with Overall Budget Information	80.00	75.00	81.00	85.00	Percent

Scalability:

Scalability Proposed: The offer for Budgeting and Forecasting Services can be scaled down by reducing one staff position to part-time status (an approximate 10% or $105,000 biennial reduction). With a reduction of this magnitude Financial Planning would scale back on projects to not jeopardize the accuracy of information requested from the Office.

Instead of providing support to regional committees and financial policy analysis, Financial Planning would turn its attention to just tracking and monitoring budget information, evaluating performance measures, and preparing the budget. With less staff during budget years, the Division would also have to start the budget process approximately two months earlier in order to deliver the document to the Council the first of October, as it will take the remaining staff more time to coordinate and analyze budget information and check the numbers for accuracy. The timelines and quality of budget information is estimated to decline from 77% to approximately 65% and the satisfaction with overall budget information could suffer by as much as 20% (currently satisfaction is at 81%).

Redmond would also lose its place on some regional committees, such as Medic One Advanced Life Support where Redmond has a strong voice in how the region's Emergency Medical Services Levy is structured, the North East King County Regional Public Safety Communication Agency (NORCOM) Finance Committee for Fire Dispatch as well as a lessening of support for City customers, such as Fire District 34.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$534,149	$550,358	$1,084,507
Ongoing-Others	$43,437	$43,579	$87,016
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$577,586	$593,937	$1,171,523
	4.300	4.300	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2487
Type of Offer: OFFER - ONGOING

CITY COUNCIL

Description:

What: The purpose of this offer is to fund the salaries and expenses associated with Redmond's City Council. Redmond has a strong Mayor/Council form of government. The seven Councilmembers, representing the community at large, are each elected directly by the people for staggered four-year terms.

In response to the effective leadership and empowerment factor, the City Council provides leadership that is responsive to the needs of the community in a fiscally sound manner. Through their work, the City Council supports the City's vision by adopting comprehensive policies that ensure fiscal responsibility, such as establishment of an economic contingency as a hedge against inflationary pressures, as well as reserves to meet the City's needs in case of a wide ranging disaster. In addition, their leadership is reflected in their community communications by engaging the community in various forums to identify issues, craft solutions and create a transparent and problem-solving environment for City staff and stakeholders.

Why: The City Council plays an overarching role in City government by representing the legislative branch of the City of Redmond. As in any government, they provide the checks and balances necessary to foster responsible and responsive government services. In their role as the "board of directors" they are called on to engage the community on a variety of issues to support the welfare of the City and in some cases surrounding jurisdictions and the region. They do these things to provide quality services, encourage collaboration and partnerships, reinforce transparency with their constituents, and encourage citizen involvement in their government.

How: Through formal meetings, the Council hears requests from staff, individual citizens and citizen groups on a myriad of issues. They then must make decisions that best respond to the community's needs and support the City's vision. The Council demonstrates effective leadership by engaging in city and region-wide alliances to establish community connections. They demonstrate fiscal responsibility by making prudent financial decisions, creating a comprehensive financial strategy that guides city services into the future and continually examining the City's condition through their Dashboard metrics, investment strategies and policy decisions. Councilmembers are informed on citywide and regional issues through staff reports, committee meetings, trainings, and discussions with the community and other regional leaders. Finally, creating a legislative agenda every year speaks to the factor of establishing intra-city and regional partnerships and collaboration by reaching out to state legislators on issues and challenges significant to Redmond and the region.

Who: The City Council offer provides the Council with the means to perform their duties to the benefit of all citizens and businesses located in the city limits of Redmond and the greater Redmond area. Some examples of the customers the City Council serves include:

- Citizens through education, outreach and community engagement initiatives;
- Regional partners through issue identification, problem-solving and decision-making; and
- City staff through supporting new initiatives, fiscal transparency and maintaining the quality of Redmond's workforce.

Performance Measures:

1. Committees working effectively:
    a. Agendas are published three days in advance of committee meetings;
    b. A goal of 70% of committee meetings attended by all committee members; and
    c. Committee reports given at follow-up meeting 100% of the time.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2487
Type of Offer: OFFER - ONGOING

CITY COUNCIL

2. Regional affairs:
    a. Redmond's official position shared/emphasized 90% of the time; and
    b. Council members achieve leadership roles in regional committees.
3. Ombudsman:
    a. Email ombudsman issues acknowledged within two business days, 100% of the time;
    b. Council members copied on email exchange 100% of the time;
    c. During regular business meetings, report on ombudsman issues 100% of the time; and
    d. Each ombudsman issue is formally closed, with Council acknowledgement, within a time frame established relative to the issue.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Agenda Publication	91.00	100.00	100.00	100.00	Percent
Committee Reports Given	100.00	100.00	100.00	100.00	Percent
Report on Ombudsman Issues	100.00	100.00	100.00	100.00	Percent

Scalability:

Scalability Proposed: A 5% reduction of the total budget request ($385,852) would equal $19,293. To achieve this reduction, the travel and tuition budgets would be reduced resulting in only one Council member being able to attend one National League of Cities (NLC) conference each year. Professional services (facilitators for retreats) would be cut back, and further reductions would be made in the miscellaneous account line item, which could affect annual Boards and Commissions dinner and/or the annual meeting with State legislators.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$125,004	$127,368	$252,372
Ongoing-Others	$53,690	$54,790	$108,480
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$178,694	$182,158	$360,852
	7.000	7.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2522
Type of Offer: OFFER - ONGOING

EMPLOYEE RECRUITMENT & SELECTION PROGRAM

Description:

What: The Recruitment and Selection offer provides the City's managers with in-house support and expertise from Human Resources staff to recruit and select highly skilled employees that will serve the citizens and customers of Redmond. Human Resources provides services in the recruitment and selection of all levels and types of positions within Redmond City Government, including seasonal, supplemental, regular, Civil Service (which covers Police and Fire employees) and executive level. In addition, Human Resources develop promotional processes for regular and Civil Service positions.*

Human Resources staff provides the expertise needed to guide supervisors and managers through the hiring process by developing and implementing advertising and marketing strategies; overseeing the implementation of screening tools; providing guidance regarding best practices, policies and employment laws; and maintaining the City's employment webpage and online application system.

Why: The full scope of the services included in this offer enables the City to recruit and select well-qualified applicants; ensure diversity within the workforce; maintain compliance with multi-faceted legal and policy requirements; save money by eliminating the use of outside recruitment and test development firms; and place emphasis on selecting candidates with the traits, characteristics and leadership skills that will model and reinforce the culture that Redmond is striving to cultivate.

How: Human Resources provides customer service by identifying and understanding the needs of hiring managers and providing guidance in the identification and application of outreach and selection strategies to produce high-quality employment candidates. Human Resources staff works collaboratively with the hiring managers to develop recruitment and selection processes, and create application screening criteria, interview questions, and testing and assessment tools. Human Resources staff also provide oversight and guidance in the implementation of all work products to ensure appropriate screenings have been completed and applicable City rules, policies and employment laws regarding recruitment and selection are consistently applied. All work products are created specific to the position, resulting in a high-quality process tailored to Redmond's particular needs.

This customized and collaborative in-house recruiting program enables the development of highly effective recruitment processes and selection tools, which results in a high-quality candidate. A quality, highly skilled employee is more likely to be successful in his/her new position, which achieves cost savings to the City by reducing the need to repeat the recruiting process when a candidate is unsuccessful. Also, the centralization of recruitment and selection activities ensures the most efficient use of the City's human and fiscal resources by effectively utilizing the "experts" in the field, while streamlining the hiring process.

Over the current biennium, the Human Resources Department has been growing the in-house recruitment program to include recruitment and selection of the City's executive level positions, in addition to developing and administering the elements of promotional processes related to Civil Service positions for the City's Police and Fire Departments. Previously, these processes were handled either all or in part by consultants that would charge the City from $10,000 - $20,000 or more for each process. Now, recruitment and selection and promotional processes for these types of positions are done exclusively in-house which has, and will continue to, save the City a significant amount of money.

Also over the current biennium, the Human Resources Department sponsored an "Onboarding" process improvement team. "Onboarding" is defined as the orientation of a new employee. The process begins before a position is advertised and includes activities through the new employee's first year of employment. This cross-departmental team was tasked

with evaluating the City's current onboarding practices, in addition to making suggestions for improvement.

As a result of the "Onboarding" process improvement team, Human Resources is currently working to develop a better way to incorporate the pillars of Redmond's culture into our recruitment program by clearly communicating Redmond's culture and vision to potential candidates and modifying selection practices to ensure that they not only focus on technical qualifications, but also place emphasis on selecting candidates with the traits, characteristics and leadership skills that will model and reinforce the culture that Redmond is striving to cultivate.

To further enhance the level of customer service provided to our hiring managers, the process improvement team recommended developing an online portal that will be an information resource to managers and assist them through the recruitment, selection and onboarding processes. Human Resources staff is currently working on the development of this portal.

Another project completed during the current biennium is the implementation of a new online application and applicant tracking system. The system was designed with emphasis on the needs of the applicant in mind. It allows the applicant to create a personalized account to manage their job search by tracking their application status, and simplifying the application process. From this system they can also search for jobs in Redmond city government and neighboring jurisdictions. The City uses the system as an outreach tool for posting all of active recruitments, and to more efficiently manage the applicant pools. For the upcoming biennium, Human Resources staff is participating on a joint committee consisting of representatives from Redmond's neighboring cities, to further enhance this applicant tracking system and make it even more user-friendly to applicants, hiring managers, and human resources staff (the daily users).

Who: This Recruitment and Selection offer provides the City's managers with in-house support and expertise from Human Resources staff to recruit and select highly skilled employees that will serve the citizens and customers of Redmond.

*City employees in the Police and Fire Departments are required by law to be covered by a Civil Service system. Civil Service activities are mandated by State law (Revised Code of Washington 41.08 and 41.12), Redmond Municipal Code, and Civil Service Rules, and are governed by a Civil Service Commission which is supported by Human Resources staff. Selection processes for other positions must comply with bargaining unit agreements for filling vacancies, Equal Employment Opportunity (EEO) requirements (per Title 7 of the Civil Rights Act of 1964), City policy and public expectation of an "open and competitive" hiring process.

Performance Measures:

1. High percentage (90% or greater) of managers and supervisors indicating satisfaction with the hiring process. (Recruiting for many open positions in 2010 was on hold due to pending budget/layoff issues.)
2. High percentage (85% or greater) of new employees that successfully complete their probationary period.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Hiring Process Satisfaction	90.00	66.60	81.00	90.00	Percent
Successful Probationary Period Completion	85.00	95.00	95.00	85.00	Percent

Scalability:

Scalability Proposed: The Human Resources Department has four offers funded through the General Fund. The scalability goal of a 5% reduction is being achieved through the aggregate of all four of these offers. These offers are the Labor Relations, Compensation, and Policy Administration offer (HUM2520), the Benefits Program Development

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2522
Type of Offer: OFFER - ONGOING

EMPLOYEE RECRUITMENT & SELECTION PROGRAM

and Administration offer (HUM0521), the Employee Recruitment and Selection Program offer (HUM2522), and the Training and Organizational Development offer (HUM2524).

The majority of the savings are being achieved through reductions in the Executive Office's Civil Legal Services budget. In coordination with the Executive Office, Human Resources propose reducing the Labor Negotiations budget by $164,320. A total of $114,320 of this amount is a proposed scalability reduction and the remaining $50,000 has been added to the Personnel Matters/Grievance line item. Human Resources staff has acted as lead staff in many negotiations with the City's uniformed and non-uniformed bargaining units and has the expertise to continue this role in all upcoming negotiations. The remaining $28,634 is saved through reductions in Professional Services. If this reduction is taken, the impact to service levels would be the potential risk of insufficient funds to support the City going forward with issues to an interest arbitration hearing. Both the Police and Fire union contracts expire at the end of 2012 and are open for negotiations. Both have access to interest arbitration where issues are presented to an arbiter and the arbiter's decision is binding on all parties. This additional right has been granted to these groups by the State Legislature.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$346,312	$357,002	$703,314
Ongoing-Others	$6,664	$6,665	$13,329
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$352,976	$363,667	$716,643
	3.390	3.390	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2532
Type of Offer: OFFER - ONGOING

INFORMATION SERVICES

Description:

What: Just as the budget priority "Responsible Government" is the foundation for successful outcomes in other budget priorities, the City's leading edge technology is the foundation for the successful delivery of high quality and responsive customer service to the City's customers.

Information Services (IS) provides a variety of services that ensure the reliability and availability of the City's technology, for example, servers, desktops, laptops, telephones, enterprise software (such as the Class recreation system, Human Resources/Payroll), Microsoft Office suite (Word, Outlook, PowerPoint), the City's website, traffic cameras, etc. Those services include, but are not limited to the following: maintain, upgrade, enhance and replace existing computing and communication systems; partners with City staff to define requirements for new systems and identifies technology options to address those needs; plans and manages projects to implement technology and/or business process changes; provides day-to-day support for computer hardware, software and telecommunications technologies; develops standard and ad hoc reports and assists with data analysis; represents City departments and Information Services in regional partnerships; implements and enforces security consistent with external mandates to protect systems and intellectual property; in partnership with the IS Governance team, sets the strategic direction of the City's technology.

Why: Ensuring the City's technology is well maintained and improved as technology advances supports and maintains a strong foundation for the successful delivery of customer service throughout the City.

The City's customers expect to be able to do business with the City just like they do with private companies (i.e. in person, over the phone and/or via the web). The City's technology tools enable City staff to deliver a high quality, positive customer service experience by ensuring convenient service delivery whether they are conducting business in person, over the phone or in the field. As more and more services are provided via the web, City staff has more time to spend with those customers who truly need or prefer personal interaction. City customers also have the option of self-service via the City's website allowing them to conduct business with the City at their convenience. The City's website and social media presence provides access to current information and fosters connections throughout the community.

How: IS partners with City staff at all levels of the organization within and across departments to gain an understanding of the business needs in order to provide the best technology and/or services that will help facilitate the delivery of high quality, reliable and responsive customer service. IS also participates in regional partnerships when those collaborations provide benefit to the City of Redmond.

As a result, the City enjoys a wide range of leading edge, effective and efficient technology. IS ensures they remain at the leading edge by migrating them forward as technology evolves and new features are added that improve functionality. IS requires that vendors of any new systems under consideration are committed to keeping their products on the leading edge.

In addition, Information Services demonstrates fiscal responsibility by selecting and implementing systems that offer a high return on investment and bring business value to the City. IS leverages volume purchasing agreements and standardizes hardware and software to keep support costs low. IS participation in regional projects has resulted in favorable pricing agreements with vendors and has identified regional and/or hosted applications that have been cost-effective solutions for City staff and have provided improvements in delivering customer service. IS ensures that all technology systems are covered by maintenance contracts ensuring minimal service disruptions and that technology resources can be kept current.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2532
Type of Offer: OFFER - ONGOING

INFORMATION SERVICES

Who: The primary and direct customers of Information Services are City staff through technology support, planning and implementation of City business related technology solutions. Information Services also provides the communications infrastructure to North East King County Public Safety Communication Agency (NORCOM) for their system backups and to Kirkland to allow them a redundant communication path to Bellevue's data center.

Performance Measures:

1. Information Services receives a high rating of customer satisfaction for the overall services provided by the Division. Target: 80% "satisfied" or "very satisfied"
2. Information Services strives to limit unplanned downtime of all City technology resources to no more than one (1) hour in any given month. Target: One (1) hour or less
3. Information meets or exceeds its service level agreements 83% of the time. *(New measure - Service levels will be developed by the end of 2013)*

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Customer Satisfaction for Overall Services	80.00	63.00	68.00	80.00	Percent
Unplanned Downtime of All City Technology	1.00	10.25	22.00	1.00	Hours
Meets or Exceeds Service Level Agreements	83.00	0.00	0.00	83.00	Percent

Scalability:

Scalability Proposed: A 5% or $361,809 reduction would reduce funds available for small tools, fixed assets, professional services, training and associated travel. This would limit the ability of Information Services to keep the City's technology tools and infrastructure at the leading edge. Information Services uses the small tools budget to buy and test tools City staff are interested in using or in anticipation of a business need. Information Services relies heavily on consulting services to assist with implementing new technology when it doesn't make sense to develop those skills internally and to backfill resources needed for project work. Reduction of professional services dollars would require internal staff to spend more time going through steep learning curves which will significantly extend the time it takes for implementation. A reduction in training funds would make it difficult to obtain the skills needed to implement and support new technology and bridge the skills gap created from the reduction of professional services funding. Information Services staff would not be able to keep pace with the rapid changes in technology, and as a result, the City technology systems would begin to fall behind.

Initially, the only performance measure to be impacted would be customer satisfaction ratings (which would decline). Within a year to 18 months, system downtime would trend up (a negative direction) and Information Services would not meet service level agreement targets.

A 4% increase or $297,000 would fund the research for a Contract Management System ($50,000 one-time), outsourcing the support for all services related to the City's telephone system ($35,000 per year), supplemental support during project implementations ($25,000 per year), outsourcing of System Center support ($10,000 per year) and backup tape purchases and storage for litigation holds ($56,000 in 2013; $61,000 in 2014). Each of the identified items can be funded individually.

Contract Management System research would need to be funded 100% or it would not move forward.

Outsourcing support of the City's telephone system will provide City employees with more efficient, thorough, and

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2532
Type of Offer: OFFER - ONGOING

INFORMATION SERVICES

timely responses to request for changes to telephone services.

Supplemental support during project implementation would allow Service Desk staff to quickly and efficiently implement new projects rather than attend to usual day-to-day operations.

IS now uses System Center to automate some of its services. IS has relied on external support to assist with aspects of System Center that are infrequent yet key to keeping it current. It is expertise that is difficult to develop in-house due to infrequency of the work.

The costs for the purchase of backup tapes and storage for litigation holds has come from a number of sources in the past, but was never included in any particular budget. The City's attorneys have asked that backup tapes be put on litigation hold so they cannot be reused. The number is growing rapidly as is the storage cost.

Scalability Recommended: Reduced 1.0 FTE Applications Support Analyst ($139,778) in 2014 due to efficiencies gained through the implementation of new technology. Reduced various line items ($542,600) through right sizing the budget including professional services, outside repairs and maintenance, small tools and supplies.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$2,116,888	$2,036,533	$4,153,421
Ongoing-Others	$1,300,379	$1,372,932	$2,673,311
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$3,417,267	$3,409,465	$6,826,732
	16.430	15.430	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2524
Type of Offer: OFFER - ONGOING

TRAINING & ORGANIZATIONAL DEVELOPMENT PROGRAM

Description:

What: The training and organizational development offer ensures resources are available for Human Resources (HR) staff to develop, implement, and maintain strategic, citywide employee development programs that support the vision and culture of the City and serve the citizens and customers of Redmond. The program addresses a variety of training and development needs, such as customer service, leadership, process improvement, communication, diversity, supervision, harassment prevention, and others. In addition, staff develops and coordinates Citywide strategies to enhance the City's Customer Service Initiative. The program also provides access to the Eastside Cities Training Consortium (ECTC) for courses offered through Bellevue College, as well as the City's Tuition Reimbursement Program.

Why: The Training and Organizational Development Program enables the City to provide employees with the knowledge, skills and abilities to create a progressive and dynamic culture and to achieve the City's vision and goals. This program is a key component of the City's efforts to recruit and retain talented employees. In addition, the program enables employees to provide a high level of customer service while efficiently and competently performing their jobs. Providing excellent customer service is the foundation of the City's culture and vision and sets an expectation for how employees interact and communicate with the community. The Training and Organizational Development program also provides education to employees on topics (i.e. Harassment Prevention, Diversity, and Supervisory Skills) which help reduce the City's liability and thus, supports the City's overall fiscal health.

How: HR staff conducts needs assessments, evaluate and select training providers, develop and deliver specialized training using skilled in-house staff, and act as resources to managers and employees in recommending and implementing individual employee development plans. Additionally, staff members oversee the scheduling and delivery of training, and maintain tracking and notification systems. Recently, the City implemented a new HR Information System. In the upcoming biennium, HR staff plans to utilize the training module of this system to increase efficiency of these tasks, and work with Departments to develop and maintain a centralized tracking system, enabling the maintenance and monitoring of individual development plans for all employees.

The HR Department recently sponsored an "Onboarding" Process Improvement team. "Onboarding" is defined as the orientation of a new employee, and begins before a position is advertised and includes activities through the new employee's first year of employment. This cross-departmental team was tasked with evaluating the City's current onboarding practices, and making suggestions for improvement. One major recommendation from this team was to have the City further define its organizational culture, and communicate this culture to new and existing employees. With leadership from the Mayor and the Directors' Team, and input from the City's Senior Management group, HR maintains and helps communicate a diagram defining Redmond's organizational culture. To assist in communicating this culture throughout the organization, each senior manager was asked to take the diagram back to his/her respective work groups to discuss how daily tasks help to support this culture.

More work with regards to integrating this culture throughout the organization will need to be done in order to continue the cultural shift. In support of this endeavor, the HR Department is planning to enhance the new employee orientation program to explain the vision, values and culture of Redmond. HR also recently developed draft training standards for employees and managers and reviewed them with the Mayor and Directors' Team. These standards clearly define training expectations for new and current employees as well as include core training elements that are designed to reinforce the cultural shift to support employees in accomplishing the City's vision. These standards also reinforce the importance of continued development. One-time money will be needed to ensure that a comprehensive, sustainable program can be put into place that ensures all existing employees are provided the opportunity to achieve these

standards.

A key organizational development program results from the City's Customer Service Initiative. In 2008, the Mayor identified six major initiatives for the City: Developing Two Urban Centers, Permit Processing and Zoning Code Revisions, Performance Management, Information Technology, Innovation and Efficiency, and Customer Service. The HR Department was selected to lead the Customer Service Initiative. One of the first objectives was to identify the model of customer service that would be right for the City. With direction from the Mayor, a "Process Improvement" model was selected, where the primary focus is on continual process improvement to ensure City programs and systems are productive, efficient and most importantly, customer service oriented. This customer service model also supports the City's Innovation and Efficiency Initiative.

Since September of 2009, the City has provided intensive Process Improvement Facilitator training to over 50 employees across all City departments. Trained personnel are now working as facilitators on eight formally sponsored, cross-departmental Process Improvement Projects focused on a variety of City functions. Employees from all departments have dedicated many hours to these projects. For the upcoming biennium, HR is planning to offer additional training sessions, with a focus on developing a train the trainer program in order to reduce costs. HR staff will work with the Directors' Team to establish a new round of formal projects, in addition to developing a program to recognize and encourage more informal projects throughout the City. This is a critical part of the City-wide effort to continually enhance the delivery of City services, and will help ensure continual process improvement becomes part of the Redmond culture.

In the upcoming biennium, HR and Information Services will partner to provide technology training opportunities to City staff. This training will provide employees with the skills to better leverage the technological tools available to them. Training will be offered in a variety of formats including formal classrooms onsite and offsite, computer-based training, virtual classrooms and expert training for those wanting to take their skills to a higher level. Keeping City employees' technology skills at the leading edge will allow for more innovative use of technology in order to continue to improve delivery of services to City customers.

Who: This program serves the Citizens, Council, Mayor and employees of Redmond by providing employees with the knowledge, and skills to create a progressive and dynamic culture, achieve the City's vision and goals, provide excellent service to Citizens, and ensure City programs and systems are productive, efficient and customer service oriented.

Performance Measures:

1. Ninety percent (90%) or more of employees that rate the training and development programs they participate in as relevant to their current or future performance goals.
2. Seventy-five percent (75%) or more employees have had access during the year to one or more in-house trainings that are relevant to their current or future performance goals. (No data for 2010.)

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Training Relevance	90.00	99.64	98.90	95.00	Percent
Training Access Relevant to Performance Goals	75.00	0.00	100.00	100.00	Percent

Scalability:

Scalability Proposed: The Human Resources Department has four offers funded through the General Fund. The

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2524
Type of Offer: OFFER - ONGOING

TRAINING & ORGANIZATIONAL DEVELOPMENT PROGRAM

scalability goal of a 5% reduction is being achieved through the aggregate of all four of these offers. These offers are Labor Relations, Compensation and Police Administration (HUM2520), Benefits Program Development and Administration (HUM2521), Employee Selection and Recruitment (HUM2522), and Training and Organizational Development (HUM2524).

The majority of the savings are being achieved through reductions in the Executive Office's Civil Legal Services budget. In coordination with the Executive Office, Human Resources propose reducing the Labor Negotiations budget by $164,320. A total of $114,320 of this amount is a proposed scalability reduction and the remaining $50,000 has been added to the Personnel Matters/Grievance line item. Human Resources staff has acted as lead staff in many negotiations with the City's uniformed and non-uniformed bargaining units and has the expertise to continue this role in all upcoming negotiations. The remaining $28,634 is saved through reductions in Professional Services. The impact to service levels, if this reduction is taken, would be the potential risk of insufficient funds to support the City going forward with issues to an interest arbitration hearing. Both the Police and Fire union contracts expire at the end of 2012 and are open for negotiations. Both have access to interest arbitration where issues are presented to an arbiter and the arbiter's decision is binding on all parties. This additional right has been granted to these groups by the State Legislature.

If scalability is implemented to increase the existing budget by 5%, the HR Department will expand the current training program to ensure that training elements of the City training standards are available to all employees, thereby enabling employees to meet the standard. This expansion would be ongoing as opposed to the one-time only money that is included in the Training and Organizational Development proposal. This will ensure the immediate availability of resources as opposed to the current one-time funding proposal which will require long-term identification of internal resources and the development of those resources to sustain a training program. Training elements included in this expansion would be those that are designed to reinforce the desired cultural shift and those that support employees in accomplishing City vision.

Scalability Recommended: Reduced professional services ($28,600) through right sizing of line item.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$83,807	$89,456	$173,263
Ongoing-Others	$127,546	$127,546	$255,092
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$40,000	$40,000	$80,000
TOTAL	$251,353	$257,002	$508,355
	0.600	0.600	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2540
Type of Offer: OFFER - ONGOING

ACCOUNTING & AUDITING

Description:

What: Accounting and Auditing manages the City's financial systems including integration of the auxiliary systems (i.e. Accounts Receivable, Accounts Payable, Tyler Cash Receipting, Payroll, Business License Database). This includes managing the chart of accounts to ensure proper coding to meet Washington State requirements and ensure accurate financial data is available in a timely manner for City leaders to use in managing the City operations. These tasks culminate in the preparation of the annual financial report which is required to be submitted to the state each year along with many schedules detailing non-financial data. The City chooses to prepare a Comprehensive Annual Financial Report (CAFR) which incorporates the annual financial report along with statistical data. The CAFR is a "best practice" that has led to the strong City's bond rating and serves as continuing disclosure required by the City's various bond covenants.

Why: The process performed by Accounting and Auditing from collection of financial information through the CAFR preparation speaks to effective leadership and empowerment and fiscal responsibility in the Responsible Government priority by providing accurate dependable financial data for regular presentation to City leaders, elected officials and the community. Through these timely presentations everyone can have confidence in using this data for both short-term needs, as well as allowing for long range projections so adjustments can be made to minimize downturns and capitalize on upswings. Accounting and Auditing also speaks to the community connection and communication in the Responsible Government priority through the transparency these presentations provide, as well as providing a measurement of the current financial health of the City. The City's bond rating, as detailed in the Responsible Government priority, is impacted directly by the work of Accounting and Auditing. Passing the annual audit of the CAFR performed by the State Auditor's Office is critical as this audited document is submitted to the Municipal Securities Rulemaking Board (MSRB) as part of the continuing disclosure requirements for the City's outstanding general obligation and revenue bonds, as well as other special assessment debt. If the continuing disclosure requirements are not met with an audited strong financial document it could have a negative impact on the City's bond rating.

How: By constantly staying current in accounting regulations and reporting requirements, Accounting and Auditing leads efforts to keep the City running efficiently as it develops and supports key business management systems, both technology and process related. This work is made tangible in the creation of the CAFR which meets several requirements for the City as a whole, as well as regional organizations. The CAFR meets the State requirement of submission of financial data each year for statistical purposes and comparisons with other entities statewide. The audited CAFR is also submitted to Cascade Water Alliance, a non-profit corporation comprised of three water and sewer and five cities of which Redmond is one, which speaks to regional collaboration in the Responsible Government priority.

Who: The Accounting and Auditing Division serves a wide variety of customers. We serve internal City staff through the management of the financial system which allows for accurate expenditure tracking. We serve the citizens of Redmond through providing timely financial information to management to identify potential issues early enough to take action. Lastly, we serve the bondholders by providing details of the City's financial position which assures them that the debt will be satisfied.

Performance Measures:

1. Timeliness and accuracy in the monthly close process, so information can be available to customers by the tenth working day of each month. In 2011, this goal was not met due to the implementation of Dynamics AX 2012 (new Financial System).
2. Accuracy of the Financial Statements which are free from material misstatements as interpreted by the State

Auditor's Office each year.

3. High quality presentation of the Comprehensive Annual Financial Report as measured by receipt of the Award of Excellence in Financial Reporting from a peer review process through the Government Finance Officers Association of the United States and Canada.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Timeliness in Monthly Close Process	10.00	10.00	6.00	10.00	Number
Audit Findings by State Auditor's Office	0.00	0.00	0.00	0.00	Number
Comprehensive Annual Financial Report Award	1.00	1.00	1.00	0.00	Number

Scalability:

Scalability Proposed: With previous reductions in payroll staff and the increased workload due to restructuring of the employee claim for expenses it would be detrimental to the City to include scalability to that offer as it is primarily salaries and unscalable costs. Therefore scalability for both the Payroll (FIN2486) and Accounting Services (FIN2540) offers will be included in this offer. Staff costs represent 80% of the proposed budget and nonscalable costs represent 16% ($200,000 for Citywide unemployment costs and $140,000 for the state mandated audit).

With 96% of the proposed budget for the Division consisting of salaries and unscalable costs, any scalability must be in staff reduction. A reduction of an Accountant position would reduce the budget by $127,181 over the biennium exceeding the requested 5% reduction or $106,418. This reduction will be especially hard felt during the annual financial statement preparation so if scalability is recommended the difference between the requested reduction and the actual ($20,763) would need to be added back to the offer to pay for a supplemental position during the first part of the year.

Scalability Recommended: Reduced 1.0 Senior Accountant ($223,558) through efficiencies gained from new technology.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$464,285	$479,685	$943,970
Ongoing-Others	$87,586	$87,592	$175,178
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$551,871	$567,277	$1,119,148
	5.300	5.300	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2520
Type of Offer: OFFER - ONGOING

LABOR RELATIONS, COMPENSATION & POLICY ADMIN

Description:

What: Central to the priority of Responsible Government is retaining quality and engaged employees, practicing fiscal responsibility, and improving customer service and communication throughout the City. Just as the priority of Responsible Government helps to form and reinforce the foundation and successful outcomes of other budget priorities, the Human Resources (HR) Department provides the foundation on which other Departments within the City can continue to grow and reinforce a positive and responsive relationship with the community. Labor Relations, Compensation and Policy Administration are three areas within the HR Department that provide essential support and structure to the City, and it is through the close coordination of these three areas that the City of Redmond is able to promote a culture of innovation, reliable and responsive customer service, and community collaboration.

The labor relations program (including employee relations) develops, implements, and oversees the City's relations with its non-represented employees and six represented employee groups. Program staff (labor and compensation) researches and develops economic and non-economic bargaining proposals; manages and negotiates the City's labor agreements; oversees contract administration; facilitates resolution of employee conflicts; and ensures Citywide compliance with state and federal labor and employment laws. Paramount to the development, facilitation and administration of these responsibilities is the staff's ability to foster positive communications between employees and management throughout the City. Staff acts as resources to both managers and employees in identifying workplace issues and problems, investigating concerns, and promoting adherence to the organization's cultural values.

The compensation and classification program ensures the effective management of General Fund dollars that are allocated to employee compensation, with aims to enhance, cultivate and maintain the quality of Redmond's workforce. Ongoing job analysis and research, and updating the City's compensation and classification plans and policies are a vital part of this process. Further innovations of the compensation program include employee recognition programs, work life balance through paid time off programs, as well as oversight and development of performance management programs.

Human Resources policy administration ensures that the creation and implementation of personnel programs, policies and procedures support the vision, goals, and initiatives of the City through the promotion of effective leadership, innovative attitudes and cross departmental collaboration. In accordance with these principles, staff provides consultative services to managers in all areas of personnel administration.

Why: The aforementioned programs provide the foundation to establish, cultivate, maintain, and enhance the quality and accountability of the Redmond workforce. These programs are essential in creating a connected workforce and providing a common ground for management and employees to set expectations that are in line with the organization's priorities and responsibilities. Providing an environment where policies promote the equitable treatment of employees throughout the organization creates a cohesive environment where employees can grow and thrive. This type of environment allows for creative thinking and innovative problem solving; thereby creating a stronger connection inside the organization and within the community. Additionally, the efficient use of City resources enables departments to adapt to the changing job market, as well as attract and retain talented and dedicated employees. In coordination with the labor relations program and policy administration, the compensation and classification program enables the Human Resources Department to support engaged and productive employees, high quality, reliable and responsive customer service and fiscally responsible, cost effective and competitive wages, benefits and working conditions that are in compliance with the City policies and federal, state and local laws.

How: Goals are accomplished by a variety of measures that are intended to promote the vision for Redmond, while

maintaining fiscal responsibility and responsiveness throughout the community. The labor relations program uses communications and data from intra-city and regional collaborations, discussions with employee groups regarding labor issues, and research regarding labor and employment laws to obtain the information necessary to ensure that all economic and non-economic proposals are thoroughly researched, properly implemented and that they conform to all applicable laws and regulations. Additionally, the program provides leadership and guidance in reference to performance issues and complaints by conducting formal investigations and cross-departmental discussions and/or mediations when necessary. The compensation and classification program accomplishes its goals by performing ongoing job analysis, as well as comprehensive research and analytical review of market surveys and data obtained by intra-city collaboration and partnerships throughout the region. This proactive approach ensures that employee compensation is competitive and that costs are supported by sound labor market data. Connected with the methods used in labor relations and compensation, goals set by human resources policy administration are accomplished through a variety of programs and initiatives, such as development and oversight of the City's Customer Service Initiative, as well as the proactive creation and updating of more effective and efficient policies and procedures.

It is important to note that over 80% of Redmond's employees are represented by labor unions. The City is legally obligated to bargain with its unions over changes to wages, hours, and working conditions (Revised Code of Washington (RCW) 41.56). If the City fails to reach agreement in contract negotiations, the City is required to submit unresolved issues to interest arbitration. Arbitration is a costly and time-consuming procedure. The City is further legally obligated to abide by any contracts reached with its unions (RCW 41.56). Beyond state labor laws, the City is obligated to comply with state and federal employment laws covering both employees represented by unions and those that are not represented. These laws are constantly changing, and as such, the City must monitor developments and revise its policies accordingly. Among the applicable laws are the Fair Labor Standards Act, Family Medical Leave Act, Americans with Disabilities Act, Age Discrimination in Employment Act, Washington Minimum Wage Act, Title 7 of the Civil Rights Act, Health Insurance Portability and Accountability Act - Privacy Regulations, Genetic Information Nondiscrimination Act (GINA), Patient Protection and Affordable Care Act (PACA), Washington Family Care Act, U.S. Constitution, Washington Law Against Discrimination, Washington State Human Rights Commission Regulations, and various state and federal equivalents.

Who: The customers for these programs are all City employees, managers, elected officials, and the citizens of Redmond. A primary component of this offer is ensuring responsible government through fiscal oversight of General Fund dollars allocated to compensation programs, while retaining quality employees who will deliver excellent customer service to the public.

Performance Measures:

1. One-hundred percent (100%) of contracts settled consistent with applicable policies and relevant market data.
2. Voluntary turnover rate of City employees that is lower than benchmarks as defined by the Bureau of Labor Statistics and other publications. 2012 Target: TBD by 2012 Bureau of Labor Statistics and other publications.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Labor Contracts	100.00	100.00	100.00	100.00	Percent
Voluntary Turnover Rate	16.20	1.57	2.40	0.00	Percent

Scalability:

Scalability Proposed: The Human Resources Department has four offers funded through the General Fund. The scalability goal of a 5% reduction is being achieved through the aggregate of all four of these offers. These offers are Labor Relations, Compensation and Police Administration (HUM2520), Benefits Program Development and

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2520
Type of Offer: OFFER - ONGOING

LABOR RELATIONS, COMPENSATION & POLICY ADMIN

Administration (HUM2521), Employee Selection and Recruitment (HUM2522), and Training and Organizational Development (HUM2524).

The majority of the savings are being achieved through reductions in the Executive Office's Civil Legal Services budget. In coordination with the Executive Office, Human Resources propose reducing the Labor Negotiations budget by $164,320. A total of $114,320 of this amount is a proposed scalability reduction and the remaining $50,000 has been added to the Personnel Matters/Grievance line item. Human Resources staff has acted as lead staff in many negotiations with the City's uniformed and non-uniformed bargaining units and has the expertise to continue this role in all upcoming negotiations. The remaining $28,634 is saved through reductions in Professional Services. The impact to service levels, if this reduction is taken, would be the potential risk of insufficient funds to support the City going forward with issues to an interest arbitration hearing. Both the Police and Fire union contracts expire at the end of 2012 and are open for negotiations. Both have access to interest arbitration where issues are presented to an arbiter and the arbiter's decision is binding on all parties. This additional right has been granted to these groups by the State Legislature.

Scalability Recommended: No changes in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$414,241	$431,424	$845,665
Ongoing-Others	$101,209	$101,219	$202,428
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$515,450	$532,643	$1,048,093
	3.860	3.860	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2503
Type of Offer: OFFER - ONGOING

HEARING EXAMINER SERVICES

Description:

What: The Hearing Examiner provides objective review of certain types of disputes and determinations by the City as provided for by the City Code and consistent with state law. The City Clerk's Office coordinates and is responsible for the Hearing Examiner services. The Hearing Examiner budget offer supports the contracted function of a Hearing Examiner and directly relates to quality service and community connections of the Results Team Request for Offers (RFO). Staff support for the Hearing Examiner is provided by staff from the City Clerk's Office.

Why: An independent Hearing Examiner provides recourse and access to land use processes of the City as a third-party, neutral expert who makes rulings over quasi-judicial appellate recommendations and decisions of land use, code violations, business license violations, and false alarm matters in accordance with City code. The offer ensures that the City meets the legal mandates as established by Revised Code of Washington (RCW) Section 35A.63.170, Hearing Examiner System, and Redmond Zoning Code (RZC) Section 21.76, and RCW 4.28 which sets forth the authority and duties of the Hearing Examiner.

How: The offer is related to quality service and community connections of the Results Team Request for Offers as it provides expeditious and formal due process administered through a third-party facilitator, who possesses the legal expertise to address matters that come before them. The City Clerk's Office clearly communicates to all participants the administrative procedures involved with the Hearing Examiner process and maintains the needed neutrality to make fair and equitable decisions over applications and appeals.

Through management of the Hearing Examiner docket and direct interaction with all participants in the process, the City Clerk's Office schedules matters before the Hearing Examiner, provides all public notice legally required, assists the Hearing Examiner in the administration of the processes (pre-hearing, during the hearing, and post-hearing), and coordinates all information between the departments, Hearing Examiner, and parties to the appeal. The City Clerk's Office also manages all administrative aspects of the Office of the Hearing Examiner (professional services contract, mailings, recording, and supplies).

Who: The budget offer serves residents of the community, persons with business interests, City staff, and Redmond's elected officials by:

- Addressing quality service by improving and enhancing customer service. This is done by making sure the process is fair, equitable, neutral, and is understood by all participants. It is also accomplished by ensuring legal compliance with the process, timelines, and notices required;
- Focuses on systems that reinforce credibility with the community. This is done by providing for consistent, clearly communicated, and equitable rulings and decisions based on city ordinances and regulations; and
- Outreach, education, citizen and business involvement, and effectively engage the community. This is accomplished through the public hearing process which reaches out to all interested parties for their opinions and assistance in making permits/projects the best they can be in accordance with City standards.

Performance Measures:

Performance measure data for the Hearing Examiner Offer has been combined with the Clerk's Office overall main budget offer. This data is captured through the City's internal survey. Attempts to collect data from an external survey yielded extremely poor response. Measuring data for external users of the process ranks very low in terms of our control.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2503
Type of Offer: OFFER - ONGOING

HEARING EXAMINER SERVICES

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Hearing Examiner Performance Measure	80.00	88.00	89.00	90.00	Percent
Satisfaction with City Clerk Services	80.00	88.00	89.00	90.00	Percent

Scalability:

Scalability Proposed: The budget for the Hearing Examiner services is solely based on the annual contract amount ($25,000 per calendar year) for the actual Hearing Examiner and includes small office supplies. The contract amount of the Hearing Examiner is a set hourly rate. The hourly rate assigned to each matter before the Hearing Examiner is strictly dependent upon the complexity of the matter and is determined by the Hearing Examiner. Staff support (FTE) for this offer is found in the Clerk's Office budget offer, as staffing levels to support this function vary based on workload.

A decrease to this budget could significantly impact the Hearing Examiner's ability to provide the necessary support to the City of Redmond when appeals and public hearings arise. The workload of the Hearing Examiner is a variable projection (the Hearing Examiner does not work without appellate work/applications of land use being forwarded to the Hearing Examiner). There are incidences within any given year where the workload is high and others where it is minimal.

The budget can be scaled in part, or in full, leaving the quasi-judicial review of land use, administrative decisions, etc. to that of the City Council. The City Council has previously chosen the hearing examiner format for this administrative review due to the subject matter knowledge and expertise that is provided by contracting with a hearing examiner. The City Code currently provides for the hearing examiner format, and any revision to the budget that would decrease the use of a hearing examiner and increase the Council's function in this regard would require a code amendment.

A 5% reduction or increase in this budget offer equals $2,578. There is no real way to estimate the level of expenses that will occur in this budget based on demand for services. A decrease could affect the level of hearing examiner services that the City, under contract, is able to provide. Performance measures in providing timely services/information could be affected if the City is unable to provide the level of service required to meet the demand.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$25,700	$25,875	$51,575
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$25,700	$25,875	$51,575
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2502
Type of Offer: OFFER - ONGOING

CLERK'S OFFICE DIVISION - RECORDS & ELECTION

Description:

What: The City Clerk's Office leads the City in all aspects of legislative support (council/committee agenda and meeting management, legislative drafting and codification, legislative tracking, legislative history, website updates), records management and services, public disclosure requests, Volunteer Reception Desk Program, special projects, and elections. The City Clerk also prepares, administers, and supports the budgets for the Office of the Hearing Examiner and Public Defender/Screener. The City Clerk's Office is an active participant in the City's Customer Service Initiative and actively participates in the City's Innovation and Efficiency Initiative. This offer provides all of these services and speaks directly to those areas associated with the City's Vision, as well as focuses specifically on collaboration among all customers of the Clerk's Office.

The services provided by this offer specifically address the Responsible Government Request for Offers through:

- Community responding positively regarding satisfaction with City services
- Effective Leadership and Empowerment
- Fiscal Responsibility
- Quality Service
- Community Connections and Communication

Why: A "City Clerk" is a required city function as identified numerous times in state statute as well as City code. The City Clerk is a key point of contact between the citizens and their City government. This offer enables the City to ensure that the public processes identified above in the "What" section of this budget offer are easily understood and are available to all customers at all times, and ensuring legal mandates are met and complete customer service solutions are provided. The ultimate goal of service delivery is establishing and maintaining credibility, public trust, and "top notch" customer service within Redmond's internal community (all staff and internal participants) and external community (every person or organization outside of internal city staff and customers).

How: The City Clerk's Office supports the City:

- Through improving and enhancing customer service by maintaining a customer service focus. This is accomplished by providing the best possible solutions and service to all customers at all times; maintaining strong, proactive relationships with our customers; providing timely response; and providing sound procedural recommendations;
- Through communication; providing a direct communication link between the City's elected officials and the public they serve; and between the public and staff;
- By providing direct support to members of the community and other customers regarding their inherent and legal right to access public records and information per the laws and regulations of the State of Washington;
- By providing direct support to any City employee requiring the services of the Clerk's Office - the goal is to make their jobs easier;
- By providing fiscally-managed elections support;
- By providing a legally responsive records management program which meets federal, state, and local laws and regulations;
- By providing strong team support, career enhancement, and career advancement as it relates to the staff of the Clerk's Office; and
- By participating in process improvements that gain efficiencies in processes and cross-departmental team efforts with this same goal.

Through communication, collaboration, and work flow processes, the City Clerk's Office facilitates the duties outlined

above by being a Citywide resource and providing one-on-one interaction with members of the public, members of Council, and all departmental staff. This is done with a neutral, Citywide perspective in order to meet the needs of all customers. The City Clerk's budget offer fosters effective leadership and empowerment, good stewardship of public resources, a professional staff, quality customer service, and community engagement. These goals are reached through the deployment of available human resource and available/emergent technology.

Who: Customers served by this offer include:

- All City staff by providing direct internal services;
- The Mayor and City Council by facilitating the legislative process, meetings and records of the City;
- Other elected officials and agencies by coordinating activities, schedules and issues between other governments on behalf of the City of Redmond; and
- All visitors (both physical and virtual) and the general public seeking City services.

Performance Measures:

Public participants, internal City employees, and elected officials respond with a four (4) out of five (5) or better rating in the delivery of services from the City Clerk's Office regarding:

1. The accessibility of information or the response of the status of the information (either immediately or within the timeline prescribed by law, but no more than five business days from receipt of request).
2. The open accessibility to meeting locations and current meeting information of the public body within the mandated statutory time prescribed by law (public notice).
3. Assistance received from the Clerk's Office in the daily operations of other departments.

Results of the internal survey show a large majority of users (89%) of the City Clerk's services are satisfied or very satisfied with the overall services they receive. This is virtually the same as in the last reporting period when 88% were satisfied or very satisfied. Similar high satisfaction is reported in timeliness (89%) and support (89%). The 11% satisfaction unaccounted for in the benchmark results is generated specifically from non-responses to the survey questions.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Overall Satisfaction with City Clerk Services	80.00	88.00	89.00	90.00	Percent
Satisfaction with Timeliness of Service	90.00	88.00	89.00	90.00	Percent
Satisfaction with Quality of Support	90.00	88.00	89.00	90.00	Percent

Scalability:

Scalability Proposed: The Clerk's Office is solely service-oriented and is driven by human resource; the majority of the budget provides for salaries and benefits. The human resource provided through this budget offer serves to execute all functions outlined in the description section of this offer and in the separately submitted Hearing Examiner and Public Defender budget offers.

Overall salaries and benefits for this offer for 2013-2014 combined equal $709,488. This includes a portion of the Finance Director position (0.18 %). Salaries and benefits encompass 69% of the overall biennial budget. The remainder of this budget offer (31%) goes to operational expenses such as office supplies, legal advertising, providing for election services and records services, and training/dues for professional certifications/organizations. This offer now also includes a prorated share of administrative overhead expenses for the Finance Department in the operational one-time others category. The offer has $44,000 dedicated to Non-Departmental Records Storage at Iron Mountain and is a service account to all departments. Additionally, $190,000 of this budget offer is dedicated to paying for elections of

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2502
Type of Offer: OFFER - ONGOING

CLERK'S OFFICE DIVISION - RECORDS & ELECTION

City elected officials (approximately $68,000 per year in voter registration costs charged by King County and another approximate $26,700 for the annual cost of conducting an election itself through King County).

A 5% reduction in budget would produce an approximate $51,600 decrease to this proposed biennial budget offer. Five percent (5%) scalability can be found in a reduction of non-departmental records storage, which would require the City to retrieve 3,500 records boxes from storage, to maintain these records onsite at a city facility, to manage all records for retention periods/purposes, and to manage the addition of any new records. The additional $7,600 could be scaled from operational accounts or from the elections budget.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$345,728	$357,300	$703,028
Ongoing-Others	$155,486	$159,691	$315,177
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$501,214	$516,991	$1,018,205
	3.180	3.180	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2521
Type of Offer: OFFER - ONGOING

BENEFITS PROGRAM DEVELOPMENT & ADMINISTRATION

Description:

What: The City manages and maintains an employee benefits program that provides progressive benefits and related services to the workforce as part of a comprehensive compensation strategy. The Benefits Program is inclusive of all health and wellness plans, as well as, all other benefit components. These components include, but are not limited to, the Municipal Employees' Benefit Trust (MEBT), the 457 Deferred Compensation Plan, life insurance, disability insurance, pension plans through the Department of Retirement Systems (DRS), flexible-spending accounts (FSA), Employee Assistance Program (EAP), and the Worker's Compensation Program (expanded upon under separate offer). The Human Resources Department ensures these programs are cost-effective, legally compliant, in line with market trends and effective employee recruitment and retention tools.

The Benefits Program Development and Adminstration offer funds the management and administration of all of the benefit components, including the self-insured health plan, along with delivery of customer service to employees participating in City benefit programs. While self-insurance requires significantly more oversight and staff resource allocation than purchasing from an outside insurance provider, it affords the organization the opportunity to customize the plan while managing the associated costs. Furthermore, it allows for periodic program review and design changes which results in a greater level of customer service and response to demographic shifts within the organization. In addition, Human Resources, in collaboration with the Financial Planning Division, monitor the plan to make sure a self-insured health plan continues to be the most fiscally responsible option.

Why: The aforementioned programs have a direct influence on the organization's overall effectiveness. The ability to recruit and retain high performing and knowledgeable employees is directly related to the value of the benefits program and standard of customer service. Administering an innovative, well-rounded program can increase job related performance, productivity and satisfaction and result in higher quality service. At the same time, ongoing analysis and updates for the overall benefits program can provide cost containment and additional cost savings to the organization.

How: Ongoing management, development, evaluation, communication, customer service, and implementation of innovative program components are achieved through the following:

- Design, review and administration of health, wellness and retirement programs; thereby optimizing the City's return on investment with fiscally prudent programs;
- Manage program costs and implementation of cost containment strategies - understanding Citywide employee needs (changing demographics) and what may be the most appropriate measures to control cost based on the employee demographics;
- Research and evaluate healthcare trends and legislation, and ensure program consistency with best practices and recruitment and retention strategies. Having a high caliber benefits program that stays true to healthcare trends and needs, the City is able to recruit and retain high quality, outstanding employees who in turn provide excellent customer service to their customers inside and outside City limits;
- Ensure ongoing engagement of customers in committees and other venues; these are cross-departmental venues that result in an engaged workforce on multiple levels; on a personal (individual) level to change behavior and on a global level to impact the behavior of those around them to help create and support a healthy workforce, this in turn reduces absenteeism and increases productivity by providing the citizens of Redmond with the highest level of service possible;
- Perform ongoing benefits orientations and program component education; this provides new employees, as well as existing employees, with an understanding of the benefit programs available to them and their families by creating a stable and secure workforce;
- Provide employees with multiple avenues for customer service and communication (email, voicemail, walk-in,

intranet, etc.); providing the support necessary to each and every employee (and their families) by helping them through the process, educating them about their options and providing any additional support needed. This type of service contributes to lower stress levels, lower absenteeism rates and higher levels of productivity and work satisfaction. (Recently added an internet page for families to access from home.);

- Provide support to employees through the resolution of benefit related issues;
- Ensure legal compliance of healthcare plans with Federal, State and Local laws, such as the Family and Medical Leave Act of 1993 (FMLA) and the 2010 Patient Protection and Affordable Care Act (PPACA), in addition to claims audits and state audit rules for self-funded medical plans (Revised Code of Washington); legal compliance (with no lawsuits for inappropriate denial or application of the laws) is critical in the development and maintenance of leadership expectations with citizens and employees of the City. It builds the trust and respect necessary for the employees of the City of Redmond to go about their business with citizens and business owners within the City;
- Manage the interplay of all the federal and state regulation with collective bargaining agreements and City policies; work with employees in every department in the City at all levels to ensure the smooth implementation of new laws, as well as effective communication and consistent application of policies and procedures;
- Manage and oversee healthcare broker services, actuarial services and a third party administrator (including sub-vendors, such as stop loss insurance provider, life insurance provider, Labor and Industries, etc.) and make sure the City is getting the appropriate service at the best price;
- Collaborate across departments to ensure compliance of the program; management of the benefit programs requires constant communication and interaction with each and every department on a daily basis;
- Oversee organizational boards and committees, such as the Law Enforcement Officers and Fire Fighters (LEOFF) I Disability Board and the Employee Benefits Advisory Committee (EBAC);
- Administer and oversee all disability and leave issues. This helps to build a relationship based on trust and respect with employees and citizens that is necessary for the City to conduct business;
- Maintain confidentiality of applicable records (medical files, etc.); and
- Manage records retention and disclosure procedure. The appropriate maintenance and responsible disclosure of files is critical to the regional view of the State of the City.

A progressive benefits plan provides for a shared sense of purpose and alignment throughout the City, promotes organizational accountability and is reflective of the City's intention to be responsible stewards of public resources. A shared sense of purpose is achieved by providing employees with options that they feel are directly related to their own personal priorities and values. It reinforces that employees are a valuable resource. It creates a sense of advocacy and loyalty to the organization. This results in a greater level of dedication and productivity that helps to retain a multigenerational workforce, which is reflective of the current community population. A workforce that reflects the population of its community is better able to provide effective and efficient customer service and is able to keep the City's best interests at the forefront during decision making processes.

Who: The customers for these programs are all City employees, managers, elected officials, and the citizens of Redmond. A primary component of this offer is ensuring responsible government through fiscal oversight of General Fund dollars allocated to benefits programs, while retaining quality employees who will deliver excellent customer service to the public.

Performance Measures:

1. The five-year cost trend of the RedMed Plan is lower than trends in costs as identified by the ArlenGroup's trend surveys and other publications. 2010 Target: 11.4% or less; 2010 Actual: 9.46%; 2011 Target: 10.9% or less; 2011 Actual: 7.28%; 2012 Target: TBD by the 2012 ArlenGroup's trend survey and other publications
2. Less than 10% of employees leaving who specify benefits as a contributing factor.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2521
Type of Offer: OFFER - ONGOING

BENEFITS PROGRAM DEVELOPMENT & ADMINISTRATION

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
RedMed Plan Trend	10.90	9.46	7.28	0.00	Percent
Employees Leaving the City Due to Benefits	10.00	0.00	0.00	10.00	Percent

Scalability:

Scalability Proposed: The Human Resources Department has four offers funded through the General Fund. The scalability goal of a 5% reduction is being achieved through the aggregate of all four of these offers. These offers are Labor Relations, Compensation and Police Administration (HUM2520), Benefits Program Development and Administration (HUM2521), Employee Selection and Recruitment (HUM2522), and Training and Organizational Development (HUM2524).

The majority of the savings are being achieved through reductions in the Executive Office's Civil Legal Services budget. In coordination with the Executive Office, Human Resources propose reducing the Labor Negotiations budget by $164,320. A total of $114,320 of this amount is a proposed scalability reduction and the remaining $50,000 has been added to the Personnel Matters/Grievance line item. Human Resources staff has acted as lead staff in many negotiations with the City's uniformed and non-uniformed bargaining units and has the expertise to continue this role in all upcoming negotiations. The remaining $28,634 is saved through reductions in Professional Services. The impact to service levels, if this reduction is taken, would be the potential risk of insufficient funds to support the City going forward with issues to an interest arbitration hearing. Both the Police and Fire union contracts expire at the end of 2012 and are open for negotiations. Both have access to interest arbitration where issues are presented to an arbiter and the arbiter's decision is binding on all parties. This additional right has been granted to these groups by the State Legislature.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$230,007	$237,578	$467,585
Ongoing-Others	$23,457	$23,458	$46,915
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$253,464	$261,036	$514,500
	2.050	2.050	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2525
Type of Offer: OFFER - ONE TIME ONLY

CITYWIDE CONTINGENCIES

Description:

What: Each biennium, the Finance & Information Services Department proposes putting in place contingencies to respond to needs and opportunities that typically emerge during the two-year budget cycle. This offer supports the fiscal responsibility factor by planning for future necessities, allowing for a budget that allows for future financial fluctuations and investing in strategies to mitigate impacts of future circumstances. Adequate contingency funding benefits the community by reserving flexible funds to respond to situations that are imminent, but the details of which are currently unknown. The contingencies proposed in the 2013-2014 biennium include:

1. Salary and Benefit Contingency: Used to respond to labor contract increases or extraordinary circumstances not anticipated in the budget. Included in the contingency is the Public Employees Retirement System (PERS) money the City had set aside for changes in retirement rates beyond budgeted expenses.
2. Economic Contingency: Used to respond to unforeseen economic changes that place a hardship on the budget. This contingency was first established in the 2005-2006 budget, with one-time funds, to create a hedge against an economic downturn in the Puget Sound Region. The economic contingency is now set by Council policy at 4% of General Fund revenues ($2,687,544) in addition to the 8.5% operating reserves held to respond to a major and/or catastrophic incident; and
3. The City contracts for District Court costs from King County. Under the arrangement, King County collects the City's fines and forfeiture revenue and uses the money to fund the district court. At the end of each year, a reconciliation is prepared comparing the district court expenses and the district court revenues. The offer reflects the City's accounting of district court costs estimated at $706,373 per year.

Why: Maintaining adequate contingencies continues the City's commitment to proactive management of the City's resources and systems by being able to quickly respond to increases in contractual obligations or regional situations while maintaining core operations. Reserving contingencies also demonstrate a fiscal plan that is comprehensive in nature, as well as address both short- and long-term budgetary goals. This offer focuses on financial strategies and systems that reinforce fiscal credibility with the community, staff and City stakeholders. Bond rating agencies look at the strategies cities have in place to mitigate future impacts whether it is adhering to laws governing Citywide reserves or practices the City has put in place to enhance prudent fiscal management. Putting in place contingencies to be able to respond quickly to changing fiscal conditions has proven to be one of Redmond's strengths in the bond market.

How: Through assessment of regional and economic issues and contractual obligations, the Finance & Information Services Department reserves funds to respond to fiscal liabilities that may emerge during the biennium. Setting aside money in contingencies allows the City some flexibility to be able to respond to a changing fiscal environment.

Who: The customers served by this offer are both internal and external. The economic contingency was established to cushion the City against further economic downturn; serving the community through the prudent reservation of funds to continue current levels of service as a hedge against further economic stress. In the case of the court, Redmond is serving both the community and our regional partners by participating in and funding the City's share of regional public safety activities.

Performance Measures:

Contingencies speak to the Council Dashboard measure of maintaining the City's Bond Rating. Sound financial policies and adequate contingencies to mitigate future fiscal challenges are used to measure the strength or the City's overall financial health. The City's current bond rating is AAA.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2525
Type of Offer: OFFER - ONE TIME ONLY

CITYWIDE CONTINGENCIES

Scalability:

Scalability Proposed: The Salary and Benefit contingency is established to mitigate the impacts of contractual increases negotiated with unions. The contingency could be scaled by $349,000 with the effect of requiring departments impacted by union increases to absorb any additional expenses associated with newly approved union contracts.

Scalability Recommended: Reduced proposed increase in salary and benefit contingency ($1,201,932) through right sizing.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$932,520	$1,166,736	$2,099,256
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$977,216	$2,687,544	$3,664,760
TOTAL	$1,909,736	$3,854,280	$5,764,016
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2486
Type of Offer: OFFER - ONGOING

PAYROLL ADMINISTRATION

Description:

What: The Payroll Office processes semi-monthly payrolls that include benefit processing for all City employees. The City has six labor unions, as well as non-represented employees, and more than 100 supplemental/seasonal employees. The payroll process requires knowledge of every labor contract to ensure that all special pays for overtime, longevity, education premium, hazmat premium, and other special pays are accurate. In addition to ensuring that wages are accurate, Payroll is responsible for ensuring that medical benefits, retirement, deferred compensation, and various employee reimbursement programs are filed and paid in a timely manner.

Why: Timely, accurate, and predictable compensation is a fundamental part of maintaining a motivated workforce. In addition, we must comply with several legal, contractual and regulatory requirements as a large employer. This offer cultivates, maintains and enhances the quality of the Redmond work force and enhances customer service.

How: Through a strong partnership with the Human Resource Department, Payroll ensures updates to employee records are made timely and accurately. With attention to detail, Payroll reviews timesheets for completeness to identify problems prior to processing to ensure City employees receive the correct payment for services rendered. Upon completion of each payroll, the staff reconciles all benefits and taxes prior to filing returns and initiating payments.

Who: Payroll is focused on providing prompt, effective and efficient service to all City department managers, supervisors and employees. We assist the City's Human Resources Department through consultation and mutual support on employee compensation issues; City employees through timely and accurate compensation; City managers and supervisors through reports, support and assistance; and related outside agencies [Department of Retirement Systems (DRS), Healthcare Management Administrators (HMA), Municipal Employee Benefit Trust (MEBT) administrator] through timely and accurate reporting of deductions and benefits.

Performance Measures:

1. Complete processing of all 36 regular payrolls (24 semi-monthly, 12 monthly council, and special payrolls as needed) two days before pay day with an error rate of less than 1.5%. With reduced error rate there is less need for additional special payrolls for corrections.
2. Post employee contributions to the Municipal Employees' Benefit Trust (MEBT) by payday and Department of Retirement Services (DRS) within five days of payday.
3. Percentage of employees satisfied with Payroll Services as measured by the Department annual survey.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Payroll Error Rate	1.50	1.00	1.00	1.00	Percent
Payroll Completion	36.00	36.00	36.00	36.00	Pay Periods
Reporting Deductions and Benefits	36.00	36.00	36.00	36.00	Pay Periods
Custmer Satisfaction with Payroll	80.00	82.00	84.00	85.00	Percent

Scalability:

Scalability Proposed: Staffing costs are 72% of this offer, with the City's non-departmental unemployment cost the balance of the offer. A 5% ($29,814) budget decrease would likely require a reduction in staff.

Given the previous staff cuts and the increased workload, the scalability for this offer, if necessary, will be taken with the Accounting & Auditing offer FIN2540. This offer includes current staffing levels of three full time employees (FTE): a Payroll Supervisor and two Payroll Analysts. Since going live with the Eden Payroll System, all employee

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2486
Type of Offer: OFFER - ONGOING

PAYROLL ADMINISTRATION

claims for expense reimbursements are now processed through Payroll. Also, the expansion of benefit reporting through federal mandates has increased the reporting requirements which have also increased the workload.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$384,293	$392,454	$776,747
Ongoing-Others	$6,850	$6,850	$13,700
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$391,143	$399,304	$790,447
	3.000	3.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2523
Type of Offer: OFFER - ONGOING

SAFETY & WORKERS COMPENSATION PROGRAMS

Description:

What: Workplace safety is one of the most important aspects of responsible government. Employees who work safely contribute to an environment that enhances and allows focus on customer service. Workplace safety programs are cross-departmental and innovatively leverage the expertise present within City departments to more efficiently provide the best possible service to City employees. Funds are allocated by department, and Human Resources safety staff work collaboratively and intra-departmentally with operating departments to design safety programs and allocate resources appropriately. The Human Resources Department has responsibility for development, management, oversight and coordination of the programs. Staff members administer training; maintain safety related records; participate in and facilitate multiple safety committees and respond to customer inquiries and requests for assistance.

Why: As an employer, the City has a responsibility to ensure employee safety and to comply with State and Federal safety requirements. The City of Redmond is self-insured for Workers' Compensation benefits and is mandated to provide benefits through Title 51 and, more specifically, the Washington Administrative Code (WAC) 296-15 governing self-insurance. Self-Insurance allows the City to better manage its Workers' Compensation program including how risk is shared and minimized. This hands-on approach results in a safer workplace with increased employee morale and reduced costs. The Safety and Workers' Compensation Programs offer provides the resources to fulfill this responsibility. Human Resources administration, oversight and coordination of the Safety and Workers' Compensation programs, not only ensures that the State and Federal law requirements are met, but also that the City is able to reduce costs, and provide a safe work environment. Results include increased employee morale, enhanced community safety, and the ability to control risk exposure.

These programs contribute to fiscal stewardship by promoting safe work habits that lead to accident and injury prevention. Appropriate management and prevention of accidents and injuries contributes to employee well-being and morale; promotes employee retention; reduces the likelihood of injury/damage claims against the City; and offers return to work options that minimize absenteeism. The programs support customer service values by ensuring that employees are available, work safely and are able to provide the best service to the community.

How: Programs are customer-focused with Human Resources staff members acting as the first point of contact for employees involved in accidents; resolving individual issues related to workers' compensation; and proactively assessing employee needs when developing and implementing safety training. Staff members develop and administer a comprehensive safety training program as determined by needs assessments, as well as State and Federal mandates. Staff members are also responsible for comprehensive accident/injury reporting and review. Work station evaluations and work practice reviews are conducted for program improvement and to prevent injuries.

The Human Resources Department has worked to modify these programs over the past years, reducing reliance on consultants and developing the expertise of in-house employees to provide training and services. City employees now teach many classes that were previously offered through consultants. As a result of this innovative effort, the safety program has experienced a reduction in costs and higher levels of instruction. Feedback from employees regarding in-house instructors is positive; these instructors are found to be skilled, knowledgeable, and well-trained.

Oversight of Workers' Compensation is accomplished through appropriate accident investigation; benefits administration; prompt response to customer requests for assistance and guidance; management of a third party provider; and coordination of modified duty and return-to-work programs. The third party provider advises the City regarding rules and regulations, manages claims, and assists with return-to-work and modified duty issues. During this budget cycle, the City will be conducting a request for proposal and reviewing the market for third party administrators in this

area.

Additionally, the City plans to evaluate the self-insured status of the program to determine whether, over the long term, insuring with the State would be more cost effective. The City plans to hire an outside consultant to complete this analysis. The cost of this study is estimated to be $10,000. This amount has been included in the proposed budget for this offer.

Over the past year, the City has added technology to more efficiently manage incident and accident reporting, as well as tracking of employee training. Additionally, the City is now offering on-line training in workplace safety and defensive driving.

Who: The customers for these programs are all City employees, managers, elected officials, and the citizens of Redmond.

Performance Measures:

The State of Washington now compiles information for self-insured employers that directly compares the City of Redmond with other municipal employers, such as the Cities of Seattle, Bellevue, Kent, Puyallup and Olympia. This data regarding injuries, time loss days and hours worked is now reported to Labor and Industries electronically by all self-insured employers and is compiled into reports.

The two most meaningful categories for comparison purposes are frequency and severity. Frequency is calculated by taking the number incidences (injury claims) that require medical treatment and dividing that number by total number of hours worked. The severity of an injury is measured by the number days an injury causes lost time from work. This is calculated by taking the number of time loss days and dividing by the total number of hours worked.

The lower the number of injuries and time loss days, the better your program is performing. For 2011, the frequency and severity for injuries in the City of Redmond is lower than the comparison group of public entities that self-insure. The fractions are small because injuries rarely occur and even more rarely result in days missed from work.

1. Redmond's claims frequency (claims/hour) rates are lower in comparison to available and relevant benchmarks, as defined by Washington State Department of Labor and Industries and other publications. *(New Measure)*
   2011 Target: .000071 (3,487 claims/49,143,931 hours)
   2011 Actual: .000055 (71 claims/1,280,202 hours)
2. Redmond's claims severity (time loss days/hours worked) rates are lower in comparison to available and relevant benchmarks, as defined by Washington State Department of Labor and Industries and other publications. *(New Measure)*
   2011 Target: .000856 (42,074 time loss days/49,143,931 hours)
   2011 Actual: .00046 (586 time loss days/1,280,202 hours)
3. Redmond's cost per incident is lower in relation to the statewide average as defined by Washington State Department of Labor & Industries and other publications.

Please note that there is a lag time of three to four months based on when quarterly reports and claims costs are due. All 2012 Target data are to be determined by Washington State Department of Labor and Industries and other publications. Data for the first quarter of 2012 will be available in June or July.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: HUMAN RESOURCES **Id:** HUM2523
Type of Offer: OFFER - ONGOING

SAFETY & WORKERS COMPENSATION PROGRAMS

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Safety & Workers' Comp Claims Frequency	0.00	0.00	0.00	0.00	See Above #1
Safety & Workers' Comp Claims Severity	0.00	0.00	0.00	0.00	See Above #2
Safety & Workers' Comp Cost Per Incident	8,457.00	4,631.00	2,945.00	0.00	Dollars

Scalability:

Scalability Proposed: A 5% percent decrease in this area is $98,030. There are very few areas in this program where scalability could be implemented. The Workers' Compensation Program maintains a reserve fund to cover large claims. Our current policy is to maintain 1.7 times the amount of reserves required by the State of Washington in this account. The minimum requirement for reserves in 2013 will be about $563,125. The reserve account is currently $695,568, the City could potentially reduce the reserve account cutting $98,030 for scalability; however, this is risky because the costs of this program are volatile and fluctuate from year-to-year. Scaling reserves may result in a budget deficit in the program.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$178,568	$184,490	$363,058
Ongoing-Others	$790,000	$790,079	$1,580,079
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$5,000	$5,000	$10,000
TOTAL	$973,568	$979,569	$1,953,137
	1.600	1.600	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2526
Type of Offer: OFFER - ONE TIME ONLY

CITYWIDE RESERVES

Description:

What: Reserve funds are set aside to provide sufficient cash flow to meet the City's daily needs and support an acceptable level of City services in the event of a catastrophic incident. Citywide reserves include General Fund, Law Enforcement Officers and Firefighters (LEOFF 1) and jail reserves. All other reserves, such as fleet, insurance and utility depreciation reserves appear as part of other offers. Having adequate reserves in place supports the fiscal responsibility factor by providing for a comprehensive strategic financial and economic plan that complies with current City policies. Reserves also focus on financial strategies and systems that reinforce credibility with the community, staff and Redmond stakeholders and at the same time comply with Federal, State and City legislation. This offer also supports the Safety strategy of encouraging proactive approaches to safety by ensuring the City has adequate funds in place should a widespread disaster occur within the City.

Why: Adequate levels of reserves allow the City to mitigate current and future financial risk and at the same time promote responsible government through upholding sound fiscal policies while addressing short and long-term budgetary goals. Appropriate reserves also contribute to sound financial strategies that are comprehensive in nature and reinforce credibility with the community by complying with fiscal mandates.

How: Major reserves are policy driven mandates. For example, General Fund reserves are maintained at a level of 8.5% of total General Fund budgeted revenues, excluding beginning fund balance, development review, and significant one-time revenue. Depending upon size, General Fund reserves in other jurisdictions range from 5% to 12% of General Fund revenues. In 2013, the City's Building Permit Reserve was combined with the General Fund Reserve.

Other reserves are held to mitigate future liabilities. The LEOFF 1 reserve will be used to fund future medical costs associated with LEOFF 1 participants. Under the State of Washington's LEOFF 1 plan, the City is obligated to fund medical costs for the lifetime of public safety officers who participate in the plan. Insurance reserves mitigate the City's higher than anticipated insurance expenses. The amount of the reserves contained in this offer includes:

1. General Fund Reserve - $6,209,568;
2. Jail Reserve - $454,814;
3. Workers' Compensation Reserve - $569,396; and
4. LEOFF 1 Reserve $453,770.

Who: Citywide reserves serve the community, as well as City employees. The community expects the City to manage its money in a way that mitigates the impacts of natural disasters or catastrophic events, as well as manage the risk associated with the City's various lines of business. Keeping reserves in place is a prudent financial strategy that will serve the community well into the future.

Performance Measures:

Reserves are policy driven mandates and the City is obligated to maintain reserves at prescribed levels, therefore no specific measures are set up for these programs. However, sound reserve policies and adequate reserves are reviewed by bond rating agencies to measure the strength or the City's overall financial health. The City's adherence to prudent reserve policies speaks to the Council Dashboard measure of the City's Bond Rating which currently stands at AAA.

Scalability:

Scalability Proposed: Options for possible reserve scaling scenarios are listed below:

1. Fiscal policy states the City will maintain in reserve 8.5% of General Fund revenues in case of a catastrophic

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2526
Type of Offer: OFFER - ONE TIME ONLY

CITYWIDE RESERVES

event. Jurisdictions keep between 5%-12% of reserves within their General Fund. With a Council policy change the City could scale back the General Fund reserves to 7% which would be a one time savings to the General Fund of approximately $1.4 million. Decreasing the General Fund reserves may leave the City without the necessary resources needed if a significant catastrophic event should occur within Redmond and could affect the City's AAA bond rating.

2. The Building Permit Reserve currently equals $309,735 in 2012. This offer would replace the approximately $800,000 used in 2011 to maintain baseline levels of development review services. As a scalability measure, the City could choose not to restore the additional funds needed ($792,919) to increase the Building Permit Reserve to policy levels.

Scalability Recommended: To be consistent with the recommendation to change the City's fiscal policies to consolidate reserves and contingencies, the existing Building Permit Reserve ($309,735) has been combined with the General Fund Reserve. The remaining amount ($792,919) has been moved to the General Fund balance for reallocation.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$0	$0	$0
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$7,995,541	$569,396	$8,564,937
TOTAL	$7,995,541	$569,396	$8,564,937
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2510
Type of Offer: OFFER - ONE TIME ONLY

INNOVATION FUND

Description:

What: Consistent with the City's vision to provide high quality, responsive services in partnership with an engaged community, this offer establishes an Innovation Contingency to provide one-time seed money to support individuals or teams who create productivity enhancing ideas. In 2009, the Administration implemented an innovation/efficiency challenge to all departments to identify savings. This challenge resulted in savings of approximately $2.6 million. Missing from that program was seed money to implement new ideas that needed support upfront to realize a return on investment in the future.

Why: The City has been using business process improvement methodologies to foster a pioneering spirit and continuous learning through process improvement ideas and team efforts. It is imperative that the City continue to be innovative and creative to meet the challenges of circumstances such as economic downturns, redevelopment, population growth and emerging technology. This offer speaks to encouraging intra-city and regional partnerships by fostering relationships across departments to meet the needs of Redmond's partners and citizens. The Innovation Contingency will also be focused on strategies and systems that reinforce credibility with the Community.

How: The Innovation Contingency will be spent on pilot programs that can articulate a clear business case for supporting a new idea. The potential programs/projects will be reviewed by a team of individuals who will evaluate the costs and benefits of the pilot programs. These programs will be monitored for return on investment and success at meeting citywide goals. Once a pilot project ends, the results will be measured for the savings and outcomes achieved as well as whether it is feasible for the program to continue. The Mayor in collaboration with the Director's Team will make the final decision on moving forward with any program/project funded through the Innovation Contingency.

Who: Effective and efficient systems and operations are core to supporting superior customer service. Every one of the programs/projects selected will be serving the Redmond Community by fostering proactive and innovative approaches to City services. The first tier customer served through this offer is the Redmond Community; the second would be Redmond's partners in the region. At this point it is hard to know what ideas will come out of this offer; however, the projects and programs funded through the Innovation Contingency will be required to demonstrate a clear customer service connection consistent with the Mayor's vision.

Performance Measures:

1. Programs/project will demonstrate a measurable return on investment before being considered for funding. (Note: all programs/projects eligible for seed money will have clear and demonstrable outcomes in order to determine success or failure.)

Scalability:

Scalability Proposed: The Innovation Contingency is a one-time program and can be scaled by 5% or $15,000. It is difficult to know the exact impact scaling of the Contingency will have on the overall program as a contingency of this kind has not been used before; however, at a minimum, fewer projects/programs will receive seed money than if the Contingency is fully funded.

Scalability Recommended: Denied $100,000 of new proposal and reduced by $25,000 to support Human Services programs.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2510
Type of Offer: OFFER - ONE TIME ONLY

INNOVATION FUND

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$0	$0	$0
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$87,500	$87,500	$175,000
TOTAL	$87,500	$87,500	$175,000
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2589
Type of Offer: OFFER - ONE TIME ONLY

INFORMATION TECHNOLOGY STRATEGIC INITIATIVES

Description:

What: The Information Technology (IT) Strategic Initiative offer allows Information Services (IS) to implement a long-term strategy for adopting information and communication technologies that support the future business objectives of the City. Specifically, IS will complete the implementation of the projects defined in the plan that was adopted in 2009, survey the changing business and technology environment for new opportunities and implement projects to take advantage of those opportunities.

While a great deal of the work defined in the 2009 IT Strategic Plan and subsequent iterations is complete, there are several projects currently in progress or scheduled to begin in the next biennium: expansion of the City's wireless infrastructure beyond City buildings; development of a more robust and comprehensive records program including the technology to support that program; implementation of an Enterprise Asset Management system; implementation of the recommendations made in the IT Security and Disaster Recovery Plan; and planning for a more collaborative work environment.

In addition, there are new business and technology drivers creating a need for broader and/or new technology strategies. Those include: a mobile workforce that needs anytime, anywhere, any device access to business resources; the Mayor's customer service initiative which is fostering a greater need for transparent interaction with City customers, thereby improving the customer service experience; real-time remote sensing and data collection (i.e. water quality information); and a community that is using social media tools to interact and engage with government.

Why: The Strategic Plan, adopted in 2009, confirmed that information and communication technologies are critical to the delivery of services throughout the City. However, the technology infrastructure required for new service delivery must be in place before those services can be offered, just as physical infrastructure like roads, water and sewer systems must be in place before major redevelopment. Funding this offer will allow IS to implement the technology that is needed 1 - 2 years into the future to support business services.

The offer addresses innovative professional development by empowering users with the tools they need to deliver services, such as SharePoint and the Website Content Management system. It is proactive in identifying and implementing technical solutions that allow City staff to provide high quality, reliable and responsive customer service. It also addresses delivering effective and efficient technology systems which are the basis for excellent service delivery. These systems support better decision-making, improve staff productivity and provide better access to information by the City's customers. Finally, this offer enhances customer service by soliciting citizen feedback to inform development of the long-term technology strategy.

How: Information Services develops and updates the IT Strategic Plan in concert with City staff who provide insight into what's driving business changes, their goals and objectives annually. IS then creates a set of recommended projects designed to help City staff achieve their goals and objectives. These projects are then submitted to the IT Governance Team (which includes the Director of each department) to ensure these projects remain rooted in the long-term direction of the City. Final approval of projects and related expenditures rests with the IT Governance Team.

While a great deal of the work defined in the 2009 IT Strategic Plan and subsequent iterations is complete, there are several projects currently in progress or scheduled to begin in the next biennium: expansion of the City's wireless infrastructure beyond City buildings; development of a more robust and comprehensive records program including the technology to support that program; implementation of the recommendations made in the IT Security and Disaster Recovery Plan; planning for a more collaborative work environment; and real-time remote sensing. In addition, there

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2589
Type of Offer: OFFER - ONE TIME ONLY

INFORMATION TECHNOLOGY STRATEGIC INITIATIVES

are new business and technology drivers creating a need for broader and/or new technology strategies. Those include: a mobile workforce that needs anytime, anywhere, any device access to business resources; the Mayor's customer service initiative which is fostering a need for greater collaboration between City staff and with City customers along with a desire to improve the customer service experience; and a community that is using social media tools to interact and engage with government.

The offer is differentiated from the Information Services offer in that this offer is focused on identifying and implementing technology for future needs, whereas the Information Services offers funds ongoing operations.

Who: The direct customers for this offer are City staff who are in need of technology support to implement and improve business practices. Through an active dialog with these customers IS can provide the tools necessary to improve service to their customers, the Redmond community.

Performance Measures:

1. Seventy-five percent (75%) of the projects selected for implementation are completed over the time horizon of the plan (the plan is three to five years and the measure has not be tracked on an annual basis).
2. High rating of customer satisfaction with the state of the City's technology as measured through a department survey.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Projects Selected for Implementation are Completed Over the Plan Timeline	75.00	0.00	0.00	75.00	Percent
High Rating of Customer Satisfaction with State of the City's Technology	80.00	0.00	0.00	80.00	Percent

Scalability:

Scalability Proposed: The amount requested for the 2013-2014 budget represents some carry-forward of the last few projects from the earlier plan as well as an estimate of the resources needed to pursue several other known initiatives. The nature of the plan is a bit fluid as the Information Technology Governance Team can realign technology priorities in keeping the evolving business needs.

A 5% or $25,000 reduction would result in reducing the scope of one or more projects identified for implementation. The IT Governance Committee would need to determine which project was the least important for supporting the City's business objectives.

Scalability Recommended: Reduced one-time funding for continuing strategic intiatives ($307,000) to allow for evaluation of scope of future projects.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2589
Type of Offer: OFFER - ONE TIME ONLY

INFORMATION TECHNOLOGY STRATEGIC INITIATIVES

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$250,000	$250,000	$500,000
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$193,000	$0	$193,000
TOTAL	$443,000	$250,000	$693,000
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2515
Type of Offer: OFFER - ONGOING

CITYWIDE MAIL SERVICES

Description:

What: In this electronic age, you would think just about everything is available electronically instead of on paper, but that is not completely true. Did you know that the City anticipates receiving and sending U.S. mail, as well as transferring (department to department) inter-office mail at a volume of close to 500,000 pieces of correspondence during this next biennium? This offer represents staff's recommendation for a fast, efficient and timely method to receive, sort, redistribute and send incoming and outgoing City mail in the most fiscally responsible manner to ensure efficient and effective pick-up/delivery. This offer provides a comprehensive, centralized Citywide mail delivery system to 42 City mail stop locations at 15 different buildings involving 18 separate budget account codes.

Why: When you open your home mailbox, you expect all of your mail to be there and you expect to receive only your own mail. It is irritating to get other people's mail and you have little tolerance for mistakes. It is no different at the City. Using this proposed integrated, centralized approach increases mail delivery consistency, reduces delivery errors and relieves staff the burden of having to travel daily to the Redmond Post Office to retrieve and send U.S. mail. Further it provides for an integrated approach to City internal (interoffice) mail delivery.

Citywide Mail Services addresses providing the most efficient and cost effective way to meet the need of moving mail (both internally and externally) around the City. In 1994, the City determined it was most cost effective and beneficial to contract out its mail service needs with an outside agency. Prior to this time, services were provided in-house using City staff and equipment. A significant benefit of having City mail metered and co-mingled with mail from other cities under contract with this supplier has resulted in a 5% savings on first class postage which is approximately $5,000 for the biennium. This U.S. postage savings is reflected in the offers of the individual departments as a reduced "postage" cost and is thus not reflected in this particular offer.

How: The offer proposes an alternative to having individual city staff assumes responsibility for the pick-up, delivery and mailing (including postage metering) of all mail generated within their work groups. Additionally, there are several core service fees contained in this offer and minimum costs would need to be provided for an alternate manner if this offer is not funded or if scalability is exercised. These core fees include: funding for Citywide annual postal related fees, such as Post Office Box (97010) use, bulk permit use, and business reply use. This offer eliminates the need for the City to purchase and maintain individual postage scales in which to individually meter City mail or the purchase of rolls of U.S. postage stamps. Without the cost saving benefits of this offer, the 5% savings on first class postage would not be realized and other individual offers would need to be increased to cover these additional postage fees. This offer eliminates duplication of staff effort and increases the reliability with which City mail is sent/received by internal (staff) and external (the community) customers of these services. This offer relieves City staff of the requirement of performing these services in-house, to retrieve and pick-up the City's mail daily from the Redmond Post Office, sort the mail, distributing U.S. mail and inter-office mail to the various mail stops and either meter the mail or affix U.S. postage on each piece of outgoing mail and allows them to focus on their primary duties and priorities. Finally, this offer provides for the pick-up and internal delivery of Reprographics Division produced work.

The City's U.S. mail is centrally picked up from and delivered to the Redmond Post Office, it is sorted and distributed daily (Monday - Friday) to all City locations by an external supplier. Annually this equates to approximately 132,000 individual pieces of outgoing U.S mail or 264,000 for the biennium, incoming mail quantities are not tracked. Additionally, this supplier provides a basic communications service for internal City staff and customers external to the City through the delivery of interdepartmental mail along with the U.S. mail. While the volume of city interoffice mail is not currently tracked, it would be a conservative estimation that this volume would represent at least half as much as outgoing mail volumes. City mail is a critical communications tool to the success of daily City operations. U.S. mail

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2515
Type of Offer: OFFER - ONGOING

CITYWIDE MAIL SERVICES

and interoffice mail pick-up and delivery to the seven largest City locations occurs daily (Monday - Friday), two to three times per day; additionally pick-up and delivery to eight outlying locations occurs daily (Monday - Friday), once per day. All mail is sorted and delivered daily to the various City mail stop locations.

Who: The primary recipients of City mail are the many internal City employees and City Council. However, mail originates from and its receipt benefits a variety of external customers including local area businesses, citizens and other local, state and federal governmental entities.

Performance Measures:

1. City mail services occur with minimal City staff interruption and mail/packages arrive timely and accurately to the intended "addressee" with a 90% frequency when surveyed. Any misaddressed mail goes to the City Clerk to be opened and re-directed.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Mail is Received Timely and Accurately	90.00	93.00	86.00	90.00	Percent

Scalability:

Scalability Proposed: Since this offer is comprised of 100% externally outsourced services, the level of funding will determine the level of service provided by the external contractor. During 2011, staff has inquired regarding the possibility of increasing the number of mail pick-up and deliveries to the Public Works Maintenance Center and selected Fire Stations which, in the City's current daily mail schedule, receive a single mail pick-up and delivery each day. In order to offer a meaningful scalability option, funding would need to be increased at least 18% (or $36,000 over the biennium). This increase would allow the City to purchase additional delivery hours that would enable all City mail locations to receive a minimum of two stops (pick-up and delivery) daily (Monday-Friday). Currently, several City mail locations receive only a single delivery/pick-up each day. This would add flexibility to an already tight daily delivery schedule. Additional staff hours could also be used not only to pick-up and deliver mail, but would allow for additional sorting of mail to individual City sites and would serve to minimize mail delivery delays and delivery mistakes typically experienced during those periods of time when mail pick-up and deliveries are being made.

Alternately, if funding were decreased by 18% (or $36,000 over the biennium), the frequency of City mail delivery would be reduced to one to two stops per day in high volume buildings and one to two times per week in outlying City buildings. The City's outlying buildings, such as the City Fire Stations would be most affected by this reduction; this reduction would increase duplication of staff effort as critical mail deliveries would need to be individually transported by City staff, removing staff from their primary duties. Citywide communication would be affected in that it would require additional planning efforts on the part of City staff to "time" their interoffice or U.S. mail submissions to coincide with reduced mail pick-up and delivery services and would undoubtedly cause a slow down or delay in the delivery and receipt of basic communications to Redmond citizens, the business community, and other municipal jurisdictions which depend upon timely delivery of correspondence. The performance measure target relating to timeliness would be negatively impacted. This has been a concern of our customers in the past.

Scalability Recommended: No change in program.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2515
Type of Offer: OFFER - ONGOING

CITYWIDE MAIL SERVICES

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$100,475	$101,315	$201,790
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$100,475	$101,315	$201,790
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2512
Type of Offer: OFFER - ONE TIME ONLY

CAPITAL EQUIPMENT REPLACEMENT RESERVE

Description:

What: The Capital Equipment Replacement Reserve provides funding for equipment in need of replacement within General Fund supported departments. In this program, funding is specifically set aside to provide for the replacement of equipment, not the purchase of additional equipment or the purchase of vehicles. The Capital Equipment Replacement Reserve supports fiscal responsibility by providing for the future assets departments need to provide quality service to the community, via effective and efficient systems and equipment. Redmond's fiscal policies state "the City will maintain equipment reserve funds at a level sufficient to meet scheduled equipment replacement, so as to sustain an acceptable level of municipal services and prevent physical deterioration of assets."

Why: Equipment replacement is a financial strategy used by many governments to demonstrate good stewardship of resources consistent with the City's long-term financial and economic plans. The City has a responsibility to make sure employees have the resources to carry out their work in the most efficient and effective manner possible, which contributes to the overall level of service and customer service goals of the organization. This offer represents a strategic program that manages the condition of our assets, tracks the investment needed to replace them, and ensures assets are replaced when they reach the end of their useful life. The equipment requested in this offer includes items that support the Safety Priority by ensuring public safety personnel are appropriately equipped with items that are safe and functional.

How: Through careful monitoring of equipment life cycle schedules**,** equipment that has reached the end of its useful life is budgeted for replacement. Equipment being requested in this offer has met the threshold of the City's fixed asset policies. The goal of the Capital Equipment Replacement Fund is to minimize risk and liability exposure to the City and employees from faulty or deteriorating equipment. The Capital Equipment Replacement Fund is restricted to replacement equipment that has a value of $5,000 or more. Smaller equipment is replaced through department budgets.

Who: Equipment replacement assists Departments by ensuring adequate funding to replace outdated equipment and by extension allows them to provide efficient and effective customer service to the citizens of Redmond and the region at large. Bond rating agencies also scrutinize the City's policies regarding asset replacement as a way of evaluating whether or not the City is meeting its fiduciary responsibility toward the community.

Performance Measures:

1. Percent of replacement reserve funding to meet the needs of scheduled equipment replacement and future replacement of larger systems. 2012 Actual: Based on a seven year cash flow analysis the City has sufficient reserves to replace all applicable assets due for replacement through 2019.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Fund Adequate to Replace Items as Needed at End of Useful Life 100% of Time	100.00	100.00	100.00	100.00	Percent

Scalability:

Scalability Proposed: A 5% reduction in funding would decrease the annual transfer by $50,000 each year. The consequences of eliminating a portion of the reserve funding include:

1. Equipment would be kept in service beyond its useful life, requiring an increase in maintenance costs and/or a delay in those services that are dependent on the outdated equipment.
2. Policies could be reviewed to increase the replacement threshold to, for example, $20,000 or more, instead of

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2512
Type of Offer: OFFER - ONE TIME ONLY

CAPITAL EQUIPMENT REPLACEMENT RESERVE

equipment valued at $5,000 or more. This would reduce the amount of equipment that could be replaced out of the fund, resulting in less replacement costs per year. However, raising the threshold would not be a cost savings, but rather a shift in the burden from the replacement fund to departments within the General Fund as departments would need to absorb the cost of equipment replacement under $20,000.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$0	$0	$0
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$2,054,050	$2,396,897	$4,450,947
TOTAL	$2,054,050	$2,396,897	$4,450,947
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2516
Type of Offer: OFFER - ONGOING

ACCOUNTS PAYABLE SERVICES

Description:

What: Accounts Payable will facilitate accurate and timely payment of City invoices while incorporating generally accepted accounting principles (GAAP) and practices. These payments are the final result of a series of processes designed to balance efficient and accurate payment with internal controls which serve to preserve City resources and protect the City's credit rating.

Consolidated Accounts Payable provides for central payment of bills and ensures the placement and practice of internal controls surrounding the payment of funds in a fiscally responsible manner. Accounts Payable staff work collaboratively with City departmental (internal) staff and external customers (local business and citizens) to minimize duplication of staff effort through the use of an integrated, central payment process involving multiple purchasing tools, automated invoice review and approvals to achieve timely payment of City bills.

Why: When you flip the switch, the lights come on. When you push the power button, your computer turns on. This is because someone paid the electricity bill. For the City of Redmond (who receives 50 separate electricity bills each month covering 316 individual City locations, using 78 different City budget account numbers, requiring multiple levels of City staff budget approval) this task is much more complex than it would appear. This responsibility must be handled timely (within 30 days) or in addition to no power, an additional 1% late charge must be paid on each invoice (per state law) and the City's good credit rating will be negatively affected. It is anticipated that during the 2013-14 biennium, approximately 52,000 individual invoices will require timely payment, that 16,000 claims checks will be issued to handle these payments of nearly $168 million. All activities are subject to review at audit with the goal to keep the City free of payment related audit findings.

Accounts Payable Services provides a centralized and integrated approach to efficient, effective and timely payment of the City's bills to avoid paying costly late fees and harm to the City's credit rating. Also important within the City's ability to pay its bills on time is to ensure an uninterrupted flow of goods and services. If the City's suppliers are not paid in a routine and consistent manner, they are not inclined to sell goods and services to the City. Quality and reliable customer service purchasing strategies are met when citizens and local businesses are provided accurate and timely refunds (for utility overpayments, class cancellations, permit deposit refunds, etc.) and payments due to them.

How: The effective and efficient payment system enables the City to meet external customer service expectations and to provide productive and responsive community connections. This Division receives information from the City's Microsoft Dynamics AX financial system, from external City suppliers/service providers and internal City staff to perform invoice verification and audit. Payment is made on externally received invoices using payment terms standard within the industry. Additionally, staff perform individual procurement card verification and audit thousands of transactions resulting from the 225 City issued procurement cards each month. By having centralized leadership, oversight and dedicated staff to perform this core financial function at the City, other department staff are relieved of the responsibility of having to perform these duties themselves and are able to focus on their primary tasks and activities in pursuit of other City goals and objectives.

In 2010, the City conducted a business process review through the use of an external consulting firm. The Consultant's recommendation supported this centralized approach in meeting the City's objective of "getting the best value for each tax dollar." Further, the Consultant stated that the City's approach to centralized Accounts Payable provides for rapid visibility (transparency) of Accounts Payable data and was found to be a common denominator and efficient payment methodology among organizations who are cited as "Best in Class." This offer leads to lower processing costs, faster processing time, fewer exceptions and fewer late payments. Funding this offer supports elements necessary to have an

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2516
Type of Offer: OFFER - ONGOING

ACCOUNTS PAYABLE SERVICES

effective, efficient and fiscally responsible payment system for the City that ensures community credibility.

Who: The primary recipients of Accounts Payable services are the various suppliers, utility service providers, other governmental agencies, citizens and internal staff that present an invoice to the City for the payment of purchased goods, services, and activities. City staff are also customers when Accounts Payable pays bills on their behalf and assists them with their role in the payment process.

Performance Measures:

1. Payments are to be accurate and complete with no audit findings. Department budgets should reflect actual dollar expenditures in the proper month incurred. Invoices are paid accurately within 30 days from date of invoice or performance of service, whichever is later, 90% of the time.

2. When surveyed, City staff ranks the effectiveness and efficiency of Accounts Payable staff with a rating of three (3) out of five (5) or better.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Timely Payment of City Invoices	90.00	91.00	83.00	90.00	Percent
Customer Services - Effectiveness & Efficiency	80.00	79.00	71.00	80.00	Percent

Scalability:

Scalability Proposed: The Accounts Payable Division uses supplemental help to augment existing staff. This externally contracted staff assist with reconciliation of City procurement cards. This is an inefficient use of funding. Externally contracted temporary help costs more than in-house staff and the constant turnover of this type of short-term staffing requires current Accounts Payable staff to provide introductory training and learning curve completion each time temporary staffing turnover occurs. An increase of 3.5% (or $20,900 over the biennium) in funding would allow the division to add one part time (0.50 FTE) Financial Technician in Accounts Payable. This increase, when combined with the temporary staffing budget, would reduce the City's dependency on temporary staff to support ongoing City operations, provides for more staffing stability and work product consistency. In addition to securing a more long-term solution to the City's growing procurement card program, this staff person could provide much needed backup staffing coverage and represents a more cost efficient use of currently expended funds.

Alternately, a reduction of approximately 5% (or 29,850 over the biennium) in funding would require a reduction in externally contracted staffing by 50%. Currently, the division is using temporary staffing to handle the monthly verification and reconciliation of City procurement cards. With a reduction of this size, the Division would not be adequately staffed to support the reconciliation portion of this program and the program would need to be eliminated. Additionally, if a reduction was exercised, it would reduce the timeliness of City payments, afford a reduced level of scrutiny of City bills weakening internal controls and pose an increased risk to potential audit findings. This reduction would force remaining staff to shift their focus to simply "getting the bills paid," leaving little to no time to answer questions or inquires which would negatively affect the City's credibility with both internal (city staff) and external (the community) customers. Further, both performance measures would be negatively impacted.

Scalability Recommended: No change in program.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2516
Type of Offer: OFFER - ONGOING

ACCOUNTS PAYABLE SERVICES

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$268,888	$276,775	$545,663
Ongoing-Others	$38,830	$39,790	$78,620
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$307,718	$316,565	$624,283
	3.000	3.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: LEG **Id:** LEG2494
Type of Offer: OFFER - ONGOING

CIVIL LEGAL SERVICES

Description:

What: Civil legal services provide legal counsel to the Mayor, City Council, Boards and Commissions, and City staff. These services are a critical element in supporting effective leadership, a key factor of the Responsible Government Priority. Currently, civil legal services are provided on contract by the law firm of Ogden Murphy Wallace (OMW). OMW also represents the City in civil and criminal proceedings and negotiates labor contracts, which demonstrates fiscal responsibility.

Why: Civil legal services ensure City business is conducted legally and that litigation risks are minimized. Civil legal services promotes quality service through careful adherence to Federal and State law as well as City ordinances by reviewing potential new City policies and land-use decisions and articulating the City's legal obligations to the City Council, staff and the community. Fiscal responsibility is also enhanced through review of bond documents, representation on lawsuits focused on the City's tax structure and answering auditor questions regarding Redmond's fiscal management. This offer also supports the Safety Priority by encouraging citizens and businesses to comply with building, environmental, health and safety laws, through supporting the City's compliance officers in interpreting codes and standards and communicating with the community on City regulations.

How: Prudent use of civil legal services safeguards public resources and City interests in matters of litigation, labor relations, and risk management. Through interpretation and articulation of City regulations and State and Federal laws, civil legal services provides internal staff advice on current and future issues, such as land use interpretation and potential new City policies. The City Attorney's Office also represents the City on criminal cases as well as provides advice on personnel matters in order to maintain the quality of Redmond's workforce. Redmond's fiscal responsibility is enhanced through this offer by providing oversight on compliance of mandates and minimizing the risk associated with running an organization with various lines of business.

Who: Civil legal services provides internal customer service to the Mayor, City Council, Boards and Commissions and City staff through analysis and advice on legal issues impacting the City. The Redmond Community also benefits from the work of the City's Attorney through a well-run City that conforms to legislation under which the City is governed.

Performance Measures:

1. Client satisfaction rating (determined via an internal customer service survey). Per the Internal Customer Service Survey results, over two-thirds of respondents who use the City Attorney are "satisfied" or "very satisfied" with the service they receive.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Overall Customer Satisfaction	80.00	86.00	82.00	86.00	Percent

Scalability:

Scalability Proposed: The Executive Department has managerial oversight over Citywide Administration and Management, Regional Policy and Services, portions of Civil Legal Services, and the Prosecutor's Office. Taken together, a 5% scalability for these offers is approximately $170,000. It is proposed that the scalability for these offers could be met through: 1) a $70,000 reduction in the litigation line item of the Civil Legal Services budget to right-size the budget for recent litigation/claims activity; and 2) a $100,000 reduction in the Prosecutor's Office through elimination of the 0.5 full time employee (FTE) prosecutor position.

In recent years, the City's litigation line item has not been fully expended, due to fewer litigation cases/claims cases filed

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: LEG **Id:** LEG2494
Type of Offer: OFFER - ONGOING

CIVIL LEGAL SERVICES

against the City and more rigorous budget scrutiny to ensure expenditures are properly charged to departmental budgets. While the City's current litigation outlook suggests this is a prudent reduction, it should be noted that it is difficult to predict when/if future litigation/claims may be filed in Fiscal Years 2013-2014.

The reduction of the 0.5 FTE prosecutor position was proposed in Fiscal Years 2011-2012, but was restored by the City Council due to the City's then-proposed traffic safety camera program. Because the traffic safety program was discontinued in early 2012, this reduction is again proposed for Fiscal Years 2013-2014. Impacts to the Office's workload from this reduction are described in the Prosecutor's Office offer.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$160,000	$162,880	$322,880
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$160,000	$162,880	$322,880
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2536
Type of Offer: OFFER - ONGOING

TREASURY MANAGEMENT

Description:

What: Treasury Management includes leadership of the Finance & Information Services Department, management of the City's investment portfolio, oversight of all City bank accounts and related contracted services, debt issuance and management, cashiering services, miscellaneous cash management functions, and front counter services for the Finance Department located in City Hall.

Why: It is important to maintain the fiscal health of the organization by participation in strategic planning at the Director level as well as providing oversight of functions that maintain the economic and financial health of the City. Treasury Management services ensure compliance with applicable laws and best practices regarding cash and investment management; debt issuance and reporting; maintaining strong relationships with the credit rating agencies; and accurate revenue receipting. The front counter and cashiering services provide a place for customers to pay bills or obtain information and assistance. Additionally, Treasury Management partners with other departments regarding funding/debt issuance needs, receipting procedures, invoicing/accounts receivable and new bank related services such as electronic payments or receipts.

How: Treasury Management assists in maintaining the fiscal health of the City by providing fiscal oversight, strategic planning, and responsive customer service. The roles within the Treasury Division are widely varied, but all relate to responsible management of City funds/assets and range from proper receipting of a utility bill, to managing the City's $150 million investment portfolio, to providing information to the credit rating agencies to maintain our strong AAA rating.

Specific functions performed within this offer include:

- Strategic financial planning, forecasting, transparent budgeting, and reporting to provide information to the City's stakeholders for decision-making.
- Daily receipting of Citywide payments received by mail, electronically and over the counter. Accurate and timely receipting allows for the electronic transfer of information to the City's General Ledger used by many departments for interim reporting and to prepare the comprehensive annual financial report.
- Front counter customer assistance for the Finance Department and the City. Staff is cross trained to ensure our customers receive high quality service with the first person they encounter. Staff is trained in and has access to many internal systems to provide information to the customers such as utility billing, business licenses, and accounts receivable current balances.
- Daily cash/bank funding, investment of City funds, and providing petty cash and change funds. Processes are in place to ensure cash is available when needed and/or invested and earning interest when not needed.
- Contracting for and managing the wide variety of banking services used by the City including armored car services and bank related fraud protection. Services and contracts are regularly reviewed to ensure efficiencies in operations, current practices are in place and pricing is competitive. Staff often serves as a consultant to other departments implementing new services or systems related to bank services.
- Debt issuance, maintaining compliance with debt covenants, ensuring payments are made on time, consulting with departments for new or refunding debt, and reporting. Proper management of existing debt assists with keeping future borrowing at a lower cost and maintaining the City's existing high credit rating.
- Retirement plan oversight, including investment advisory services for that plan, helps maintain compliance with applicable laws and protects an important employee benefit.
- Credit rating agency updates to provide information on the City's financial outlook, policies and operations and help maintain current ratings.
- Policy development to ensure compliance with laws and protect the City's fiscal health.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2536
Type of Offer: OFFER - ONGOING

TREASURY MANAGEMENT

Fiscal responsibility within this offer is maintained by ensuring that there is a separation of duties where needed and adequate staffing to best serve our customers. Technology and software systems are used where possible to ensure efficiencies and gathering/sharing of information electronically.

Who: The customers served by the Treasury Division are:

- Residents, businesses, employees, other government agencies (either in person or by phone) who seek assistance with utility billing questions, business licensing, utility tax payments, pet licensing, invoicing, etc.
- Bondholders who rely on the City to maintain fiscal strength in order to receive expected principal/interest payments, as well as maintaining strong ratings from the credit rating agencies to ensure their investment holds value.
- Other departments who need assistance with debt financing, as well as tracking and budgeting/planning for that debt.
- Other departments who need assistance with invoicing and tracking of payments.
- Mayor/Council/Departments by:
  - Managing the investment portfolio in a conservative manner to preserve principal and to fit cash flow needs;
  - Oversight of banking relationships and fees to provide an optimum service to our customers; and
- Maintaining our credit ratings so that any future debt will be issued at the lowest possible cost.

Performance Measures:

1. Obtaining an average rating of "satisfied" or "very satisfied" on annual Finance & Information Services Department surveys. This is a new measure for the Treasury group. Prior department surveys have not reflected the newly formed division.
2. Maintaining a rate of return on the City's investment portfolio that meets or exceeds its benchmark. Annual Average: the benchmark is directly affected by the volatility in the market. In extreme volatility, yields may take time to balance out.
3. Providing transparency to the City's fiscal management and credit health by ensuring timely and accurate documents and reports which meet customer needs, are accessible. *Development of data to track this information is in process.*

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Customer Service Survey	80.00	0.00	0.00	80.00	Percent
Rate of Return on City's Investment Portfolio	100.00	100.00	100.00	100.00	Percent
Proving Transparency to City's Fiscal Management	100.00	0.00	0.00	100.00	Percent

Scalability:

Scalability Proposed: A reduction of 5% ($42,360) could be partially accomplished by eliminating armored car services ($21,430). Accepting this reduction will mean that bank deposits will need to be hand carried to the bank by staff from both the Finance Department and Parks Department at the Schoolhouse. As an alternative, the City could choose to explore electronic/remote check deposit services as part of the banking services fees. Changing how our deposits are made is likely to provide a small savings, but would add additional duties to the Cashiers and create challenges with depositing cash payments.

The additional $20,930 reduction needed to meet the full 5% could be accomplished through a slight reduction in staffing levels and/or other expenses within the Division. The "customer satisfaction" performance measure will be

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2536
Type of Offer: OFFER - ONGOING

TREASURY MANAGEMENT

impacted by these reductions resulting in a revised target of 70%.

Please note: Eighty-nine percent (89%) of this offer represents staff. At this time it is difficult to provide adequate front counter coverage and the needed separation of duties for some functions with current staffing levels. Cutting of staff in this offer will not allow for full time coverage of the front counter and may require reduced customer service hours. Seven percent (7%) of the offer represents contracts for banking services, armored car services, and investment custody services. The primary focus of these services is protection of City assets and fraud protection. The fees for these outside services have been kept at a minimum for many years; however, the banking and armored car contracts both expire during 2013 and will require Request for Proposals (RFP) to allow for other vendors to compete for business. It is unclear at this time whether fees will increase/decrease as a result of those RFP's. A small percentage of this offer covers 0.20% of department wide expenses shared among five divisions in the department.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$368,491	$381,739	$750,230
Ongoing-Others	$42,860	$45,197	$88,057
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$411,351	$426,936	$838,287
	3.300	3.300	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2592
Type of Offer: OFFER - ONGOING

RISK MANAGEMENT

Description:

What: Risk Management includes City insurance for property and liability risks as well as the management of claims. Claims can be claims against the City by an outside party, claims by the City against an outside party (for property damage to a park, for example) or claims within the City (for repair of vandalism within a park, for example). Seventy-four percent (74%) of this offer is to pay for insurance and (17%) pays for damage and claims against the City that are not covered by insurance. The remaining (9%) covers administration of claims, consulting and a small services budget.

Risk Management programs demonstrate fiscal responsibility by preserving City resources, protecting City assets and supporting City staff, and by reviewing and advising on programs, facilities and policies for their potential financial risk to the City. Risk management implements policies and strategies to mitigate and finance risks mitigation. This is done through loss prevention, education and transferring risks. Risks are transferred by contractual agreement and the purchase of insurance. Risk management staff assesses the level of risk and retain appropriate risk activities and levels through daily claims management, contract reviews and staff consultation. Staff work with consultants to calculate and recommend appropriate risk strategies including the insurance programs to pursue and cost structures that minimize the effect of incidents on City finances and operations.

Why: Funding the offer will continue to protect the City's property and assets from unnecessary loss. Protecting City assets is consistent with good stewardship and being fiscally responsible to the community that paid for these assets. The Risk Management program preserves City investments (including buildings, vehicles, employees, property and monetary funds). These programs protect the City from catastrophic loss, prevent avoidable injuries and claims, ensure compliance with related state and federal laws, as well as enhance employee and citizen confidence in the City's ability to responsibly manage resources. This helps to contain the cost of City programs by reducing losses thereby reducing the cost of City government.

How: Protection of assets is accomplished by risk assessment, loss prevention, loss control, education and risk financing. Loss prevention and control measures include policy and program review for enterprise risk, contract review for adequate insurance, as well as state and federal mandates. Proactive programs of a cross departmental nature are also used to help mitigate losses. Risks are transferred to other parties either by seeking insurance coverage from others or by purchasing insurance on behalf of the City.

The offer includes the staff time to work with those who believe they have been damaged by the City and file a claim against the City. Risk Management works to handle these claims in a high quality and responsive manner, providing excellent customer service which often helps mitigate the cost of the claim.

Who: Risk Management's direct customers include claimants and City staff involved with resolving incidents. The indirect customers are the Redmond community who benefit when the City's safety and loss prevention programs result in smaller losses of public assets from accidents and incidents.

Performance Measures:

1. Amount of preventable damages and claims costs (initially decrease to sustainable, acceptable level). This represents the amount of money expended to resolve damage to city property. Goal is to have the amount of preventable damage as low as possible. *(New Measure)*
2. The stability of the total cost of the risk management program as a percent of payroll. Goal is to have the cost of risk management programs as low as possible. *(New Measure)*

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2592
Type of Offer: OFFER - ONGOING

RISK MANAGEMENT

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Preventable Damages and Claims Costs	10,000.00	41,187.00	37,635.00	10,000.00	Dollars
Total Cost Stability of Risk Management Program	0.50	0.63	0.60	0.45	Percent

Scalability:

Scalability Proposed: The Risk Management program is designed to find the best balance between minimizing risk exposure and the cost of the program. Therefore reductions in expense are a tradeoff between costs and increased potential liability. Higher potential liability could result in greater costs to the City (if losses exceed deductible levels) than the savings they achieve initially. Reductions would be gained through higher deductible and self-insurance levels and a more aggressive risk posture. These savings could be any amount (10% or $188,521 for example).

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$55,591	$58,553	$114,144
Ongoing-Others	$825,450	$825,450	$1,650,900
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$839,773	$839,773
TOTAL	$881,041	$1,723,776	$2,604,817
	0.500	0.500	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2533
Type of Offer: OFFER - ONGOING

OUTSTANDING DEBT OBLIGATIONS

Description:

What: The City has outstanding debt issued in different years to fund various projects. When the debt was issued, the City contractually agreed to pay bondholders on a structured repayment schedule and maintain compliance with bond covenants and regulations related to the debt issues.

Included in this offer are the following debt issues:

- Unlimited tax (voted) General Obligation (GO). The original debt for this refunding was issued in 1994 for the purpose of constructing Fire Station 16, repaying an interfund loan, and to advance refund two other GO bonds which were outstanding at the time. This debt issue matures in 2013. The total of outstanding principal and interest included in this offer is $284,900.
- Limited tax (non-voted) General Obligation (GO) Bonds:
    a) Issued in 2008 for the Bear Creek Parkway project. The 2013-2014 principal and interest payments included in this offer total $5,297,100.
    b) Issued in 2011 to acquire property for a downtown central park, other City parks, and open space projects. The 2013-2014 principal and interest payments included in this offer total $1,796,075.
- Water/Wastewater Revenue Bonds issued in 2008 to upgrade and improve the City's water and wastewater utilities' facilities, these bonds support three system projects: replacing two wells, extending the southeast Redmond transmission main, and upgrading the Reservoir Park pump station and reservoir. Annual debt payments are paid from utility user fees. The 2013-2014 principal and interest payments included in this offer total $2,210,676.
- Anticipated State of Washington Department of Ecology loan payments for the stormwater Redmond Way water quality facility (a regional facility). The total principal and interest payments for 2014 are expected to be $134,370.
- Anticipated wastewater inter-fund loan payments for pump station upgrades. The total principal and interest payments for 2014 are expected to be $143,333.

The fiscal agent fees included in this offer cover the cost of service fees for paying bondholders their expected principal and interest payments during the year. Use of the fiscal agent is mandated by State law.

Why: Budgeting for and paying our debt obligations on time, and as agreed to, demonstrates fiscal responsibility and the City's ability to manage our resources. Upholding the City's pledge to repay the debt reinforces credibility with the bondholders and community at large. Maintaining compliance with the bond covenants is a significant part of maintaining the City's AAA rating, credit standing and overall financial strength.

How: Debt repayment schedules are determined and agreed to at the time of issuance. The City's fiscal agent, Bank of New York maintains the list of current bondholders and handles all principal and interest payments. Use of a fiscal agent for these services is required by State law.

Who: The bondholders are the customers primarily served by this offer. The City as a whole however, benefits from maintaining our bond covenants so that the cost of future borrowing remains low and the credit strength of the City remains strong.

Performance Measures:

1. Payments are made on time.
2. Maintain compliance with secondary market disclosure.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2533
Type of Offer: OFFER - ONGOING

OUTSTANDING DEBT OBLIGATIONS

3. Maintain communication with bond rating agencies.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Payments Made On Time	100.00	100.00	100.00	100.00	Percent
Compliance With Secondary Market Disclosure	100.00	100.00	100.00	100.00	Percent
Communication With Bond Rating Agencies	100.00	100.00	100.00	100.00	Percent

Scalability:

Scalability Proposed: No scalability is recommended for debt obligations as it would generate lawsuits and negatively affect the City's credit rating for any future debt.

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$4,653,521	$4,652,465	$9,305,986
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$284,900	$277,703	$562,603
TOTAL	$4,938,421	$4,930,168	$9,868,589
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2495
Type of Offer: OFFER - ONGOING

REGIONAL POLICY & SERVICES

Description:

What: The Mayor's Office provides leadership and is involved on a day-to-day basis in policy development, strategic planning for the future, and intra-city and regional collaboration and partnerships. Many City interests extend beyond City boundaries and may be advanced strategically in the regional and state legislative arena, impacting all departments and the work of the City. Council, Mayor, and staff advocacy at the regional and state level are all necessary to address City interests and influence the future of the City and region.

Why: Regional cooperation, with the City as a leader and active partner, provides opportunities to develop solutions that meet City interests. The City Council adopted a Regional Agenda for the City of Redmond in the spring of 2008, expressing the City's expectation for active participation and leadership in regional issues, and management of City involvement in regional issues by the Mayor's Office. The Mayor's Office support for regional and state policy and services fulfills the Responsible Government priorities of promoting effective leadership, proactively participating in regional solutions, and encouraging regional and intra-city collaboration and partnerships, all the while ensuring fiscal responsibility.

How: The Mayor's Office provides staff and elected official support, and coordinates City involvement on regional and state policy and services. This work includes developing programs, policies, and solutions that address City interests; advising City Council and staff, as well as elected officials and senior-level staff from other cities and our state legislators, on a broad array of policy and service issues; and managing the work of the City's lobbyist to advance City interests at the State Legislature. The Mayor's Office budget includes funding for the City's state lobbyist, as well as regional membership dues which enable City elected officials to "have a seat at the table" and participate in regional forums involved in policy setting and advocacy, such as the Puget Sound Regional Council, Association of Washington Cities, Suburban Cities Association, and the Greater Redmond Chamber of Commerce. The Mayor's Office also manages the negotiation of agreements between the City and other jurisdictions for the provision of services for the City, especially when numerous cities are negotiating together for services.

Who: Regional Policy and Services work supports the Mayor, City Council, City staff, and elected officials and staff from other jurisdictions and entities throughout King County, including but not limited to: suburban cities and Seattle, King County (Executive and Council), Sound Transit, Puget Sound Regional Council, and Suburban Cities Association, as well as our State Legislators, the Governor's Office, and State Agencies. The premise of the Regional Policy and Services proposal is that the exercise of leadership and management of City participation in the regional arena will result in partnerships and collaboration with other jurisdictions and entities for the development and implementation of services that serve City interests.

Performance Measures:

1. Percent of Redmond citizens who believe the City is providing leadership in the region and participating in regional discussions and solutions to issues impacting the City. At least two out of three respondents agree that the City provides leadership in seeking solutions to regional issues, such as transportation or transit, water resources, social service, and court and jail service (41%). Over half of respondents are unsure of the City's leadership responsibilities and neither agreed or disagreed with the statement (33%) or didn't know how to respond (19%).

2. City Council satisfaction with implementation of the City's Regional Agenda.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: EXECUTIVE **Id:** EXE2495
Type of Offer: OFFER - ONGOING

REGIONAL POLICY & SERVICES

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Citizen Perception of Regional Leadership	0.00	0.00	41.00	0.00	Percent
Council Satisfaction	100.00	100.00	100.00	100.00	Percent

Scalability:

Scalability Proposed: The Executive Department has managerial oversight over Citywide Administration and Management, Regional Policy and Services, portions of Civil Legal Services, and the Prosecutor's Office. Taken together, a 5% scalability for these offers is approximately $170,000. It is proposed that the scalability for these offers could be met through: 1) a $70,000 reduction in the litigation line item of the Civil Legal Services budget to right-size the budget for recent litigation/claims activity; and 2) a $100,000 reduction in the Prosecutor's Office through elimination of the 0.5 full time employee (FTE) prosecutor position.

In recent years, the City's litigation line item has not been fully expended, due to fewer litigation cases/claims cases filed against the City and more rigorous budget scrutiny to ensure expenditures are properly charged to departmental budgets. While the City's current litigation outlook suggests this is a prudent reduction, it should be noted that it is difficult to predict when/if future litigation/claims may be filed in Fiscal Years 2013-2014.

The reduction of the 0.5 FTE prosecutor position was proposed in Fiscal Years 2011-2012, but was restored by the City Council due to the City's then-proposed traffic safety camera program. Because the traffic safety program was discontinued in early 2012, this reduction is again proposed for Fiscal Years 2013-2014. Impacts to the Office's workload from this reduction are described in the Prosecutor's Office offer.

Scalability Recommended: No change in this program. However, as noted above scalability for the entire department appears in the Prosecutor's Offer (EXE2507).

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$381,281	$391,897	$773,178
Ongoing-Others	$243,775	$250,080	$493,855
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$625,056	$641,977	$1,267,033
	2.750	2.750	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2517
Type of Offer: OFFER - ONGOING

PURCHASING SERVICES

Description:

What: Purchases Services provides staffing and resources to support the City's basic procurement activities, including compliance with laws and regulations and the payment of mandatory fees. In these tough economic times, those of us who have shopped for personal or commercial goods and services know it is important to compare pricing in order to get a good deal. When we are paying for those goods and services using valuable tax dollars, it is critical that the City consistently pays competitive prices. This offer is staff's recommendation for ensuring the objective of "getting the best value for each tax dollar" is achieved. Through the centralization of purchasing authority, leadership and management oversight, best value is consistently realized. Professionally trained, knowledgeable and experienced buyers in the Purchasing Division work collaboratively with City staff to secure an uninterrupted flow of goods and services necessary to run operations. Purchasing staff verify receipt and delivery to ensure the City only pays for goods received and services rendered. Under this offer, purchasing activities are conducted in a predictable, consistent, open and transparent manner. City buyers are well-versed in the complex and ever changing federal, state and city purchasing laws, rules and regulations surrounding public sector acquisitions. They can ensure purchases offered for competitive bidding to various suppliers provide fair and equal access to encourage full supplier participation and that all legal requirements are met. The contracting documents and tools developed and managed by the Purchasing Division provide adequate protection and minimize risk to the City in the event a particular purchase does not go as intended and remedial action would become necessary.

Why: Fiscal responsibility in managing the expenditure of tax dollars is achieved when goods and services are competitively acquired in a consistent manner by competent, trained buyers. Duplication of staff effort is minimized under this offer by allowing other department staff to focus on working to meet other City priorities, ensuring the most efficient use of staffing resources and relieving them of the responsibility of staying current on the multiple, complex and ever changing bid laws surrounding the acquisition of public sector goods and services. Coordination of surplus activities by this division ensures the best outcomes governing the sale of surplus City owned assets. All of these strategies come together to provide a comprehensive and integrated approach in addressing the City's strategy of effective and efficient procurement operations.

Achieving competitive prices reduces the cost of government. Having a centralized purchasing division focused on reducing acquisition costs allows the procurement dollars to go farther. Effective leadership efforts within the Purchasing Division leads to fair and equal treatment of the many suppliers who conduct business with the City by increasing the transparency with which purchases are made and by eliminating inconsistent practices and procedures that confuse and frustrate suppliers and discourage them from participating in bid offerings. Purchasing process consistency reinforces credibility with the local business community.

How: Under this offer, the City pays reduced prices for the various goods and services needed to run daily operations. Buyers actively negotiate direct price concessions with suppliers and source access to other governmental public purchasing cooperatives and consortiums. They can then "piggyback" arrangements to capitalize on their competitive bidding efforts so Redmond can receive the best value for each tax dollar. In addition to reducing costs, the City pays for basic goods and services; this offer provides the foundation for a host of purchasing tools used by staff to facilitate order placement.

Purchasing Services provides funding to access the management oversight of the eCityGov Shared Works Roster portal (small works roster deemed mandatory by City Council), funds mandatory fees for the benefit of all City departments, such as the Office of Minority & Women Business Owned Enterprises and cooperative fees such as access to the Office of State Procurement contracts. Purchasing Services also provides the oversight and management of the City's growing

procurement card program (there are 225 individual cards in use), as well as the City's Contracts On-Line (contract formation) Internet application. From receiving staff requisitions and creating thousands of purchase orders (for goods and services) using the financial software system, providing for the creation of hundreds of City standard contracts (for professional services) or overseeing thousands of procurement card transactions (for smaller dollar value items and travel related purchases) an uninterrupted flow of goods and services is ensured and efficiencies realized. This Division also works collaboratively with Accounts Payable to ensure timely payment is achieved, late payment fees are avoided, fiscal integrity is ensured and the City's bond rating is not adversely affected.

In 2010, City staff conducted a process improvement initiative to explore opportunities and to identify specific staff concerns. The Committee recommended expanding the procurement card program to include its use to procure staff travel and expand its purchasing capacity. To date, both of these recommendations have been implemented. Another committee recommendation sought increased access to historical purchases. In response to this request, commodity codes were adopted and implemented in the City's new financial software system to enable staff the ability to track their purchases by type (commodity). Purchasing staff continue to explore ways to maximize the value of their procurement activity efforts.

Who: The primary recipients of Purchasing Services are internal staff and external suppliers. These services facilitate daily operations, allowing internal City staff to secure needed goods and services from the business community in a timely, efficient, transparent and equitable manner. External suppliers are provided a fair opportunity to compete in City bidding opportunities and strengthens the City's credibility.

Performance Measures:

1. City purchasing is handled in a consistent and transparent manner, purchases are fiscally responsible ensuring the best value for the tax dollar is achieved, purchases exceeding $5,000 are offered for competitive bid to the supplier community on a routine basis and bid awards are documented 90% of the time.
2. When surveyed, City staff ranks the effectiveness and efficiency of Purchasing staff with a three (3) out of five (5) rating or better.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Customer Service - Effectiveness & Efficiency	80.00	64.00	61.00	80.00	Percent
Consistency in Competitive Bidding Practices	90.00	93.00	98.00	90.00	Percent

Scalability:

Scalability Proposed: Some of the Purchasing Process Improvement Committee's recommendations have not been implemented due to funding limitations. These include: department staff training in selected procurement areas, expansion of the Intranet purchasing site and expansion of the *Contracts On-Line* Intranet application to provide for data warehousing. Additionally, under the Clean & Green priority, staff is recommending increased support of sustainable purchasing practices and habits. An increase of 13% ($88,020 over the biennium) in funding would allow the Division to hire an additional 0.5 employee (FTE), Buyer, to champion these process improvement recommendations. This increase in staff could further the City's current "green" procurement activities, allowing Redmond to lead by example the sustainability priority of driving affordable, market based environmental and social improvements in the goods and services it procures in support of various City services and the Council/Mayoral climate action planning priority.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2517
Type of Offer: OFFER - ONGOING

PURCHASING SERVICES

Alternately, this offer could be scaled downward approximately 7% (or $35,980 over the biennium) by reducing one of the two Buyers positions to part time status (from 1.0 to 0.8 FTE). This reduction would have a significant impact on divisional service levels due to lack of purchasing staffing support, oversight and management. This would reduce divisional focus to transactional based purchasing activities, eliminating many of the value added and cost avoidance activities while increasing the City's risk exposure and weaken internal controls. City departments would pay more for goods and services, not enjoy the ease of order placement or timely product delivery and would not gain access to the various purchasing cooperatives/consortiums made known to them as a direct result of purchasing staff effort. Additionally, this reduction would severely limit the consistency and transparency in purchasing practices and create a duplication of effort within City departments. This would weaken internal controls currently in place to ensure suppliers are provided adequate opportunity to participate in the City bid processes and receive fair, equal and consistent evaluation and award of purchases. The identified target rating measures would be negatively impacted as well. Purchasing has been working hard to improve these ratings. A reduction in this base offer would seriously undermine the effectiveness of the program and we would recommend the elimination of customer service measures and just focus on procurement metrics (e.g. number of purchases by type).

Scalability Recommended: No change in program.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$267,824	$275,183	$543,007
Ongoing-Others	$34,605	$36,010	$70,615
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$302,429	$311,193	$613,622
	2.620	2.620	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: PUBLIC WORKS **Id:** PW-2439
Type of Offer: OFFER - ONGOING

PROVIDE DEPENDABLE VEHICLES & EQUIPMENT

Description:

What: Fleet Services is responsible for procuring and maintaining the City's fleet in a safe, dependable, cost-effective manner. The fleet consists of 281 vehicles and pieces of heavy equipment, and roughly 200 pieces of smaller equipment, all valued at approximately $10 million. The goal of Fleet Services is to achieve a balanced cost savings while working collaboratively with its customers to provide them with appropriate vehicles and equipment. Other Fleet responsibilities include maintaining all aspects of the City's fuel-dispensing system, maintaining and repairing portable emergency generators, maintaining a vehicle wash facility, and decommissioning surplus vehicles and equipment.

Why: The ability to respond to public safety emergencies and conduct business throughout the City depends heavily on the reliability and availability of needed vehicles. Without an efficient and proactive fleet maintenance program, services delivered to the citizens of Redmond by City staff would be compromised, projects would be delayed, and the safety and emergency needs of our citizens and business community would be jeopardized.

How: In 2011, Fleet Counselor Services Inc. (FCS), was selected to conduct a comprehensive fleet study. After comparing the City's existing fleet operations with industry best practices, they provided strategies and recommendations for the effective and efficient management of the City's fleet. FCS also provided Sentinel Certification software which established measurements and standards for improving Redmond's fleet management. Moving forward, this will be the framework to help the City achieve "100 Best Fleets" status which recognizes excellence in government fleet management.

Using fleet study recommendations, Fleet will follow a preventive maintenance program that meets and commonly exceeds manufacturers' guidelines along with maintaining an inventory of frequently needed parts. This will streamline maintenance and repairs resulting in a reduced risk of premature parts failures and minimize breakdowns. Most of the inventory items are purchased from local businesses in support of the City's Business Community Priority. In addition to the repair and maintenance of the City's motor pool cars, Fleet Services is also responsible for the specifications and procurement of new vehicles utilizing the combined purchasing power available through the Washington State general contracts.

Fleet Services team members are knowledgeable in all types of diesel, gas, hybrid, and electric vehicles used by the City ranging from heavy duty construction equipment to commuter sedans. Fleet has also invested in state-of-the-art diagnostic equipment designed to accurately troubleshoot component and engine failures as well as remain up to date with new and upcoming technologies. In support of the Clean & Green budgeting priority and the City's environmental initiative of "greening the fleet", Fleet strives to reduce emissions by investing in numerous hybrid vehicles and continues to investigate alternative fuel sources, such as compressed natural gas (CNG), and other eco-friendly innovations.

Who: Fleet Services' primary customers are the City employees. With the exception of Fire, Fleet provides all City departments with accessible transportation and the equipment employees need to perform their jobs safely, effectively, and efficiently.

Performance Measures:

The Public Works performance measures are focused on determining how well customer expectations are met for each of the core services provided by the Department. These cores services are water, wastewater, stormwater, environmental protection, transportation, facilities maintenance, and fleet. Performance measures were developed for each core service to evaluate the effectiveness of the functions necessary to provide each service which consist of planning,

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: PUBLIC WORKS **Id:** PW-2439
Type of Offer: OFFER - ONGOING

PROVIDE DEPENDABLE VEHICLES & EQUIPMENT

implementation, maintenance, and administration. All Public Works offers contribute to one or more core service and function, and therefore directly impact many of the same measures.

1. Percentage of customers satisfied with the overall service they receive from Fleet Services. *(Revised)*

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Customers Satisfied with Overall Service	85.00	0.00	73.00	85.00	Percent

Scalability:

Scalability Proposed: A 5% scalability ($258,617) would be achieved by scaling back on vehicle and equipment replacement purchases, as a result of extending the life of these assets. These savings would be passed onto each department paying for vehicle replacements which ultimately would reduce the amount available for this offer. Based on the comprehensive Fleet Study performed in 2011, the life expectancy of most of the City's vehicles and equipment have already been extended. Careful research would have to be performed to determine new life cycles which would very likely have an outcome of increased repair costs and inevitably a higher vehicle failure rate. Many City employees view their vehicles as their office. Increased downtime due to equipment and vehicle failures would reduce their availability and customer service satisfaction.

Scalability Recommended: No change in program pending implementation of recommendations from the City's fleet study.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$661,477	$688,332	$1,349,809
Ongoing-Others	$2,283,957	$1,512,993	$3,796,950
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$0	$0	$0
TOTAL	$2,945,434	$2,201,325	$5,146,759
	6.580	6.580	

UNFUNDED OFFERS

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2555
Type of Offer: OFFER - ONGOING

OPEN DATA REPOSITORY - NEW - UNFUNDED

Description:

What: The new Open Data Repository offer is a service that provides constituents with online access to a broad range of City-supplied data sets along with the tools to view the information. The Open Data Repository works in conjunction with our Public Records Request process to provide greater transparency to the workings of government. While the Public Records Request is the formal, legal process to provide official records of the City, the Open Data Repository is a more open and accessible means for constituents to get information.

The Open Data Repository also provides a service to computer programmers, either the City's or third party developers, which allows them to access those same data sets from a computer or smartphone application. Programmers can extend the use of City's data sets by combining them with other data and/or services that provide more value to constituents than a simple data set. One popular example is the OneBusAway application which uses real-time bus information from King County Metro to keep riders informed about their bus' arrival times and possible service disruption.

Why: The service provided by the Open Data Repository will:

- Improve customer service by providing online, self-service access to information at any time and in doing so reduce workload on City staff to meet records requests. The service also provides customers with the tools to view and analyze the information, as well the ability for them to share and discuss their analysis with others (Strategy 5: online access to services, community engagement, and employee productivity);
- Increase transparency to the business of government, building confidence in the process and the institution. Further, it helps the City meet its obligation to provide information as requested by constituents (Strategy 4: focus on systems that reinforce credibility with the community);
- Allow Information Services to partner with other departments to identify and post data sets of interest to the public. The service also supports the efforts of third party developers to create applications and services that benefit our constituents (Strategy 2: cross department alliances, encourage partnerships with the private sector);
- Create a process for identifying new data set needs in coordination with the public and staff. It also provides a mechanism to automate the upload of data sets to the repository (Strategy 3: proactive and innovative approach, effective and efficient systems supporting customer service); and
- Provide improved service to internal customers who have Geographic Information Systems (GIS) or want to (Purchasing, Accounting) publish their data sets as a means to achieve their transparency or operational effectiveness objectives (Strategy 5: enhance services provided to internal customers).

How: A practical example of how this works (one of many from thoughout the City) comes from the Planning Department, which receives approximately 325 official requests for records a year and another 200 unofficial requests requiring around 20 hours per week from the records coordinator. Funding this offer allows Planning to define the commonly requested data, which Information Services can then automatically extract and load to the repository each night. Constituents who choose to use the repository will be able to download the data for use in their own systems or they may search, sort and filter the data with the repository's easy to use tools. Self-service not only improves the customer experience, but also reduces the workload on the records coordinator who can dedicate that time to other important work, including responding to official records requests that cannot be met through the repository.

The implementation and maintenance of the Open Data Repository is organized into three functions:

- Planning & Implementation: The Open Data Repository will contract with a service provider who will provide the City with data storage; maintain the site infrastructure; build and extend the end user tools; and maintain the application programming interface used by software developers (City staff or interested third party developers);
- Content Collaboration: Information Services will work with departments to identify an initial group of data

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2555
Type of Offer: OFFER - ONGOING

OPEN DATA REPOSITORY - NEW - UNFUNDED

sets to deploy to the site. Likely candidates could include data related to finances, purchasing, budgets, business licenses, permits and other data that is already generally available online; and

- Ongoing Maintenance: Information Services will continue to open up new data sets in consultation with staff, records coordinators, the Information Technology Governance Committee, other jurisdictions and constituents (see the open data sites for Seattle and Chicago for examples, <http://data.seattle.gov>, <https://data.cityofchicago.org/>). Information Services will be responsible for automating the posting of large data sets, but non-technical staff can be responsible for smaller, less volatile data sets.

Who: The Open Data Repository serves four customers. The first is the constituents that want access to electronic data at any time without having to make a records request. The second is the records coordinators who will see a reduction in requests from individuals seeking data (not official records). The third customer is those business process owners who have expressed interest in moving popular data set to the web for access (such as GIS and Finance). The fourth customer is software developers, either internal or external, who will write applications that extended the reach of the data by making it available to a broader range of users along with other data or services.

Performance Measures:

1. Increase the number of data sets available for use in the repository.
2. Reduce the amount of time non-public safety records coordinators spend on records requests by moving information queries to the repository (recognizing that many public safety records have sensitive data that could never be moved to the repository).

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Data Sets Uploaded to the Respository	20.00	0.00	0.00	0.00	Count
Decrease Effort Spent on Records Request	10.00	0.00	0.00	0.00	Percent

Scalability:

Scalability Proposed:

1. A 5% reduction ($2,900) in the offer would force a serious re-evaluation of the hosting model. It would most likely mean the elimination of the user tools to view the data and of the application programming interface that allows programmers to access the information. It would also require more staff effort to maintain and upload the data sets.

2. A 5% increase ($2,900) could be used to add some additional services or to develop a campaign to encourage citizens and third party developers to use the data sets.

Scalability Recommended: New program eliminated.

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2555
Type of Offer: OFFER - ONGOING

OPEN DATA REPOSITORY - NEW - UNFUNDED

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$20,000	$20,000	$40,000
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$6,000	$0	$6,000
TOTAL	$26,000	$20,000	$46,000
	0.000	0.000	

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2578
Type of Offer: OFFER - ONGOING

NETWORK AND DATA SECURITY - NEW - UNFUNDED

Description:

What: Network and Data Security consists of three components to improve the security of the City data and network to protect police, credit card, health, and other sensitive records. Two factor authentication will help ensure the identity of anyone accessing the network; Network Access Control (NAC) will help ensure that only City equipment that is malware free is using the network; and Intrusion Prevention Services (IPS) will help ensure only those authorized to be on the network are using the network.

Why: The City has the responsibility and is legally required to protect confidential and sensitive data on the City computer networks. Specific requirements exist from the Criminal Justice Information System (CJIS) to protect law enforcement data, from the Payment Card Industry (PCI) to protect credit card data, and from the Health Insurance Portability and Accountability Act (HIPAA) to protect various medical data on the City network.

The loss of sensitive data can result in citizen distrust of the City and in enormous costs to the City for notification to those whose information has been compromised, for ongoing credit monitoring services, and for civil penalties. Some studies put the cost of losing sensitive data at over $200 per customer.

One of these requirements is from CJIS which requires the City to implement two factor authentications by September 2013 for all employees that may access CJIS data. Two factor authentications will also help ensure compliance with PCI and HIPPA requirements by further ensuring the identity of the employee accessing any of this data and will help ensure the general overall security of the City network. The requirement for two factor authentication must be met or the Police Department will not be allowed to access data from the Federal Bureau Investigation (FBI) and Washington State databases.

How: Two factor authentications is a method to help ensure the identity of anyone accessing the City network. It adds something you have (a token) to something you know (a secret password) to significantly increase the probability that someone is who they say they are.

Preventing non-City equipment from gaining access to the City network has become more difficult as the City expands the network into more public areas via direct cable connections or via Wi-Fi for wireless connections. NAC will prevent non-City equipment from connecting to those parts of the network considered to be private, and check that City equipment connecting has the current anti-malware software.

IPS will help prevent and will report unauthorized access and or attempted access to the City network from the internet or to the internet from the City network. By alerting to events, monitoring daily activity, and reporting network trends, IPS will help ensure that any equipment on the network is authorized and the equipment is not making contact with "hostile" sites on the internet.

Who: It is very important that the City network provide an environment that guarantees the safety and security of confidential and sensitive information stored on the network.

Performance Measures:

Each of these components provides a specific element of security at a cost for implementation, on-going vendor support, and employee effort. Evaluating these costs against industry defined level of risk (high, medium, or low) in the City environment, the number of detected security breach attempts, annual maintenance cost, and the amount of employee effort needed to maintain the particular service (average hours per week) will help indicate if the security service is cost

BUDGETING BY PRIORITIES

BUDGET OFFER

RESPONSIBLE GOVERNMENT

Department Name: FINANCE & INFORMATION SERVICES **Id:** FIN2578
Type of Offer: OFFER - ONGOING

NETWORK AND DATA SECURITY - NEW - UNFUNDED

effective.

Measure	Target	2010 Act	2011 Act	2012 Goal	Measurement
Successful Malware Activations	0.00	0.00	0.00	0.00	Number
Unapproved Computers Connected to Network	0.00	0.00	0.00	0.00	Number
Employees Using Two Factor Authentication	100.00	0.00	0.00	0.00	Number

Scalability:

Scalability Proposed: This offer consists of three components; two factor authentication, NAC, and IPS/IDS. Each would add additional security to the City network, and help prevent the unauthorized access to sensitive or confidential data. Each component must be implemented completely and cannot be scaled, but the components do not depend on each other. Two factor authentications are required to be implemented by the Federal Bureau of Investigation (FBI) before September 2013. IPS/IDS would be the first choice should the offer cost need to be reduced ($75,000), and NAC would be the second choice ($60,000).

Scalability Recommended: New program eliminated.

Budget Offer Summary:

Expenditure Summary

	2013	2014	Total
Ongoing-Sal/Ben	$0	$0	$0
Ongoing-Others	$15,000	$15,000	$30,000
OneTime-Sal/Ben	$0	$0	$0
OneTime-Others	$110,000	$75,000	$185,000
TOTAL	$125,000	$90,000	$215,000
	0.000	0.000	