Finance Division Strategic Planning - 2007
Department: Budget

Mission Statement: To provide reliable financial information and analysis for the development and implementation of an effective budget.

Product / Service: Annual Budget, Indirect Cost Allocation Plan, User Fee Study, Labor Negotiations Support, Financial Analysis

Key Customers: City Administration, City Council, Citizens of Spokane, City Employees

SWOT:
Strengths:
- Relationships with Administration, Council, and staff
- Budget & Accounting Software
- Long range forecasting
- Budget summaries for all city activities
- Budget policies

Weaknesses:
- Too much flexibility in budget process and calendar/timelines from year to year
- Limited staff support
- Lack of Finance policies related to budget preparation
- Insufficient policy consideration in overall budget process

Opportunities:
- Increased community involvement in budget process
- Media support
- Support from outside organizations (AWC, MRSC, other municipalities, etc.)

Threats:
- Increasing workload
- Departmental “silo” mentality
- Initiatives
- “Structural Gap” – expenditure growth rate exceeds revenue growth rate (i.e. escalating medical costs, binding arbitration)

Key Success Factors:
- Effective communication with Administration, Council, and City Departments
- Finance/Budget participation in Labor Negotiations
- Establishment of more structured budget calendar
- Successful implementation of MATRIX recommendations

Top Goals:

1) Refinement of 6-year General Fund Revenue and Expenditure projection – apply more in-depth analytical procedures on individual revenue and expenditure components (April – May 2007).

2) Establish a mechanism to track cost savings associated with Matrix implementation (April 2007).
3) Establish an outline for the 2008 budget process.
   a) Discuss budget goals with Administration (April 2007).
   b) Provide outline to Cabinet and City Council (May 2007).
   c) Distribute 2008 budget calendar (June 2007).
4) Establish a Finance Policy that clearly defines the process for Encumbrance Carryovers that includes the requirements of both Finance and Purchasing.
   a) Purchasing and Budget meet to outline carryover process and time requirements (May 2007).
   b) Prepare preliminary draft of policy and review with Legal Department (June 2007).
   c) Review draft with Cabinet (June 2007).
   d) Finalize policy (August 2007).
5) Establish a Finance Policy related to the Indirect Cost plan and how indirect costs will be charged out to departments beginning with 2008 budget.
   a) Prepare preliminary draft (June 2007).
   b) Review draft with Cabinet (July 2007).
   c) Finalize Policy (August 2007).
6) Implementation of User-Fee Study.
   a) Issue RFP (March 2007)
   b) Proposals Due – April 23, 2007
   c) Begin Contract Work – May 25, 2007
   d) Completion of Study – September 28, 2007
   e) Implement Results – Concurrent with 2008 Proposed Budget
7) Reestablish CIP committee and solicit requests for 2007 funding from CIP Fund.
   a) Meet with Cabinet to solicit input on composition of committee (April 2007).
   b) Initial meeting of Committee to discuss solicitation of requests, criteria for requests, and methodology to use in selection process (May 2007).
   c) Solicit requests (June 2007).
   d) Review requests for funding (July 2007).
   e) Award CIP funding (August 2007).