



City of Vancouver, Washington

“Our budget users have embraced Host Analytics because of its easy to use Excel-like interface. The efficient management of decision packages is important for us and the salary planning model does a great job of helping us manage the complex human resources component. With Host Analytics, we are able to effectively execute our budgeting process and focus on delivering optimal value to the residents of the City of Vancouver.”

- Natasha Ramras

*Budget and Planning Manager
City of Vancouver, Washington*

Vancouver, Washington, has a population of more than 162,000 people who are proud of their rich heritage, friendly neighborhoods, vibrant economy and high-quality services. Vancouver sits on the north bank of the Columbia River directly across from Portland, Oregon, and combines the excitement of a major metropolitan area with small-town charm and abundant recreational opportunities. To maintain such a strong community, the city has adopted strategic planning and business planning processes that allow the city leadership to determine the best ways to continually improve the city and its services.

The City of Vancouver has a biennial planning process. The goal of the new system was to reduce time spent on budget preparation and efficient allocation of the projected two-year revenue to the various departments and projects based on their priority to the city residents. While using a home-grown Access database in the budget process was familiar for users, it lacked the systemized control and reporting that was required. Further, the Access-based system was error-prone and required extensive support from internal programming resources.

To meet these requirements, the City of Vancouver selected Host Analytics. Key criteria in the selection process included linkage of benchmarking and budgeting and capabilities to automate and improve the baseline creation process. The Excel-like look and feel of the Host solution met the imperative to provide budget users with a solution that was easy to learn and use.

Using Host Analytics to prepare the biennial budget, the budget office now creates a top-down scenario based on projection of the cost of the current staffing levels and services over the following two-year period. The top-down scenario is called the baseline budget. It is based on current services offered by the city, expected population growth and expected economic conditions as well as the projected availability of resources.

Once the baseline plan is established, departments can modify the plan using decision packages. These packages for additional services vary from adjustments to accounts for anticipated changes in the environment, including new mandates from the state and federal governments, to increases in current service levels and introduction of new programs. Here are some examples of decision packages:

- Purchasing a color copier to reduce outside reproduction expenses.
- Implementing a new citywide service such as neighbor mediation.
- Purchasing a police vehicle and budgeting the related maintenance based on pre-established contractual pricing and anticipated replacement schedule.
- Hiring additional officers to provide faster response to reported crime scenes.

The Host system makes the process of calculating the impact of different cost-of-living increases easier and more precise, taking into consideration a variety of union contract terms.

About Host Analytics, Inc.

Host Analytics is the leading provider of on-demand corporate performance management. Host Analytics' solutions help financial and departmental executives improve their budgeting, forecasting, financial consolidations, dashboarding, scorecarding, reporting and analysis. Founded in 2000, Host Analytics delivers its suite of corporate performance management solutions using Software as a Service on-demand delivery. Host Analytics serves the enterprise, large and midsize company and public sector markets. Host Analytics was included in JMP Securities' prestigious "Hot 100: The Best Privately Held Software Companies."

Host Analytics, Inc.

2299 Technology Drive
Suite 170
O'Fallon, MO 63368, USA
www.hostanalytics.com
Phone: 314-588-2121
Fax: 314-588-7394
Toll Free: 866-853-HOST (4678)
E-mail: info@hostanalytics.com

The City of Vancouver treats each decision package as a separate initiative. Some of the proposals are recommended to be funded; others are rejected or put on hold for the next year. The approved decision packages are added to the baseline budget and included in the biennial budget. Host Budget's "discretionary initiatives" feature provides the necessary tool to assist the decision-package creation process. Like other features within the Host Budget environment, discretionary initiatives provide the look and feel of Excel in a Web browser so users have a familiar interface. Behind the scenes, the interface links to a centralized database and eliminates Excel links and the inherent risks Excel creates for data quality.

A key component of the budgeting process is human resources planning. Human resource-related expense is a significant portion of the overall city budget. The city takes advantage of the salary planning module within Host Budget. Users easily model inflationary salary adjustments and manage different salary levels, grades and incremental increases. The city has a complex pay system that is governed by internal policies and contracts with multiple labor unions. The Host system makes the process of calculating the impact of different cost-of-living increases easier and more precise, taking into consideration a variety of union contract terms. This process is also integrated into the overall top-down, decision package planning process. The city's budget is based on "positions" as compared to "existing staff" by most for-profit companies. A position could be vacant, but if it is an approved position, it goes into the budget as a vacant funded position, and the related department can hire for the vacant position without additional authorization. However, new positions go through formal approvals via decision package process.

Reporting throughout the budget process is a very important function. The reports must include explanatory material that make the budgeting process and major issues that the government deals with understandable and meaningful to the average citizen. As a result, the required reports combine financial information with descriptive explanations of the budget. In particular, Host Budget supports a collection of narratives to support decision packages as well as a description of what departments do, including their goals and objectives.

Once the notes and narratives are collected, Host Analyzer supports integration of graphs, financial tables and narratives into single reports. These reports provide an understandable operating budget for the next two years based on the high-level strategic priorities identified through the budgeting process.

The city's next step with Host Analytics is to create the Capital Expenditures Planning module. Budgeting for capital expenditures is a key financial component for departments like parks, sewer & water, utilities and general capital. From a planning perspective it is important that these departments have long-term planning horizon, going out 20 years. Host Budget's capital planning features as designed provide the ability to manage capital expenditures as projects and plan the next 20 years of capital expenditures.

Summary

The City of Vancouver reduced IT programming costs by moving from an in-house-developed budgeting solution to Host Analytics' centralized budget solution. Host Budget facilitates the automation of the top-down planning process and collection of budget revisions via decision packages in an Excel-like interface and provides for streamlined human resources planning that includes detailed salary administration and management of employee benefits by employee groups. The budget solution has been embraced by users because it is easy to learn and use. With Host Budget, the City of Vancouver Budget Office is empowered to continue to focus on delivering the most value to city residents.