



# Finance FY2020 Proposed Budget

April 8, 2019

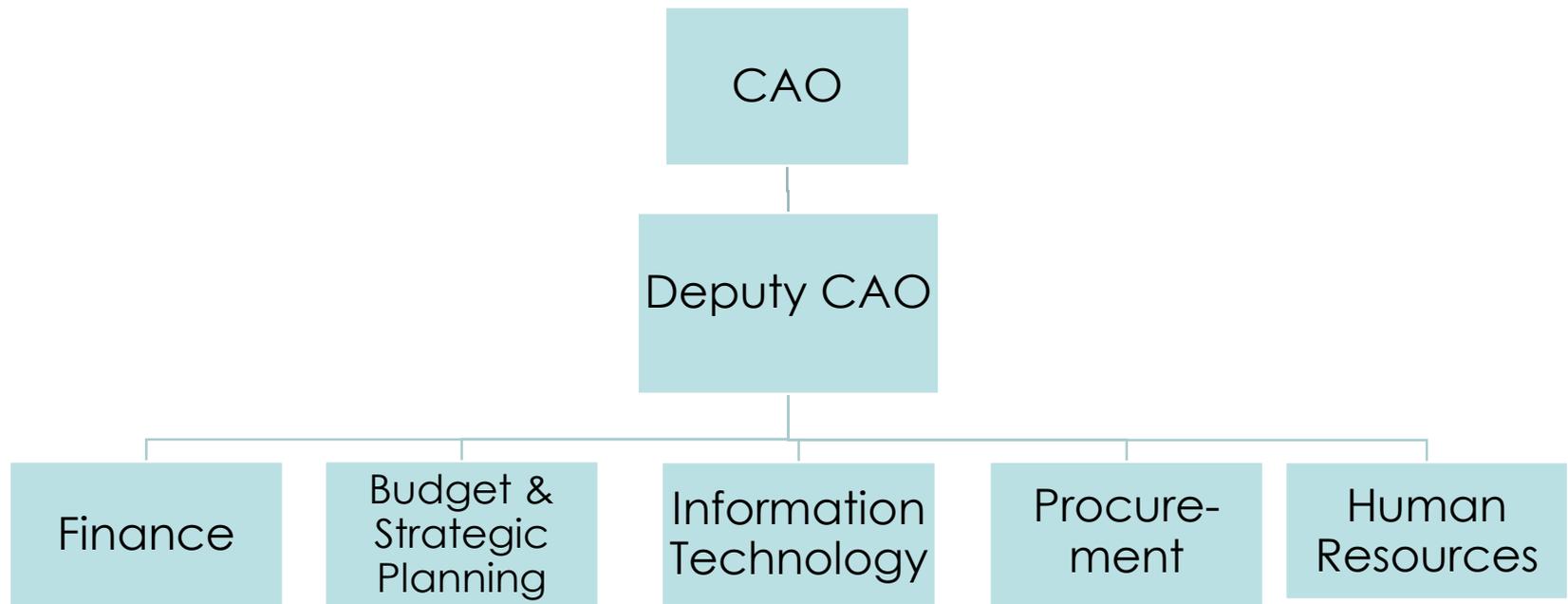
Presented By: John Wack, Director of Finance

Mayor Levar M. Stoney

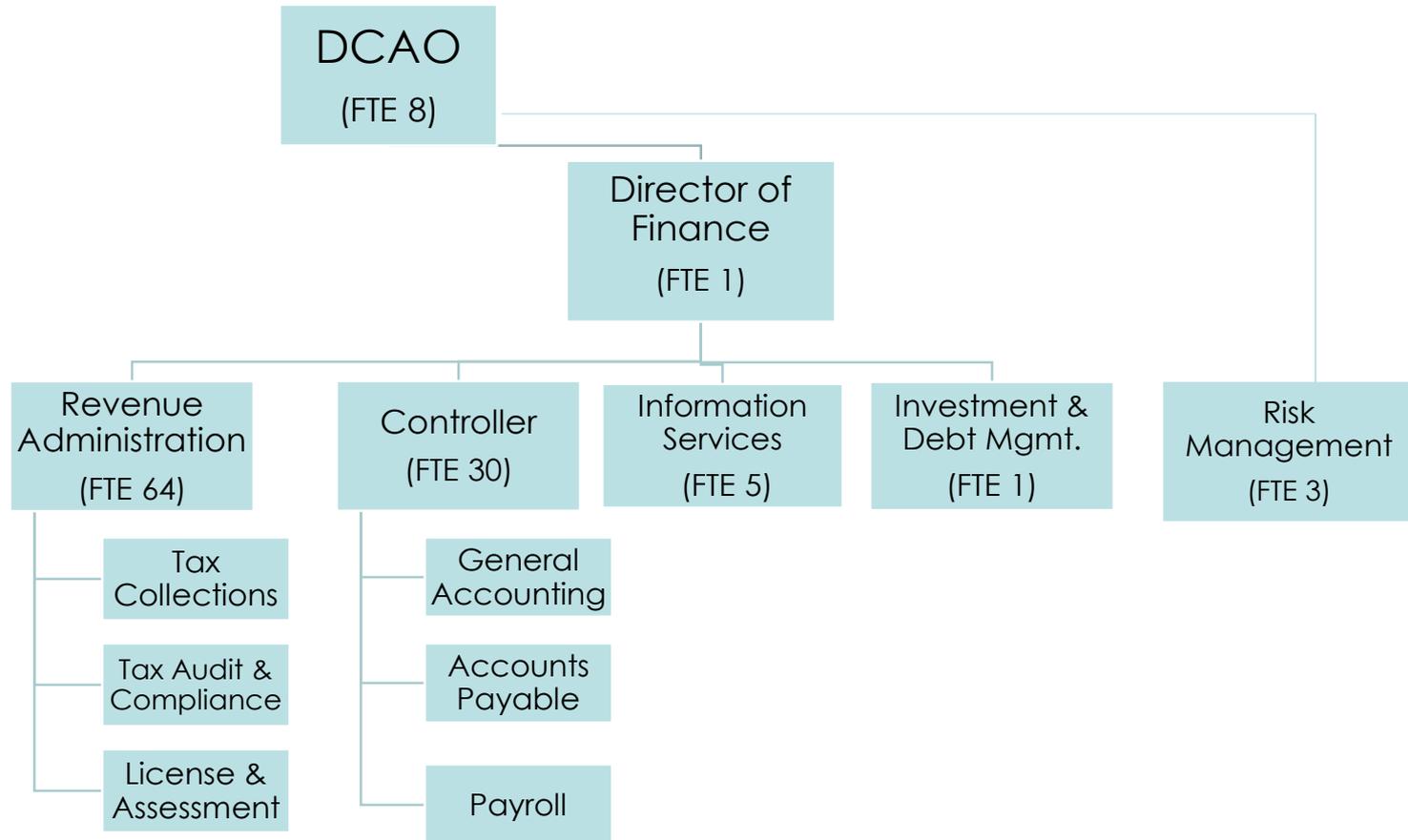
Selena Cuffee-Glenn, CAO



# Finance & Administration Portfolio



# Department of Finance



# Finance – New Cost Centers

FY2018 & Prior Years			FY2019 & FY2020	
02501	Financial Management	}	02501	Financial Management
			02518	DCAO for Finance & Admin
02502	General Accounting	}	02502	General Accounting
			02519	Financial Information Systems
02503	Disbursements	→	02503	Disbursements
02506	Collections	}	02506	Delinquent Collections
			02520	Cash Operations
			02517	Comm Revenue - Real Estate
02507	Licenses & Assessments	}	02507	Vehicle Licenses & Assessments
			02521	Tax Enforcement
			02522	Business License & Assessments
02508	Audit & Compliance	→	02508	Audit & Compliance

# Realignment of FY2019 Personnel

<u>Cost Center</u>	<u>Name of Program</u>	<u>As Budgeted:</u>	<u>As Realigned:</u>
02501	Financial Management	1,389,937	809,806
02502	General Accounting	1,913,987	1,494,453
02503	Disbursements	1,124,840	792,791
02506	Delinquent Collections	2,095,864	469,012
02507	Vehicle Licenses & Assessments	746,264	370,718
02508	Audit & Compliance	566,997	377,530
02517	Comm of Revenue - Real Estate	125,576	561,281
02518	DCAO for Finance & Admin	-	958,006
02519	Financial Information Systems	-	598,200
02520	Cash Operations	40,501	789,256
02521	Tax Enforcement	-	390,608
02522	Business License & Assessments	129,558	521,861
	<b>Total FY2019 Finance Personnel</b>	<b>8,133,523</b>	<b>8,133,523</b>

# Primary Goals: Finance

- Complete CAFR early – FY2019 will be third in a row
- Increase collection of delinquent taxes
- Process AP and Payroll accurately and on time
- Improve business processes utilizing technology
- Enhance the City's financial position

# Recent History of CAFR Completion

- FY2014 CAFR with CB – October 2015
- FY2015 CAFR with GT – October 2016
- FY2016 CAFR with CLA – May 2017
- FY2017 CAFR with CLA – November 2017
- FY2018 CAFR with CLA – November 2018

# Financial Reports Issued

- Comprehensive Annual Financial Report and Comparative Cost Report – due to APA by Nov 30<sup>th</sup>
- Monthly Financial Reports – by 15<sup>th</sup> of next month
- Quarterly Budget Projections
- Central Service Cost Allocation Report
- Single Audit Report on Expenditures of Federal Awards

# Accounting Highlights

- Finance issued 85,041 payments in 2018
- Bi-weekly payroll covers 4,345 employees
- Finance coordinates financial reporting for 159 funds
- Within these funds, there are over 300 projects/grants

# Revenue Administration Highlights

- Finance sends about 41,000 real estate tax bills (not counting 30K to mortgage companies) each year
- Also send about 120,000 personal property bills annually
- Over 153,000 vehicles subject to personal property tax
- About 11,000 businesses contacted each year regarding business license renewal

# Revenue Administration Highlights

- About 2,600 Tax Relief applications processed per year
- Finance sends about 65,000 debt set-offs per year to the Virginia Department of Taxation
- Finance tends to send about 55,000 delinquent personal property tax bills each year, and about 7,000 delinquent real estate tax bills
- Expect to complete 150 business audits in FY2020

# Utilization of Vacant Positions

- 3 positions shown as vacant are new in FY2020, for expanded Tax Relief and a new Cigarette Tax
- Finance has added/filled a net 11 full-time positions since the January 25<sup>th</sup> budget “snapshot”
- Positions are filled on a return on investment basis
- Most vacant positions are in Revenue Administration, directly correspond with the collection of revenues
- With vacancy funding included, over \$2.3 million in revenue enhancements have been added

# Revenue System Replacement

- City Auditor reports issued in 2012 through 2018 have recommended replacement of the system
- Initially budgeted at \$4 million in FY2014 CIP, funding was reprogrammed during FY2018 CIP process
- FY2020 Proposed budget includes \$900K for staff augmentation/implementation plus \$3.1m in CIP
- Version upgrades currently underway as staff works on fit-gap analysis in anticipation of FY2020 funding

# Questions?

