

## Finance - Departmental Performance Report

Finance						
The mission of the Finance Department is through strong leadership, deliver comprehensive financial and business services, and protect the City's resources in a high quality, cost effective, and innovative environment that inspires trust and supports our community for a lifetime.						
Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
<b>Financial</b>						
<b>City Payroll Operation Management</b>						
Validation of Pay Reports	#	480.0	480.0	480.0	480.0	480.0
<b>Debt Management and Other Administration</b>						
Debt Service Payments	#	275.0	250.0	260.0	275.0	275.0
<b>Financial Reporting Oversight</b>						
Compliance for State & Federal Reports (millions)	\$	194	202	213	194	190
Days to Prepare Monthly Interim Financial Statements	#	10.0	9.0	10.0	10.0	13.0
Grant Financial Review	#	322.0	275.0	322.0	340.0	322.0
IDTs and Charges Processed	#	16,000.0	11,833.0	15,076.0	16,000.0	10,000.0
Recordation of Asset Value/Depreciation/Retirement (billions)	\$	5	4	5	5	0
<b>Minority/Women Maximum Participation</b>						
Minority Business - Minority Expenditures (millions)	\$	123	96	123	123	135
<b>Payable Expenditure Compliance Audits</b>						
Average Days to Process Payment	#	8.0	5.0	8.0	10.0	13.0
Invoices Processed per FY	#	139,000.0	148,820.0	139,227.0	146,301.0	139,000.0
Number of P Card Transactions Reviewed	#	19,600.0	16,799.0	17,745.0	19,600.0	20,500.0
<b>Purchasing - Competitive Maximization</b>						
Dollar Volume in Purchase Orders (millions)	\$	227	224	227	227	227
Formal Solicitations	#	141.0	159.0	141.0	141.0	141.0
Standard PO Processing Time (days)	#	6.0	4.8	5.4	6.0	6.0
<b>Worker Compensation Claim Management</b>						
Worker's Compensation Claims Filed	#	864.0	800.0	814.0	864.0	900.0
Worker's' Compensation Claim Dollars (millions)	\$	7	6	7	7	7
<b>Internal Process</b>						
<b>City Payroll Development</b>						
Ratio of Department PALS Staff to Payroll Staff	#	31.0	31.0	31.0	31.0	31.0
Retirement Counseling Sessions	#	800.0	627.0	754.0	800.0	800.0

**Major Changes**

Three positions were eliminated and additional funds were budgeted to the Risk Management Internal Services Fund.

Change	Impact
Director Office - Analyst position eliminated	<ul style="list-style-type: none"> <li>• Reduces accountability and transparency</li> <li>• Eliminates long term debt and Tax Increment Financing/Special Service District reports</li> <li>• Reduces debt refunding interest rate opportunities</li> <li>• Reduces tax analysis capabilities</li> <li>• Eliminates special project support</li> </ul>
Comptroller - Account Clerk position and contractual manpower funding eliminated	<ul style="list-style-type: none"> <li>• IDT processes will be reduced</li> <li>• Administrative support will be shifted and potentially eliminated</li> <li>• Support for managing fixed assets and for managing financial transactions for capital projects will be reduced</li> </ul>
Increased funding to Risk Management Internal Services Fund	<ul style="list-style-type: none"> <li>• Self-insured worker’s compensation, general liability, and automotive liability costs require an additional \$1 million to meet expected claims</li> </ul>
Purchasing Department - Account Clerk position eliminated	<ul style="list-style-type: none"> <li>• Professional staff will be required to assume duties shifting time away from primary responsibilities</li> <li>• Communications and Information Technology’s approval process will slow</li> <li>• The records management duty will be reassigned</li> <li>• Potential procurement advertising issues may occur</li> <li>• Reduction in compliance reviews</li> </ul>

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

**Departmental Overview**

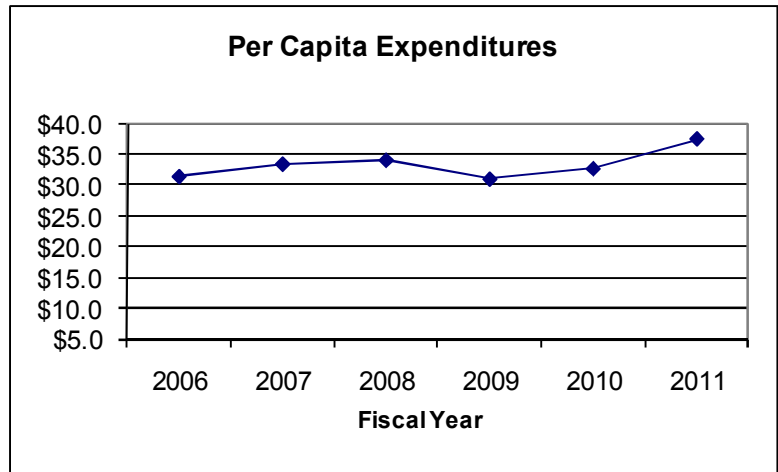
The Finance Department is funded through general City taxes and fees. The Risk Management Fund, the City’s self-insurance fund, charges all costs back to the various services and programs throughout the City. The department ensures direction, planning, and coordination of financial services through:

- **Debt Management** - To support the approved Capital Improvement Program (CIP) debt requirements, provides debt planning, bond issuance, administration, and analysis of taxable debt, IRS and SEC reporting, and monitoring of interest rate environment for potential refunding of debt issues.
- **Payroll** - Prepares City employee payroll, manages tax reporting and compliance, manages VRS programs, manages garnishments, liens, and pay deductions.
- **Comptroller** - Responsible for preparing financial reports and data for distribution, validate grant and CIP financial data, process all invoices and City payments, oversees accounting policies, transactions, and fixed asset reporting.
- **Purchasing** – In accordance with State laws, processes all purchasing requisitions, is responsible for surplus property, and manages the bidding and competitive negotiation processes.
- **Risk Management** - Identifies and evaluates all City risks, manages loss control programs, identifies and places insurance and make workers’ compensation adjustments and civil liability claims.

**Trends and Issues**

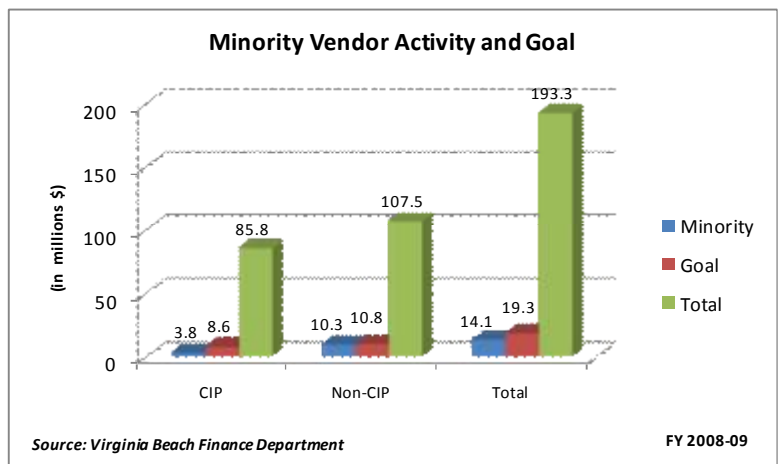
- Risk management general liability and auto liability claims against the City are expected to remain flat at \$4 million and 501 cases per annum. Claims against the City average 600 per annum and cost \$1,476 on average.
- City payroll for approximately 7,700 employees will continue including verifications and policy setting for internal controls.
- W-2 forms processed will remain flat at 8,500. Since 1995, this represents a growth of 31%.
- The number of local and regional organizations being guided on behalf of the City will remain flat at eight.

- Over the last 10-20 years, revenues, assets, invoices, grants and debt has grown at a triple digit rate. In the past 10 years, invoice volume has doubled to \$600 million annually.
- Over the last eleven years, the number of grants has grown 906%. In FY 2009, 322 grants were processed. There has been an increase in the number of audits and reports for Federal, State, and other grant entitlements and funding matches.
- The Government Accounting Standards Board and Government Finance Officers Association are requiring more internal controls, transparency and audit and fraud monitoring “best practices.”



- Construction, technology and service contracting purchases are becoming more complex.
- Risk management worker’s compensation and liability claims require more detailed information be provided to departments to assist with the mitigation of costs.
- Because of changes in technology, processes, and staff, the current operating environment is considered high risk.

- Participation in the Minority Business Council initiative is growing annually, but it is not meeting the City Council goal of 10%.
- In FY 2009, there were 814 worker compensation claims. Worker compensation claims are being adversely affected by escalating indemnity/loss wage payments.
- Through the competitive procurement process, the Purchasing Department saves the City \$22-\$30 million annually.



**Finance - Departmental Resource Summary**

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
<b><u>Program Summary</u></b>				
<b><u>002 General Fund</u></b>				
<b><u>Expenditures</u></b>				
Director's Office	855,861	867,798	727,254	(140,544)
Local Vehicle Registration	769,165	894,908	852,772	(42,136)
Comptroller's Office	1,290,178	1,359,651	1,344,650	(15,001)
Payroll	640,064	663,312	691,542	28,230
Purchasing	1,071,710	1,162,452	1,074,998	(87,454)
Total Expenditures	<u>4,626,978</u>	<u>4,948,121</u>	<u>4,691,216</u>	<u>(256,905)</u>
<b><u>Revenues</u></b>				
Director's Office	20,078	23,000	26,500	3,500
Local Vehicle Registration	530,624	614,000	614,000	0
Payroll	21,792	26,300	26,300	0
Purchasing	0	3,699	0	(3,699)
Total Revenues	<u>572,494</u>	<u>666,999</u>	<u>666,800</u>	<u>(199)</u>
General City Support	<u>4,054,484</u>	<u>4,281,122</u>	<u>4,024,416</u>	<u>(256,706)</u>
<b><u>607 Risk Management Internal Service Fund</u></b>				
<b><u>Expenditures</u></b>				
Risk Management Insurance Payments	9,680,239	8,479,515	10,972,799	2,493,284
Risk Management	600,232	651,585	620,534	(31,051)
Reserve for Contingencies	0	25,920	0	(25,920)
Total Expenditures	<u>10,280,471</u>	<u>9,157,020</u>	<u>11,593,333</u>	<u>2,436,313</u>
<b><u>Revenues</u></b>				
Risk Management Insurance Payments	59,310	0	0	0
Risk Management	10,221,161	9,157,020	11,593,333	2,436,313
Total Revenues	<u>10,280,471</u>	<u>9,157,020</u>	<u>11,593,333</u>	<u>2,436,313</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	14,907,449	14,105,141	16,284,549	2,179,408
Total Department Revenue	10,852,965	9,824,019	12,260,133	2,436,114
Total General City Support	<u>4,054,484</u>	<u>4,281,122</u>	<u>4,024,416</u>	<u>(256,706)</u>

**Position Summary by Program**

<b><u>002 General Fund</u></b>				
Director's Office	8.00	8.00	7.00	-1.00
Comptroller's Office	19.00	19.00	18.00	-1.00
Payroll	9.00	9.00	9.00	0.00
Purchasing	14.00	14.00	13.00	-1.00
Total	<u>50.00</u>	<u>50.00</u>	<u>47.00</u>	<u>-3.00</u>
<b><u>607 Risk Management Internal Service Fund</u></b>				
Risk Management	7.00	7.00	7.00	0.00
Total	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>
Total Position Summary	<u>57.00</u>	<u>57.00</u>	<u>54.00</u>	<u>-3.00</u>