

# **Financial Management**



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## Department Description

The Financial Management (FM) Department provides services to the Mayor and serves as an internal fiscal consultant to the City. FM prepares the budget in accordance with the City Charter. Throughout the year, FM monitors the City's expenditures and revenues, oversees budget transfers and adjustments, and reviews requests for Council and Mayoral Actions for the operating budget and Capital Improvements Program (CIP).

FM staff is organized into these functions:

The Budget Development staff coordinates the development of a balanced budget by working with departments to identify expenditure savings and implement Mayoral initiatives.

The Financial Planning & Analysis staff develops the Five-Year Financial Outlook, identifies new revenue sources, and forecasts revenues.

The Budget Monitoring staff produces reports to Council to forecast year-end results and aid in budget adjustments throughout the year to accommodate unforeseen budget changes.

The Systems staff maintains the Funds Management module of the SAP system to ensure data accuracy of budgetary reporting, monitoring, and control system.

The Capital Budget Development & Monitoring staff develops and monitors the CIP budget which supports projects that help maintain or improve City infrastructure.

The Personnel Expenditure Planning staff develops and monitors the personnel expense components of the operating budgets, including analysis of salaries and fringe rates, and conducts analyses to support labor negotiations.

The Department's mission is:

*To provide the highest quality financial services with integrity, transparency, and accountability*

# Financial Management

The Department's vision is:

*To set the national standard for municipal financial management*

## Did you know?

- The City achieved nearly \$75.0 million in project savings and reallocations from cash management and streamlining efforts as a result of the new Semi-Annual CIP Monitoring report. This new initiative allows funds to be allocated to projects that are ready to go forward in a more timely fashion.
- Financial Management started a new comprehensive training program to provide new and existing department staff with regularly scheduled live group trainings, online recordings, and documented instructional material. The aim is to strengthen the knowledge of department staff and, in turn, provide better fiscal guidance to departments. This model will eventually be expanded to all citywide staff.
- The City's budgeting system was upgraded to a newer version which improves performance, extends the maintenance life, and adds enhancements that will save citywide staff time on entering budget adjustments. This time can then be reallocated for other critical needs and services.
- The Department developed online video tutorials for citywide staff related to the City's annual budget development process and budget system. These video tutorials will eventually be incorporated into a comprehensive budget process and system training program which includes a competency assessment.
- The Financial Management Department issues the Year-End Financial Performance Report to compare the City's year-end projections versus the unaudited year-end actuals.

## Goals and Objectives

### *Goal 1: Safeguard public assets through strong financial management*

- Maintain strong internal controls
- Establish fiscally sound financial policies
- Produce transparent financial reporting
- Prepare fiscally sound balanced budgets and capital plans

### *Goal 2: Optimize financial resources through long-term fiscal planning*

- Identify and implement continuous business process improvements
- Seek strategic opportunities to reduce costs and enhance revenues
- Promote sound long-term financial and infrastructure planning

### *Goal 3: Provide excellent customer service*

- Reach out to customers and collaborate to meet their goals
- Provide accurate and timely financial information

### *Goal 4: Strengthen the City's financial knowledge, skills, and abilities*

- Provide robust training programs for Finance Branch staff
- Establish training programs for citywide staff

# Financial Management

## Key Performance Indicators

Performance Indicator	Actual <sup>1</sup> FY2015	Target <sup>2</sup> FY2016	Actual FY2016	Target FY2017
1. Percentage of annual reserves targets achieved <sup>3</sup>	100%	100%	100%	100%
2. Percentage of departments with actuals within 5% of projections	83%	90%	80%	90%
3. Percentage variance between Major General Fund revenue projections versus year-end actuals	1.0%	2.0%	0.4%	2.0%
4. Percentage of new Major General Fund revenue dedicated to infrastructure	56.6%	50.0%	61.1%	50.0%
5. Percentage of total CIP budget (excluding carry-forward) expended/committed	117% <sup>4</sup>	100%	135% <sup>5</sup>	100%

1. During Fiscal Year 2016, new department tactical plans and key performance indicators were developed. As such, Fiscal Year 2015 data may be unavailable.
2. New performance indicators for Fiscal Year 2016. Some baseline data is currently under development.
3. In the event that reserves are reduced below the established policy, the Mayor shall prepare a plan no later than one year from the reserve action to replenish the reserve balance to the policy level.
4. Includes expenditure commitment of prior year funds.
5. Percent based on preliminary unaudited actual expenditures for Fiscal Year 2016.



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# Financial Management

## Department Summary

	FY2015 Actual	FY2016 Budget	FY2017 Adopted	FY2016-2017 Change
FTE Positions (Budgeted)	30.00	32.00	<b>32.00</b>	0.00
Personnel Expenditures	\$ 3,629,993	\$ 3,999,213	<b>\$ 3,931,706</b>	\$ (67,507)
Non-Personnel Expenditures	321,580	395,353	<b>412,459</b>	17,106
<b>Total Department Expenditures</b>	<b>\$ 3,951,573</b>	<b>\$ 4,394,566</b>	<b>\$ 4,344,165</b>	<b>\$ (50,401)</b>
<b>Total Department Revenue</b>	<b>\$ 329</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## General Fund

### Department Expenditures

	FY2015 Actual	FY2016 Budget	FY2017 Adopted	FY2016-2017 Change
Financial Management	\$ 3,951,573	\$ 4,394,566	<b>\$ 4,344,165</b>	\$ (50,401)
<b>Total</b>	<b>\$ 3,951,573</b>	<b>\$ 4,394,566</b>	<b>\$ 4,344,165</b>	<b>\$ (50,401)</b>

### Department Personnel

	FY2015 Budget	FY2016 Budget	FY2017 Adopted	FY2016-2017 Change
Financial Management	30.00	32.00	<b>32.00</b>	0.00
<b>Total</b>	<b>30.00</b>	<b>32.00</b>	<b>32.00</b>	<b>0.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Equipment/Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	\$ 10,756	\$ -
<b>Non-Discretionary Adjustment</b> Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	6,819	-
<b>Employee Rewards and Recognition Program</b> Addition of Non Personnel Expenditures to comply with the Employee Rewards and Recognition Program per Administrative Regulation 95.91.	0.00	2,620	-
<b>Non-Standard Hour Personnel Funding</b> Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.00	(3)	-
<b>One-Time Reductions and Annualizations</b> Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2016.	0.00	(3,089)	-

# Financial Management

## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b>	0.00	(67,504)	-
Adjustments to reflect the annualization of the Fiscal Year 2016 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
<b>Total</b>	<b>0.00</b>	<b>\$ (50,401)</b>	<b>\$ -</b>

## Expenditures by Category

	FY2015 Actual	FY2016 Budget	FY2017 Adopted	FY2016-2017 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 2,160,829	\$ 2,465,347	\$ 2,451,492	\$ (13,855)
Fringe Benefits	1,469,164	1,533,866	1,480,214	(53,652)
<b>PERSONNEL SUBTOTAL</b>	<b>3,629,993</b>	<b>3,999,213</b>	<b>3,931,706</b>	<b>(67,507)</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 22,965	\$ 20,791	\$ 11,905	\$ (8,886)
Contracts	166,892	150,077	170,715	20,638
Information Technology	101,493	185,324	196,080	10,756
Energy and Utilities	26,003	31,272	28,959	(2,313)
Other	4,227	7,889	4,800	(3,089)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>321,580</b>	<b>395,353</b>	<b>412,459</b>	<b>17,106</b>
<b>Total</b>	<b>\$ 3,951,573</b>	<b>\$ 4,394,566</b>	<b>\$ 4,344,165</b>	<b>\$ (50,401)</b>

## Revenues by Category

	FY2015 Actual	FY2016 Budget	FY2017 Adopted	FY2016-2017 Change
Other Revenue	\$ 329	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 329</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Adopted	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
2000024	Administrative Aide 2	1.00	1.00	1.00	\$42,578 - \$51,334	\$ 49,537
20001035	Associate Budget Development Analyst	11.00	10.00	10.00	59,467 - 71,864	623,242
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	170,000
20001168	Deputy Director	2.00	1.00	1.00	46,966 - 172,744	140,000
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	52,666
90001073	Management Intern - Hourly	1.00	1.00	1.00	24,274 - 29,203	24,274
20001234	Program Coordinator	4.00	6.00	6.00	23,005 - 137,904	600,000
20001036	Senior Budget Development Analyst	9.00	11.00	11.00	65,291 - 78,936	786,040
	Budgeted Vacancy Savings					(59,467)
	Overtime Budgeted					65,000
	Sick Leave - Hourly					200
<b>FTE, Salaries, and Wages Subtotal</b>		<b>30.00</b>	<b>32.00</b>	<b>32.00</b>		<b>\$ 2,451,492</b>



# Financial Management

	FY2015 Actual	FY2016 Budget	FY2017 Adopted	FY2016-2017 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 28,768	\$ 30,494	\$ 21,391	\$ (9,103)
Flexible Benefits	214,363	274,676	332,893	58,217
Insurance	101	-	-	-
Long-Term Disability	19,373	7,822	7,590	(232)
Medicare	32,184	34,807	34,663	(144)
Other Post-Employment Benefits	172,048	176,580	177,450	870
Retiree Medical Trust	1,458	2,022	2,921	899
Retirement 401 Plan	3,045	3,249	4,100	851
Retirement ADC	842,679	814,218	688,871	(125,347)
Risk Management Administration	24,868	31,500	30,660	(840)
Supplemental Pension Savings Plan	108,380	129,001	142,906	13,905
Unemployment Insurance	4,494	4,490	4,343	(147)
Workers' Compensation	17,403	25,007	32,426	7,419
<b>Fringe Benefits Subtotal</b>	<b>\$ 1,469,164</b>	<b>\$ 1,533,866</b>	<b>\$ 1,480,214</b>	<b>\$ (53,652)</b>
<b>Total Personnel Expenditures</b>			<b>\$ 3,931,706</b>	