

From: Charles Zalmanek
Sent: Wednesday, June 09, 2010 9:25 AM
To: Richard Fralick; Lovel Pratt; Howard Rosenfeld
Cc: Jan Sears; Milene Henley; Pete Rose; Randall Gaylord
Subject: consolidation of financial departments
Attachments: CTEDPublications County Financial health and Governance.pdf

On December 1, 2007, the Washington Department of Community, Trade and Economic Development released a report entitled County Financial Health and Governance Alternatives (attached). This report was developed at the direction of the State Legislature, recognizing that counties have limited revenue options and that the problem would likely worsen over time, if left unchecked.

The report developed and explored nine recommendations to help mitigate the impacts of anticipated revenue shortfalls in counties. Discussions of these recommendations can be found on pages 84 through 91. Recommendation number 7 on page 88 discusses the option of consolidation of functions in the assessor, treasurer and auditor departments. "The study found that in order to realize any savings from consolidation or combining of the county assessor, treasurer and auditor functions, changes need to be funded and made in facilities and automation."

"Berk & Associates evaluation of this option (see Appendix F) found minimal savings and efficiencies from consolidation of separately elected assessor, auditor and treasurer functions in smaller population counties."

Appendix F begins on page 47 and continues on page 48: "In the general government model, small counties were as likely to lose money as to achieve savings."

"Based on the financial projections presented, smaller counties have a greater probability of incurring net costs outweighing potential savings in adopting the General Government models..."

"General Government: in the Joint Customer Service Provision model, smaller counties could realize an approximate financial loss of \$1.0 million to a gain of \$400,000 over 15 years. In the Merged Assessor, Auditor, and Treasurer model, smaller counties could realize an approximate financial loss of \$490,000 to a gain of \$660,000 over 15 years."

There is likely additional information contained within this report that will be useful in your deliberations regarding consolidation of departmental functions.

Sincerely,
Charles Zalmanek