

**Department of Finance**



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# Department of Finance



## Department Description

The Department of Finance (DOF) provides services to the Mayor and serves as an internal fiscal consultant to the City. The Department was established through the merger of the Office of the City Comptroller and the Financial Management department to maximize efficiencies and minimize redundancies within the fiscal management of the City. The DOF is made up of three divisions, Financial Planning and Disbursements, Internal Financial Reporting, and External Financial Reporting.

Financial Planning and Disbursements division coordinates the development of a balanced budget by working with departments to identify expenditure savings and implement Mayoral initiatives; 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; develops the Five-Year Financial Outlook, identifies new revenue sources, and forecasts revenues. This division is also responsible for payment services, including payroll processing for the City's approximately 11,350 employees, and centralized processing for all vendor payments.

Internal Financial Reporting division performs the general accounting and internal financial reporting functions for the City; monitors the City's expenditures and revenues, oversees budget transfers and adjustments, produces reports to Council to forecast year-end results and aids in budget adjustments throughout the year to accommodate unforeseen budget changes. This division develops and monitors the CIP Budget which supports projects that help maintain or improve City infrastructure. This division also maintains multiple modules of the SAP system to ensure data accuracy and develops and provides citywide financial training.

External Financial Reporting division prepares the Comprehensive Annual Financial Report (CAFR) which includes an accounting of all City funds and its component units, including related disclosures. This division also implements and monitors internal controls over financial reporting, and prepares the required reporting to Audit Committee and Council.

### ***The Department's mission is:***

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

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**The Department's vision is:**

To set the national standard for municipal financial management

## Goals and Objectives

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

- Maintain strong internal controls over financial reporting
- 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**

- Maximize use of the City's financial data
- Provide robust training programs for Finance Branch staff
- Establish training programs for citywide staff

## Key Performance Indicators

Performance Indicator	FY2017 Target	FY2017 Actual	FY2018 Target	FY2018 Actual	FY2019 Target
Number of months after the end of the fiscal year when the Comprehensive Annual Financial Report (CAFR) is issued <sup>1</sup>	6	6	6	6	6
Percentage of invoices paid by the city on time per the monthly "On Time Invoice Payment Report"	80%	67%	80%	74%	80%
Percentage of invoices processed in an automated fashion	33%	68%	100%	100%	100%
Percentage of annual reserves targets achieved	100%	100%	100%	100%	100%
Percentage of departments with actuals within 5% of projections <sup>2</sup>	90%	84%	90%	86%	90%
Percentage variance between Major General Fund revenue projections versus year-end actuals <sup>3</sup>	2.00%	0.00%	2.00%	0.23%	2.00%

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## Key Performance Indicators

Performance Indicator	FY2017 Target	FY2017 Actual	FY2018 Target	FY2018 Actual	FY2019 Target
Percentage of Annual Adopted and Added CIP Budget expended/committed <sup>4</sup>	100%	157%	100%	120%	100%

1. The Comprehensive Annual Financial Report (CAFR) is completed one fiscal year in arrears.
2. Estimated amount for FY 2018; actuals are not finalized until approval of the Audited FY 2018 Comprehensive Annual Financial Report.
3. Refer to footnote #2.
4. This includes expenditure commitment of prior year funds. Estimated amount for FY 2018; actuals are not finalized until approval of the Audited FY 2018 Comprehensive Annual Financial Report.



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## Department Summary

	FY2017 Actual	FY2018 Budget	FY2019 Adopted	FY2018-2019 Change
FTE Positions (Budgeted)	0.00	0.00	113.27	113.27
Personnel Expenditures	\$ -	\$ -	\$ 15,353,011	\$ 15,353,011
Non-Personnel Expenditures	-	-	1,209,847	1,209,847
<b>Total Department Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,562,858</b>	<b>\$ 16,562,858</b>
<b>Total Department Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,004,808</b>	<b>\$ 2,004,808</b>

## General Fund<sup>1</sup>

### Department Expenditures

	FY2017 Actual	FY2018 Budget	FY2019 Adopted	FY2018-2019 Change
Department of Finance	\$ -	\$ -	\$ 2,845,429	\$ 2,845,429
External Financial Reporting	-	-	3,903,471	3,903,471
Financial Planning & Disbursement	-	-	4,650,665	4,650,665
Internal Financial Reporting	-	-	5,163,293	5,163,293
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,562,858</b>	<b>\$ 16,562,858</b>

### Department Personnel

	FY2017 Budget	FY2018 Budget	FY2019 Adopted	FY2018-2019 Change
Department of Finance	0.00	0.00	10.27	10.27
External Financial Reporting	0.00	0.00	26.00	26.00
Financial Planning & Disbursement	0.00	0.00	40.00	40.00
Internal Financial Reporting	0.00	0.00	37.00	37.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>113.27</b>	<b>113.27</b>

<sup>1</sup> In the Fiscal Year 2019 Adopted Budget, the budgets for the Financial Management Department and the Office of the City Comptroller were consolidated into the Department of Finance. Prior year actuals and budget can be found in the Financial Management Department and the Office of City Comptroller's budget pages.

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## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Department of Finance Restructure</b> Restructure of 86.00 FTE positions and non-personnel expenditures from the Office of the City Comptroller to the newly created Department of Finance.	86.00 \$	12,365,308 \$	2,100,000
<b>Department of Finance Restructure</b> Restructure of 30.00 FTE positions and non-personnel expenditures from the Financial Management Department to the newly created Department of Finance.	30.00	3,963,846	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	470,118	-
<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	359,492	-
<b>Reclassification of Positions</b> Reduction of 6.00 Program Coordinators and 3.00 Accountant 4s, and the addition of 6.00 Financial Operations Managers and 4.00 Principal Accountants to better align the position classifications with the operations of the newly merged Department of Finance.	1.00	200,023	-
<b>Non-Standard Hour Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	2.27	64,363	-
<b>Reallocation of Financial Deputy Directors</b> Reduction of 3.00 Deputy Directors and the addition of 2.00 Assistant Department Directors and 1.00 Chief Accountant to better align the position classifications with the operations of the Department.	0.00	27,236	-
<b>Reduction of City Comptroller</b> Reduction of 1.00 City Comptroller and the addition of personnel expenditures associated with the Department of Finance Director.	(1.00)	(327,078)	-
<b>Reduction of Staff</b> Reduction of 2.00 Associate Budget Development Analysts, 2.00 Accountant 2s, and 1.00 Account Audit Clerk.	(5.00)	(560,450)	-
<b>Otay Mesa Enhanced Infrastructure Financing District</b> Addition of one-time revenue for reimbursable expenditures related to the Otay Mesa Enhanced Infrastructure Financing District (EIFD) formation.	0.00	-	52,000
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections.	0.00	-	(147,192)
<b>Total</b>	<b>113.27 \$</b>	<b>16,562,858 \$</b>	<b>2,004,808</b>



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## Expenditures by Category

	FY2017 Actual	FY2018 Budget	FY2019 Adopted	FY2018-2019 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ -	\$ -	8,851,174	8,851,174
Fringe Benefits	-	-	6,501,837	6,501,837
<b>PERSONNEL SUBTOTAL</b>	-	-	<b>15,353,011</b>	<b>15,353,011</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ -	\$ -	107,800	107,800
Contracts	-	-	520,774	520,774
Information Technology	-	-	470,118	470,118
Energy and Utilities	-	-	101,355	101,355
Other	-	-	9,800	9,800
<b>NON-PERSONNEL SUBTOTAL</b>	-	-	<b>1,209,847</b>	<b>1,209,847</b>
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>16,562,858</b>	<b>16,562,858</b>

## Revenues by Category

	FY2017 Actual	FY2018 Budget	FY2019 Adopted	FY2018-2019 Change
Charges for Services	\$ -	\$ -	1,902,000	1,902,000
Other Revenue	-	-	100,000	100,000
Transfers In	-	-	2,808	2,808
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,004,808</b>	<b>2,004,808</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2017 Budget	FY2018 Budget	FY2019 Adopted	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000866	Accountant 2	0.00	0.00	22.00	\$ 57,937 - 70,020	1,375,867
20000007	Accountant 3	0.00	0.00	19.00	63,622 - 76,908	1,420,987
20000102	Accountant 4	0.00	0.00	11.00	71,558 - 95,366	1,049,015
20000010	Account Audit Clerk	0.00	0.00	4.00	34,206 - 41,146	155,998
20000024	Administrative Aide 2	0.00	0.00	4.00	43,983 - 53,028	191,831
20000018	Assistant Department Director	0.00	0.00	1.00	32,788 - 179,712	149,785
20000019	Assistant Department Director	0.00	0.00	1.00	32,788 - 179,712	149,785
20001035	Associate Budget Development Analyst	0.00	0.00	7.00	61,430 - 74,236	478,668

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## Personnel Expenditures

Job Number	Job Title / Wages	FY2017 Budget	FY2018 Budget	FY2019 Adopted	Salary Range	Total
20000020	Chief Accountant	0.00	0.00	1.00	48,516 - 178,445	149,785
20001101	Department Director	0.00	0.00	1.00	61,107 - 231,494	175,610
20001168	Deputy Director	0.00	0.00	1.00	48,516 - 178,445	143,486
20000924	Executive Secretary	0.00	0.00	2.00	44,993 - 54,404	106,360
20001172	Financial Operations Manager	0.00	0.00	6.00	26,213 - 153,091	774,750
90001073	Management Intern - Hourly	0.00	0.00	2.27	25,075 - 30,167	60,085
20000681	Payroll Audit Specialist 2	0.00	0.00	5.00	42,021 - 50,896	250,466
20000936	Payroll Audit Supervisor	0.00	0.00	1.00	50,808 - 61,358	60,698
20000680	Payroll Specialist 2	0.00	0.00	1.00	36,647 - 44,245	42,696
20000021	Principal Accountant	0.00	0.00	3.00	19,961 - 156,851	340,890
20001182	Principal Accountant	0.00	0.00	9.00	19,961 - 156,851	997,446
20000054	Senior Account Audit Clerk	0.00	0.00	1.00	39,127 - 47,184	39,127
20001036	Senior Budget Development Analyst	0.00	0.00	11.00	67,446 - 81,541	860,844
	Adjust Budget To Approved Levels					16,000
	Budgeted Vacancy Savings					(189,005)
	Overtime Budgeted					50,000
<b>FTE, Salaries, and Wages Subtotal</b>		<b>0.00</b>	<b>0.00</b>	<b>113.27</b>		<b>\$ 8,851,174</b>

	FY2017 Actual	FY2018 Budget	FY2019 Adopted	FY2018-2019 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ -	\$ -	96,467 \$	96,467
Flexible Benefits	-	-	1,352,306	1,352,306
Medicare	-	-	127,161	127,161
Other Post-Employment Benefits	-	-	661,392	661,392
Retiree Medical Trust	-	-	9,713	9,713
Retirement 401 Plan	-	-	6,459	6,459
Retirement ADC	-	-	3,348,391	3,348,391
Retirement DROP	-	-	8,800	8,800
Risk Management Administration	-	-	113,724	113,724
Supplemental Pension Savings Plan	-	-	587,750	587,750
Unemployment Insurance	-	-	14,758	14,758
Workers' Compensation	-	-	174,916	174,916

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	FY2017 Actual	FY2018 Budget	FY2019 Adopted	FY2018-2019 Change
<b>Fringe Benefits Subtotal</b>	\$ -	\$ -	\$ 6,501,837	\$ 6,501,837
<b>Total Personnel Expenditures</b>		\$	15,353,011	



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