Department of Financial Management

Budget Overview

Presented to Budget/Finance/Economic Development Committee

February 10, 2009
**Department Overview**

- Fiscal integrity and financial reporting are the basis of all services provided:

<table>
<thead>
<tr>
<th>Administrative Services</th>
<th>Financial Services</th>
<th>Revenue Services</th>
<th>Purchasing Services</th>
<th>Risk Services</th>
<th>Information Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/Banking Mgmt</td>
<td>Payroll</td>
<td>Cash Collection</td>
<td>Central Stores</td>
<td></td>
<td>Claims Mgmt</td>
</tr>
<tr>
<td>Debt Mgmt</td>
<td>Vendor Payments</td>
<td>Business Licenses</td>
<td>Delinquency Mgmt</td>
<td></td>
<td>Loss Control</td>
</tr>
<tr>
<td>Investment Mgmt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts/Fees Billing Mgmt</td>
<td></td>
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</tr>
</tbody>
</table>
Department Staffing

- Authorized Positions = 64 FT / 18 PT
  - Actual FT = 44 (69%)
  - Actual PT = 9 (50%)

- Number of Vacancies = 20 FT / 9 PT

- Employee Services Budget = 66%
Severity of vacancy by Division:

<table>
<thead>
<tr>
<th>Division</th>
<th>FT</th>
<th>PT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>18%</td>
<td>33%</td>
</tr>
<tr>
<td>Revenue Services</td>
<td>33%</td>
<td>57%</td>
</tr>
<tr>
<td>Utility Billing</td>
<td>21%</td>
<td>50%</td>
</tr>
<tr>
<td>Purchasing</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>Risk Services</td>
<td>66%</td>
<td></td>
</tr>
</tbody>
</table>
Financial Management
Total Cost = $10,018,097
GF = $2,962,259
Gen. Ins. ISF = $1,338,434
Utility Billing = $3,301,404
Other Funds = $2,416,000
Total Revised GF Budget = $2,962,259 (incl. encumbrances)

Total YTD expenses = $1,315,781

Over/(Under) Budget = $(1,646,478)

Percent of Budget Expended = 44%
Reasons for Positive Results

- 20 FT/ 9 PT vacancies (hiring freeze) and VSP retirements
- VSP estimate exceeded by $153,325
- Continued vacancies in critical positions –
  - Purchasing Agent
  - Cash Control Auditor
  - Business License Revenue Supervisor
  - Fund Accountant
  - Payroll Assistant
  - Financial Statement Analyst
Expense Trends – General Fund Only

Actual Expenditures (dollars in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$2,918</td>
</tr>
<tr>
<td>2003</td>
<td>$2,501</td>
</tr>
<tr>
<td>2004</td>
<td>$2,534</td>
</tr>
<tr>
<td>2005</td>
<td>$2,760</td>
</tr>
<tr>
<td>2006</td>
<td>$3,108</td>
</tr>
<tr>
<td>2007</td>
<td>$3,105</td>
</tr>
<tr>
<td>2008</td>
<td>$3,032</td>
</tr>
<tr>
<td>2009 orig budget</td>
<td>$3,177</td>
</tr>
<tr>
<td>2009 revised budget</td>
<td>$2,962</td>
</tr>
</tbody>
</table>

Thousands
Overtime

Steps taken to minimize/eliminate overtime
- Training, extend time-frame financials completed, encourage alternative time usage

Business License Compliance program;
- Early release of financial statements with reduced staff

Overtime Expenses
(Numbers in thousands)

$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$-

2002 2003 2004 2005 2006 2007 2008 2009
104,627 67,144 65,689 67,082 106,719 39,102 14,864 12,710
Plan for Fiscal Year 2009-10

2009-10 Proposed reduction = $246,682

Ideas/concepts/impacts to achieve goal:
1. Central Stores outsourced  
   (2 phases; July 1 and January 1)
2. Delinquent Collections outsourced
3. Cost containment
Department Efficiencies

- Contracted with MBIA for continued business tax compliance enforcement
- Implemented online utility billing account access and payments
- Changed method of collecting billing deposits
- Delivery of direct deposits & W-2s via secure online access
Department Efficiencies (cont.)

- Improved purchasing processes through use of procurement cards
- Automated delinquency management
- Improved customer service through off-site payment locations for utility bills (Spring, 2009)
- Streamlined business license through online renewal system (March, 2009)
Department of Financial Management

Mark Moses, Chief Financial Officer

Janet Salvetti – Assistant Director
- Kathleen VonAchen – Finance Officer
- Cathy Lucas – Accounting Manager
- Kathy Whitman – Revenue Officer
- Kathleen Williams – Risk Manager
- Ed Wall – Senior Buyer