

## **Appointment Questions**

### **City Finance Interim Director, Jamie Carnell**

#### **Background and Vision**

- 1. As Interim Director of the Office of City Finance since 2022, what accomplishments are you most proud of and what has surprised you?**

I have served as a member of City Finance for 30 years. Since 2022, I serve as Interim Director, and I have the privilege of ascending through progressive leadership opportunities which allowed me to work with all facets of City Finance. I have a unique ability to understand the needs of the city and identify the most efficient process and appropriate technology to achieve our policymakers' collective goals. You will see that woven through my accomplishments and the specific goals for the Office of City Finance.

With my skills and experience there were not many surprises when I stepped into this role. I have spent many years in City Finance and worked very closely with the previous City Finance Director as the Deputy Director and a key strategic planner/problem solver for the organization. Any accomplishment I refer to here is a testament to the Office of City Finance (OCF) staff who partner with me daily to ensure the Office of City Finance is a leader in public sector financial management.

#### Accomplishments:

1. During my tenure we continued to execute sound fiscal policies and maintain a solid financial foundation. This has enabled the city to maintain "high" to "highest" ratings for all its outstanding bonds at this time. This is in part due to the City's strong economic performance over time, and adherence to our debt and fiscal policies that maintain a strong financial foundation for the City. The City's strong credit ratings allow the city to borrow at lowest borrowing costs. The City debt management program is a tenured and well performing program that is managed as a citywide function by our debt management team in the Office of City Finance, which works in close collaboration with the City's outside financial advisor, bond counsel, the City Attorney's Office, and City departments including the two Utility departments, and CBO.
2. In 2022, the Office of City Finance had a leadership transition in our Treasury Division. I was able to source an incredible individual as City Treasurer. She and her team have been able to stabilize and transform our treasury services. One specific example of this is related to improving our automated clearing house transactions and vendor identification processes, which lowered our risk related to financial fraud through providing an additional level of protection against unauthorized transactions. Additionally, the team enhanced our cash forecasting model, and as a result we now have a more robust cash forecast which has strengthened our ability to anticipate inflows and outflows to avoid liquidity risks. The model has also helped develop practical short-term and long-term investment strategies allowing us to capture yield opportunities by locking down higher rates for longer terms.
3. In 2016, I took over a high-risk financial system implementation project and successfully implemented Peoplesoft 9.2 for the City of Seattle. This action standardized business practices in finance which aligned disparate financial processes, policies, and procedures. This resulted in consistent financial data across the City and created the opportunity for departments and Citywide Accounting staff to reduce the amount of time it takes to produce our Annual Comprehensive Financial report. In my role as Interim City Finance Director, working in collaboration with the City

Budget Office, we are streamlining financial reporting through the development of quarterly monitoring tools. We are excited to introduce the new reporting and monitoring capabilities to the City Council through the Fiscal Transparency Ordinance in 2025.

**2. What are your specific goals for the Office of City Finance over the next three years?**

As of 2022, the Office of City Finance became a separate office and is no longer a part of the Department of Finance and Administration. As part of becoming a separate entity I wanted to establish a strategic plan for OCF. This development of our five-year strategic plan, is tied to our mission and vision with a focus on four major initiatives:

1. Office Establishment - Establish an OCF culture that attracts and retains diverse high -performing employees.
  - Over the next five years, I am establishing a positive OCF culture – it is important to me that OCF is a place where employees feel like they are part of a team and that their contributions are valued.
  - I am acutely aware that it is necessary to prepare my workforce for the future – employee growth plans, re-establishing a performance management function, looking at training options, establishing succession planning, etc.
  - I want to improve the current baseline human resources, communication & performance management functions.
2. Technology Investments - Reduce financial risk within City financial systems by investing in up-to-date technology where possible.
  - I am focused on continued technology investment by OCF - the financial risk to the city will increase if our systems & processes do not improve.
  - I am also focusing on improving financial data and system/technology literacy (for our staff and partner staff).
  - Finally, I am focusing on investing in financial system upgrades and standardization/automation where it makes sense to support the use of new, advanced technology and find system solutions for manual processes.
3. Process Improvements - Improve processes to continue supporting a sound financial foundation.
  - With continuous improvement as a core value, I have elevated process improvement initiatives in this plan. I have directed that during the next five years each division will lead specific process improvement projects that are either internal to OCF or are done in collaboration with departments.
  - This includes mapping and simplifying overly complex or dated processes, developing financial data standards, and revising citywide processes where applicable.
  - My goal is to embed the value of continuous improvement into OCF culture, so we continue to improve over time.
4. Services and Support - Enhance financial services provided to all OCF customers.
  - This initiative focuses on the service OCF provides to its partners – I believe there are opportunities to enhance the financial services provided to external City partners, internal City departments, and other stakeholders.

- Generally, this initiative will look at providing more access to financial data, providing new reporting tools, and identifying areas that take advantage of potential savings by providing more shared services.
- Finally, recognizing that other areas in need of financial improvement may be identified over the coming years, I may need to redirect staff to adapt to these new needs.

**3. What do you see as the primary challenges facing the Office of City Finance? How do you plan to overcome these challenges?**

Overall, the primary challenge facing the city and the Office of City Finance is the budget constraints we are facing this year and next. My OCF strategic plan provides opportunities for continued improvement, and those opportunities bring budgetary challenges. Investments in technology take funding we will not have, and I have asked my executive team to focus on projects which do not require additional funding but keep us on pace with continuous improvement.

An example of this continuous improvement is my License and Tax Administration (LTA) managerial team taking advantage of free artificial intelligence (AI) training from the Federation of Tax Administrators, a national association of tax administrators from state and local jurisdictions. LTA was able to gain a better understanding of the types of artificial intelligence that are available, such as machine learning, generative AI etc., and which of those AI tools are in use within agencies currently or what future opportunities could exist. The training also included a session on considerations of the associated risks and governance that may be required as we move to identify how AI could be leveraged in Tax Administration. Investing time in opportunities such as this allows City Finance to leverage planning for future investments when funding is more readily available.

**4. What past experiences have prepared you to be a trusted advisor for City Council in the areas of tax administration and policy, debt management, and investment of municipal funds?**

Serving as the Interim City Finance Director for the last two years has given me exposure and greater understanding of the importance of the role. During this time, I have spent time doing deeper dives with immersive training in debt management and pension systems.

I worked to earn the confidence of the City Executives and Council by being able to demonstrate my understanding of these vast and complex areas and communicating in an honest and transparent manner. I was successful in doing so due to my experience of working together with our dedicated team of experts for many years, including knowing when to lean on those with more knowledge in a particular space. Additionally, being in the Office of City Finance and having served as deputy director provided me with extensive and deep understanding of the issues. My tax administration experience has been developed over years of working directly with our License and Tax team to develop the FileLocal tax portal and implement tax systems.

I also know how to recognize and source excellent talent in our key leadership positions, and I accomplished that recently when we recruited our new City Treasurer. I rely on our Treasurer's experience and insights especially related to the investment of municipal funds. Her experience with treasury best practices has already allowed us to streamline and create efficiencies in the organization.

As the City Finance Director, it is important for me to rely on my personal skills and experience while collaborating with the strong team of experts who are directly responsible for these key areas.

**5. What methods do you plan to use to monitor the Office of City Finance’s performance?**

At my direction, OCF Human Resources and division directors are employing Performance Management tools such as the Equity, Engagement, and Expectation (E3) program. Our strategic planning process has created five key initiatives which are cascaded down into each division as organizational goals in the E3 program. In addition, I created critical milestones and key performance indicators we continue to utilize to monitor performance. These include maintaining our debt ratings annually and completing the Annual Financial Report within established deadlines. These are historical indicators which we have been successfully meeting over the last decade. I also rely on feedback from City departments, the City Budget Office, the Mayor’s Office, and the City Council to ensure that OCF performance meets their expectations.

**Executive and Staff Management**

**6. What strategies have you employed in the past to build cohesive and effective teams?**

The approach I am employing in OCF to support our strategic plan is to implement a performance management program and establish new career pathways. This approach is similar to what I have used in the past for building cohesive and effective teams. Some of the HR strategies that I am employing include fostering a series of trainings which lead employees to obtaining their career and organizations goals. I recruited a new HR Manager with considerable experience from outside the city, which has enabled me to put some new and creative practices in place to improve our processes, including building a people manager training program. I believe building out a strong people manager structure with accountability will continue to strengthen our teams.

**7. How do you plan to promote a supportive and inclusive environment for staff members from diverse backgrounds within the Office of City Finance?**

I have led OCF in establishing culture, processes, and expectations for employees to improve communication and engagement within the department. This work will be done through these five areas of focus:

1. Build the OCF office-wide culture and clearly outline OCF value proposition for employees.
  - In conjunction with the Race and Social Justice Ordinance (RSJ) for the City of Seattle, OCF is actively developing a culture survey emphasizing diversity, equity, and inclusion (DEI) principles that builds a workforce with a sense of belonging. I will encourage my team to develop specific training modules for OCF employees following the results of this survey.
  - At my direction, OCF Human Resources and division directors are employing Performance Management tools such as the Equity, Engagement, and Expectation (E3) program. OCF is working to establish career pathways by fostering a series of trainings that lead employees closer to their career and organizations goals, which encourages an environment where individuals can do their best.

2. I have launched a program to foster employee career/growth paths, by redesigning performance management, and identify potential training or educational opportunities across OCF divisions or in cross-departmental settings.
3. I have directed OCF leadership to effectively support and nurture employees, by integrating succession planning and development strategies and by improving training opportunities for all management and supervisory teams.
  - HR is partnering with the division directors to create a strategy to develop people managers by utilizing mixed methods of learning and development tactics for the implementation of a succession plan. OCF leadership team recognizes the importance of succession planning and is in the process of identifying short- and long-term approaches to cultivate diverse talent to meet current and future leadership positions.
4. Enhance employee engagement within the OCF by building transparency with improved, straightforward communication and create more division touchpoints by utilizing systems such as SharePoint sites, Microsoft Teams, and other collaborative tools.
5. Deploy equitable recruitment practices and policies by creating diversity in hiring that reflects the mission and values of OCF while retaining high performing employees.
  - Promoting a supportive and inclusive environment for staff members from diverse backgrounds starts with the make-up of the leadership team. This is the first time in recent history that the City of Seattle will have a female assume the role as the City Finance Director. Currently our leadership team comprises of 60% diverse leaders. OCF has a workforce made of up 55% diverse employees and have recruited 53% diverse applicants into our vacant positions.

Finally, in my own succession planning for this position my goal is to increase representation. I will be working with the OCF HR team to identify opportunities for the next City Finance Director to be recruited from a diverse background. OCF's HR team will create pipelines for executive and managerial talent, which we will utilize to bring more diverse leadership into OCF as opportunities arise.

**8. What is your organizational management approach?**

Throughout the course of my career in the City of Seattle, my personal and organizational management style can be defined as transformational. The roles I personally undertook or was assigned to have been transformational for the city. This includes in the municipal tax space by architecting and leading the work of seven cities to create the Municipal License and Tax Portal agency (commonly referred to as "FileLocal") which now has over 10 cities utilizing FileLocal where constituents can apply/renew a business license and file and pay local Business and Occupation tax.

As Interim City Finance Director I am continuing to focus on transformational organizational management and my OCF team is constantly striving to improve strategies and processes to ensure we can react and respond efficiently as necessary. Transformational organizational management requires leadership who encourages change and innovation within the organization. To do this, OCF needs to equip our management with the appropriate tools and critical thinking skills. A primary focus since I took on this role was to ensure we were prioritizing management training for our managers.

## **Policy Climate and Enforcement**

### **9. Based on your perspectives and observations of the local economy, how might the city need to adjust its revenue (and City services) expectations in the coming years?**

The economy is still experiencing the effects of the stimulus package runouts where we saw double digit year-to-year revenue growth. The trend has been a deceleration of growth. Starting in late 2023, there has been contraction in growth year-to-year as inflation slowly lowers to a normal range. The Federal Reserve has stated its desire to see several months of lower inflation before they begin lowering rates. This will still take some time and for that reason, I think the city should remain relatively conservative in forecasting revenue estimates with a continued focus on controlling expenses. My immediate and primary challenge is to support City government in navigating the current economic climate and continue to develop teams and processes that ensure wise planning, maximum revenue, reduced operating costs, and optimally managed debt and cash flow.

### **10. How will you work to navigate and advocate for policies that support Seattle's fiscal responsibility and sound administration?**

It starts with a strong partnership with both the Executive and the City Council to ensure there is awareness of potential policies or programmatic changes with financial impacts that require review with my team to control for alignment with our citywide financial policies, procedures, and practices. In doing so I make certain that there is compliance with not only our internal controls and regulatory compliance, but with policy expectations. I am greatly appreciative of the opportunity to sit at the table with all of you, and Council Central Staff, to converse as we move forward.

### **11. How do you intend to balance being a member of the Mayor's Cabinet with the vital role of providing unbiased, complete, and timely information to all branches of City government?**

The OCF team and I need to anchor the City of Seattle in fulfilling our charter through providing clear and accurate information about the City's financial affairs to all elected officials in a timely manner. I strive to provide a basis for common understanding of the relevant fiscal information to all branches of City government. My vision for OCF includes the phrase "data driven decision making" for this reason. I want to ensure that my team provides unbiased financial data to all elected officials in a timely manner. OCF has a fiduciary duty to ensure City financial activities are tracked and recorded in accordance with applicable policies and regulations. My team and I provide unbiased financial data through utilizing a single source of truth stemming from citywide use of our financial system and utilizing standard citywide financial policies and procedures. This helps to clarify the practical consequences of potential options and supports informed decisions based on financial information.

### **12. What is your general philosophy for how to work with City Council most effectively?**

I believe that our team must gain and maintain the trust of the City Council as the definitive authority for the City's financial affairs. We do this by responding to City Council requests quickly, and by explaining financial information clearly and accurately. I have had meet-and-greet sessions with most of the City Councilmembers, and meet monthly with the Council Finance Committee Chair, Councilmember

Strauss. I also feel that the long-time relationship the Office of City Finance has with the new Council Central Staff Director and many members of the Council Central Staff unit help to establish our credibility with Councilmembers and make working with the City Council even more effective. I believe that the more interaction we have with the City Council, the more trust they will have in OCF and the more effectively we will all work together.

**13. Your duties include regular reports to elected officials on the financial affairs of the City, including the status of the City Employees' Retirement System's investments, the City's cash pool, interfund loans, City debt, and other issues. Please discuss the benefits of fiscal transparency to City administration and community members, and what innovations you have added to that effort above and beyond existing statutory requirements.**

We currently provide regular reports in multiple formats to elected officials and the public on the financial affairs of the City, which gives transparency to the City's fiscal health. With the successful initiative to standardize our fiscal data, I am now working with staff to rethink how fiscal data can be presented in a more meaningful way. Collaborating with CBO to develop fiscal monitoring tools is the first step in developing innovative fiscal reports utilizing our Citywide Financial Data warehouse and self-service reporting tools. These reports will be presented to the City Council in 2025 as part of the Fiscal Transparency Ordinance. I look forward to working with CBO and Council Central Staff on the roll out of these reports. I am also reviewing our Biennial Citywide Financial Condition Report, which will be sent to the City Council in September of this year. This report combines key information based on the status of the City Employees' Retirement System's investments, the City's cash pool, interfund loans, City debt, and the Annual Comprehensive Financial Report. While this report is rich in detailed information, we have an opportunity to present fiscal data in more meaningful ways to provide certainty to our elected officials and constituents as to the fiscal health of the city. Techniques being explored are providing greater transparency including tools such as data visualization. We want to tailor the data visualization to the information needs and decision-making role for different stakeholder groups.