

Department of Finance



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Description

The Department of Finance (DoF) provides centralized financial services to the City. DoF has four key areas of responsibilities; (1) oversight of the City's operating and capital budgets, (2) accounting and financial reporting for all City funds, (3) payroll and vendor payments, and (4) financing and management of City debt obligations, all of which are the foundation of the City's financial operation. The DoF is made up of three divisions: Financial Planning, External Financial Reporting, and Debt Management & CIP.

The Financial Planning division coordinates the development of the annual budget by working with City departments to identify expenditure savings and implement Mayoral initiatives, develops the Five-Year Financial Outlook, identifies new revenue sources, and forecasts revenues. Furthermore, the division performs internal financial reporting functions for the City, monitors the City's expenditures and revenues, oversees budget transfers and adjustments, produces reports to City Council to forecast year-end results, and coordinates budget adjustments throughout the year to accommodate unforeseen budget changes. This division is also responsible for the development and monitoring of personnel expense components of the operating budgets, including analysis of salaries and fringe benefit rates, and conducts analyses to support labor negotiations.

The External Financial Reporting division prepares the Annual Comprehensive Financial Report (ACFR) which includes an accounting of all City funds and its component units, including related disclosures; implements and monitors internal controls over financial reporting, and prepares the required reporting to Audit Committee and City Council; maintains multiple modules of the SAP system to ensure data accuracy and develops and provides citywide financial training. Furthermore, the division is responsible for the general accounting for the City. This division is also responsible for centralized processing for all vendor payments and payroll processing for the City's approximately 12,800 employees.

The Debt Management & CIP division develops and monitors the CIP Budget, develops financing plans, and conducts issuance activity for all short and long term debt, which together support projects that help maintain or improve City infrastructure. Additionally, the division coordinates and monitors citywide post-issuance administrative functions related to bond offerings, commercial paper programs, Federal and State loans, and capital leases, and regularly reviews obligations for refunding opportunities and timely

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refinances to lower interest costs. The division also coordinates, as needed, the City's formation procedures for its Special Financing Districts, related conduit bond issuances to fund public infrastructure, as well as the enrollment process for assessments and special tax levies.

The vision is:

To set the national standard for municipal financial management.

The mission is:

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

Goals and Objectives

Goal 1: Establish strong financial management by applying nationally recognized best practices.

- Establish fiscally sound financial policies
- Prepare fiscally sound balanced budgets
- Promote sound long-term financial and infrastructure planning

Goal 2: Optimize financial resources and safeguard public assets.

- Identify and implement continuous business process improvements to reduce costs and enhance revenues

Goal 3: Provide excellent customer service.

- Encourage collaboration with customer departments
- Pay employees timely and accurately
- Pay vendors timely and accurately

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

- Develop financial competencies for Department of Finance staff
- Establish and promote financial training programs for relevant staff citywide

Goal 5: Produce relevant, accurate and timely financial information.

- Complete internal and external financial reports accurately and timely, including all relevant disclosures
- Maintain strong internal controls over financial reporting

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Budget Equity Impact Statement	
Budget Equity Lens Summary Base Budget	Budget Equity Lens Summary Budget Adjustment
<p><i>Is there an opportunity to adjust the department's ongoing Base Budget to address disparity?</i></p> <p>Yes</p> <p>The Department of Finance took actions to address disparities by redirecting existing budgetary resources and staff time to: 1. Incorporate equity into the budget process by enhancing the City's budget software (Public Budget Formulation) allowing departments to identify budget adjustment requests for opportunities to address disparities. 2. Worked closely with the Department of Race and Equity to develop training material and provide budget equity training to City departments.</p>	<p><i>Do the Budget Adjustments address a disparity?</i></p> <p>Yes</p> <p>Budget Adjustments will address disparities that align with the department's following Tactical Equity Plan goals: 1. Establish strong financial management by applying nationally recognized best practices. 3. Provide excellent customer service. Equity Lens response: The department's budget request seeks to formally add existing positions to the budget that allow for continued support of equity in the budget process. This work is fundamental to support an organizational shift in how departments and policy makers approach budget decisions by incorporating an equity lens.</p>

Key Performance Indicators

Performance Indicator	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimate	Goal
Number of months after the end of the fiscal year when the Annual Comprehensive Financial Report (ACFR) is issued	6	6	6	6	6	6
Percentage of invoices paid by the city on time per the monthly "On Time Invoice Payment Report"	79%	76%	75%	70%	69%	80%
Percentage of annual reserves targets achieved ¹	100%	83%	67%	65%	N/A	N/A
Percentage of departments with actuals within 5% of projections ¹	87%	80%	85%	81%	N/A	N/A
Percentage variance between Major General Fund revenue projections versus year-end actuals	0.00 %	0.00 %	3.50 %	1.30 %	2.80 %	2.00 %
Percentage of Annual Adopted and Added CIP Budget expended/committed ¹	150%	128%	137%	119%	N/A	N/A
Debt Service Payments made on time ²	100%	100%	100%	100%	100%	100%
New debt obligations have met City's Debt Policy guidelines ²	100%	100%	100%	100%	100%	100%

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Key Performance Indicators

Performance Indicator	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimate	Goal
All eligible bonds monitored annually for refinancing opportunities to lower debt services costs ²	100%	100%	100%	100%	100%	100%
GFOA Awards received for Excellence in Financial Reporting and Budgeting	2	2	2	2	2	2
Percentage of department staff meeting development and technical training goals to maintain skilled workforce	99%	98%	98%	100%	100%	100%

1. KPI will no longer be tracked in FY24
2. Previously a KPI of the Debt Management Department prior to merge with Department of Finance

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Department Summary

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
FTE Positions (Budgeted)	110.00	116.00	140.00	24.00
Personnel Expenditures	\$ 18,541,853	\$ 19,541,096	\$ 24,479,894	\$ 4,938,798
Non-Personnel Expenditures	1,365,116	1,501,053	2,037,164	536,111
Total Department Expenditures	\$ 19,906,969	\$ 21,042,149	\$ 26,517,058	\$ 5,474,909
Total Department Revenue	\$ 2,112,305	\$ 2,264,984	\$ 2,758,962	\$ 493,978

General Fund

Department Expenditures

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Debt Management	\$ -	\$ -	2,575,580	2,575,580
Department of Finance	2,767,624	3,017,271	3,775,194	757,923
External Financial Reporting	7,542,897	8,016,277	8,536,691	520,414
Financial Planning & CIP	4,331,066	4,456,795	5,221,454	764,659
Internal Financial Reporting	5,265,383	5,551,806	6,408,139	856,333
Total	\$ 19,906,969	\$ 21,042,149	\$ 26,517,058	\$ 5,474,909

Department Personnel

	FY2022 Budget	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Debt Management	0.00	0.00	16.00	16.00
Department of Finance	5.00	4.00	4.00	0.00
External Financial Reporting	41.00	47.00	49.00	2.00
Financial Planning & CIP	29.00	28.00	31.00	3.00
Internal Financial Reporting	35.00	37.00	40.00	3.00
Total	110.00	116.00	140.00	24.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Consolidation of Debt Management Functions within Department of Finance Transfer of 17.00 FTE positions, non-personnel expenditures, and revenue associated with the transfer of debt functions from the Debt Management Department to the Department of Finance.	17.00	\$ 2,835,212	\$ 628,250
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	1,408,314	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Fiscal Support Addition of 4.00 FTE positions to right-size staffing levels to support central finance and critical initiatives such as Budget Equity, Climate Action Plan, and Homelessness Strategies and Solutions.	4.00	529,391	-
Support for Information Technology Adjustment to expenditure allocations according to an annual review of information technology funding requirements.	0.00	370,299	-
Grant Support Addition of 2.00 Finance Analyst 2s to support the City's expanding grants portfolio and ensure compliance with federal regulations and reporting requirements.	2.00	202,564	-
Transfer of Fiscal Support Staff Transfer of 1.00 Associate Management Analyst support from the Office of the COO to the Department of Finance.	1.00	100,382	-
Non-Discretionary Adjustment 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	84,062	-
Pay-in Lieu of Annual Leave Adjustments Adjustments to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	40,326	-
Accounts Payable Audit Services Adjustment to non-personnel expenditures and revenues associated with Accounts Payable audit services contract to reflect updated projections.	0.00	(10,000)	(50,000)
Reorganization and CIP Support Addition of 1.00 Principal Accountant, and reduction of 1.00 Department Director associated with a reorganization to support the City's Capital Improvement Program.	0.00	(85,641)	-
Revised Revenue Projections Adjustment to reflect revised revenue projections for TransNet and Property Tax Administration.	0.00	-	(84,272)
Total	24.00	5,474,909	493,978

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Expenditures by Category

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
PERSONNEL				
Personnel Cost	\$ 10,410,853	\$ 11,880,101	\$ 15,073,943	\$ 3,193,842
Fringe Benefits	8,131,001	7,660,995	9,405,951	1,744,956
PERSONNEL SUBTOTAL	18,541,853	19,541,096	24,479,894	4,938,798
NON-PERSONNEL				
Supplies	\$ 162,632	\$ 110,157	\$ 122,723	\$ 12,566
Contracts & Services	399,695	539,242	600,470	61,228
<i>External Contracts & Services</i>	93,625	242,425	293,132	50,707
<i>Internal Contracts & Services</i>	306,070	296,817	307,338	10,521
Information Technology	704,387	757,768	1,142,767	384,999
Energy and Utilities	94,802	84,086	157,304	73,218
Other	3,600	9,800	13,900	4,100
NON-PERSONNEL SUBTOTAL	1,365,116	1,501,053	2,037,164	536,111
Total	\$ 19,906,969	\$ 21,042,149	\$ 26,517,058	\$ 5,474,909

Revenues by Category

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Charges for Services	\$ 1,930,109	\$ 2,064,984	\$ 2,608,962	\$ 543,978
Other Revenue	182,196	200,000	150,000	(50,000)
Total	\$ 2,112,305	\$ 2,264,984	\$ 2,758,962	\$ 493,978

Personnel Expenditures

Job Number	Job Title / Wages	FY2022 Budget	FY2023 Budget	FY2024 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
20000010	Account Audit Clerk	2.00	2.00	2.00	\$ 38,590 - 46,404	\$ 97,448
20000024	Administrative Aide 2	7.00	7.00	7.00	54,716 - 65,935	443,877
20001140	Assistant Department Director	2.00	1.00	2.00	83,242 - 315,328	384,968
20000119	Associate Management Analyst	0.00	0.00	7.00	69,466 - 83,940	480,825
20001113	Chief Accountant	1.00	1.00	1.00	62,941 - 231,483	192,484
20001101	Department Director	1.00	1.00	1.00	83,242 - 315,328	234,758
20000924	Executive Assistant	1.00	1.00	1.00	54,883 - 66,380	69,699
21000576	Finance Analyst 2	26.00	32.00	32.00	74,069 - 90,059	2,581,452
21000577	Finance Analyst 3	27.00	27.00	30.00	81,519 - 99,054	3,040,970
21000578	Finance Analyst 4	9.00	9.00	11.00	101,076 - 122,835	1,362,945
20001172	Financial Operations Manager	6.00	6.00	7.00	62,941 - 231,483	1,188,796
20000293	Information Systems Analyst 3	1.00	1.00	1.00	77,711 - 93,968	98,667
20000681	Payroll Audit Specialist 2	5.00	5.00	5.00	53,542 - 64,822	337,035
20000936	Payroll Audit Supervisor	1.00	1.00	1.00	64,727 - 78,178	82,087
20000680	Payroll Specialist 2	1.00	1.00	1.00	46,697 - 56,380	49,032
20001182	Principal Accountant	14.00	14.00	15.00	33,904 - 203,486	2,095,035
20001234	Program Coordinator	5.00	6.00	13.00	33,904 - 184,808	1,689,439
20000054	Senior Account Audit Clerk	1.00	1.00	1.00	44,133 - 53,218	55,438
20000015	Senior Management Analyst	0.00	0.00	2.00	76,252 - 92,204	183,844

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Personnel Expenditures

Job Number	Job Title / Wages	FY2022 Budget	FY2023 Budget	FY2024 Proposed	Salary Range	Total
	Budgeted Personnel					(77,772)
	Expenditure Savings					
	Overtime Budgeted					50,769
	Special Assignment Pay					62,866
	Termination Pay Annual					26,809
	Leave					
	Vacation Pay In Lieu					342,472
FTE, Salaries, and Wages Subtotal		110.00	116.00	140.00		\$ 15,073,943

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Fringe Benefits				
Employee Offset Savings	\$ 98,619	\$ 100,476	\$ 115,886	\$ 15,410
Flexible Benefits	1,396,211	1,448,083	1,724,019	275,936
Insurance	1,370	-	-	-
Long-Term Disability	43,997	40,423	58,361	17,938
Medicare	155,301	166,803	211,776	44,973
Other Post-Employment Benefits	672,853	654,235	794,385	140,150
Retiree Medical Trust	12,434	15,909	22,096	6,187
Retirement 401 Plan	10,186	23,973	81,839	57,866
Retirement ADC	4,851,731	4,316,092	5,699,350	1,383,258
Retirement DROP	14,560	14,939	16,134	1,195
Risk Management Administration	119,806	133,975	179,727	45,752
Supplemental Pension Savings Plan	680,736	677,194	407,308	(269,886)
Unemployment Insurance	14,995	14,670	17,079	2,409
Workers' Compensation	58,203	54,223	77,991	23,768
Fringe Benefits Subtotal	\$ 8,131,001	\$ 7,660,995	\$ 9,405,951	\$ 1,744,956
Total Personnel Expenditures			\$ 24,479,894	