

REDMOND CITY COUNCIL  
PUBLIC ADMINISTRATION AND FINANCE COMMITTEE MEETING  
SUMMARY/SPECIAL COUNCIL MEETING  
Council Conference Room, City Hall  
Thursday, March 18, 2010

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**Council**

Hank Margeson, Chair  
Kim Allen  
Hank Myers  
Richard Cole (*Attending Council Member*)

**Staff**

Mike Bailey, Finance and Information Services  
Director  
Kerry Sievers, Human Resources Director  
Malisa Files, Financial Planning Manager  
Lori Brown, Human Resources Program Manager  
Linda Hermanson, Information Services Manager  
Shelia Colyer, Accounting Manager  
Michelle M. McGehee, CMC, City Clerk

Convened: 4 p.m.

Adjourned: 5 p.m.

**MEETING SUMMARY**

**Monthly Financial Report**

Mr. Mike Bailey, Finance and Information Services Director, advised that:

- year-end reporting is moving along well;
- there has been a slight improvement in cash flow;
- general fund revenues are slightly worse, and a review of last October's forecast is being conducted;
- miscellaneous revenues may possibly fall short;
- expenses are tracking well;
- the rate of expenditures in the Parks Operations levy fund is higher than expected, and that expenses are generally front loaded due to the start of the summer Parks season;
- there may be a need for a budget adjustment in the Fire levy fund;
- the LID control fund is not a budgeted fund and there is some sorting out of bond payments and LID closeouts that need to be addressed and money transferred back to the general fund;
- there is a slower rate of payment trend which is why the City is seeing a decrease in property tax revenue and that the City will evaluate this more when property tax is received from the County;
- there is also a slower rate of utility bill collection for the same reason; and
- revenue is also lagging behind regarding Medic One.

## **2011/12 Budget Development**

Ms. Malisa Files, Financial Planning Manager, reported that:

- next month the committee will hear presentations from the Budgeting by Priorities Results Teams; the results teams will be speaking about their requests for offers (RFOs); and
- the members of the committee will receive the RFOs before the meeting for their review and the presentations are expected to take approximately 1 ½ hours.

## **Review GFOA Recommendations; Budgeting by Priorities Process (BP)**

Mr. Bailey reported regarding the preliminary report from Anne Kinney of the Government Finance Officers' Association (GFOA). The full report will be coming forward to Council and he inquired as to the format that the members would like to see it in.

Ms. Files advised that:

- the GFOA assessment has two phases: Phase I – the assessment and Phase II – benchmarking;
- the findings of the assessment noted that this budget process is preferred over the last, as it involves citizens, performance management aspects, and identification of City priorities;
- the GFOA found that the way the City manages its budget does not yet include the priorities as part of the budget DNA – there is, currently, no financial monitoring of the priorities;
- GFOA has recommended the use of the BP process for the City's performance management and planning processes, too;
- other elements identified were staff training, intergovernmental initiatives, and process improvement;
- a ten-year plan to incorporate new elements into the BP scope is recommended;
- GFOA also recommended that we start to think about gathering information on competitive options, as a future component of the planning process;
- GFOA noted that Mayoral and Council leadership is key to the success of the implementation; and
- new elements of this cycle's budget include a 7<sup>th</sup> Results Team for the Capital Improvement Program (CIP) and small group training on constructing budget offers; scalability is also focused on.

Members of the Committee agreed that they would like to see the report presented in a study session. Staff noted that the report would be distributed prior to a study session to be held in April.

## **Financial Systems Update**

Mr. Bailey provided a report to the members of the Committee regarding the status of the financial systems implementation with the City and Microsoft/Tyler. Staff is working hard to meet an implementation date of January 1, 2011. He discussed 'milestones' of the project and the three phases of the project – (1) General Ledger (2) Payroll/HR and (3) Budget Development. Mr. Bailey discussed project accounting and the efficiencies that it would bring to processes at

the City. He advised that Tyler is working with Microsoft on the integration of the Tyler payroll system, and, until then, he is recommending the City proceed with purchasing the current Tyler payroll and HR system. He explained the details of the development project.

Mr. Bailey and Members of the Committee discussed:

- the current terms of the City's existing E-1 payroll system;
- grant management;
- Tyler's planned schedule for integration with Microsoft; and
- Tyler's burden of floating the integration with AX when it is time.

### **IS Strategic Plan Project Updates**

Ms. Linda Hermanson, Information Services Manager, reported that IS is issuing an RFP for the design of the new website, with an anticipated RFP close date of May 4, 2010. She reported that a guidance team is being established to input over the structure of the site. Team members will be defined late next week and content analysis performed. She discussed a web analytics tool to conduct an inventory, search tools, and evaluate whether or not to host the site in the 'cloud'. Ms. Hermanson continued that other issues to consider include: traffic notices, interactive mapping, permit system replacement, and HR transitioning to GovJobs. The first phase of the project is scheduled for completion mid next year. A social media group has also been formed to monitor how we are using social media. Large file transfer was also discussed.

Other discussion items included paying business licenses and 'pay online' by next year, and the use of Twitter.

### **Purchasing Process Improvement**

Mr. Bailey noted that the purchasing process improvement is part of the customer service initiative. He spoke regarding the team members selected to participate and their scope. He advised that the team is discussing issues like the use of procurement cards and will have recommendations for potential ways to proceed with processes when they have concluded their task.

Discussion ensued regarding purchasing in volume, a future anticipated bid for banking services, and employee payroll check processes.