



# Department of Finance

March 20, 2017

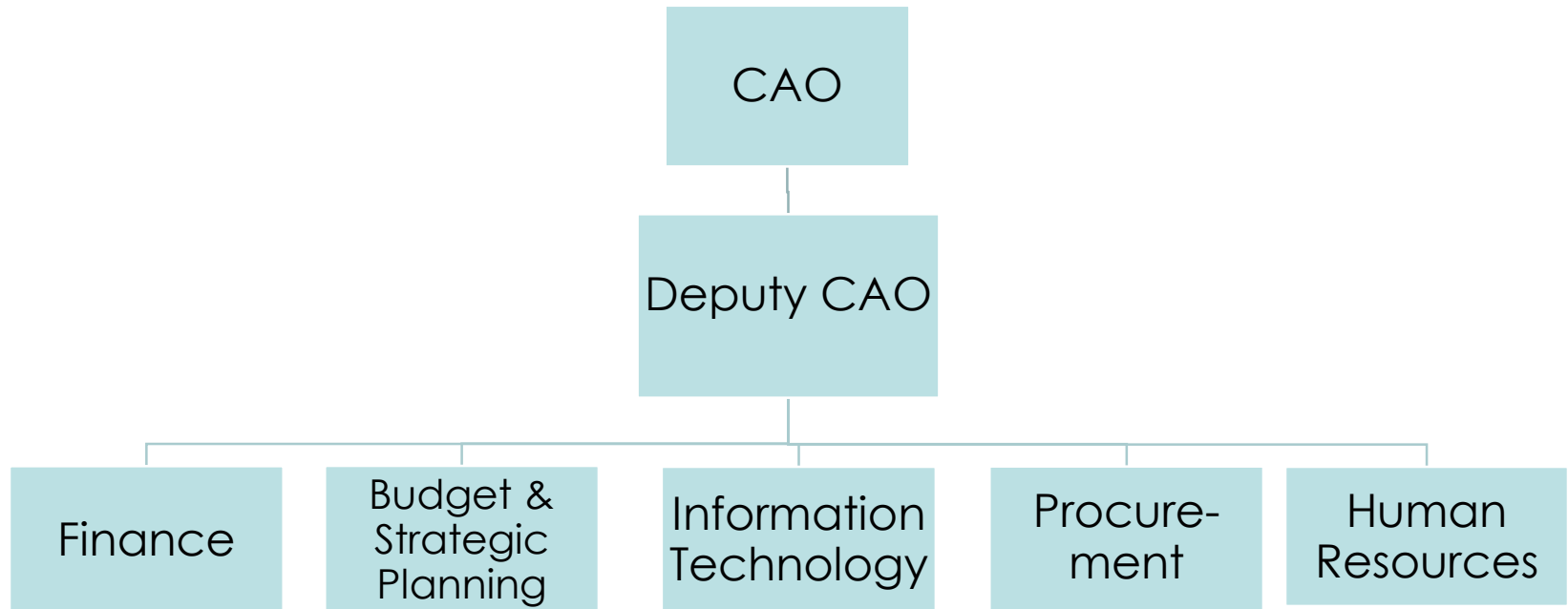
Presented By: John Wack, Director of Finance

Mayor Levar M. Stoney

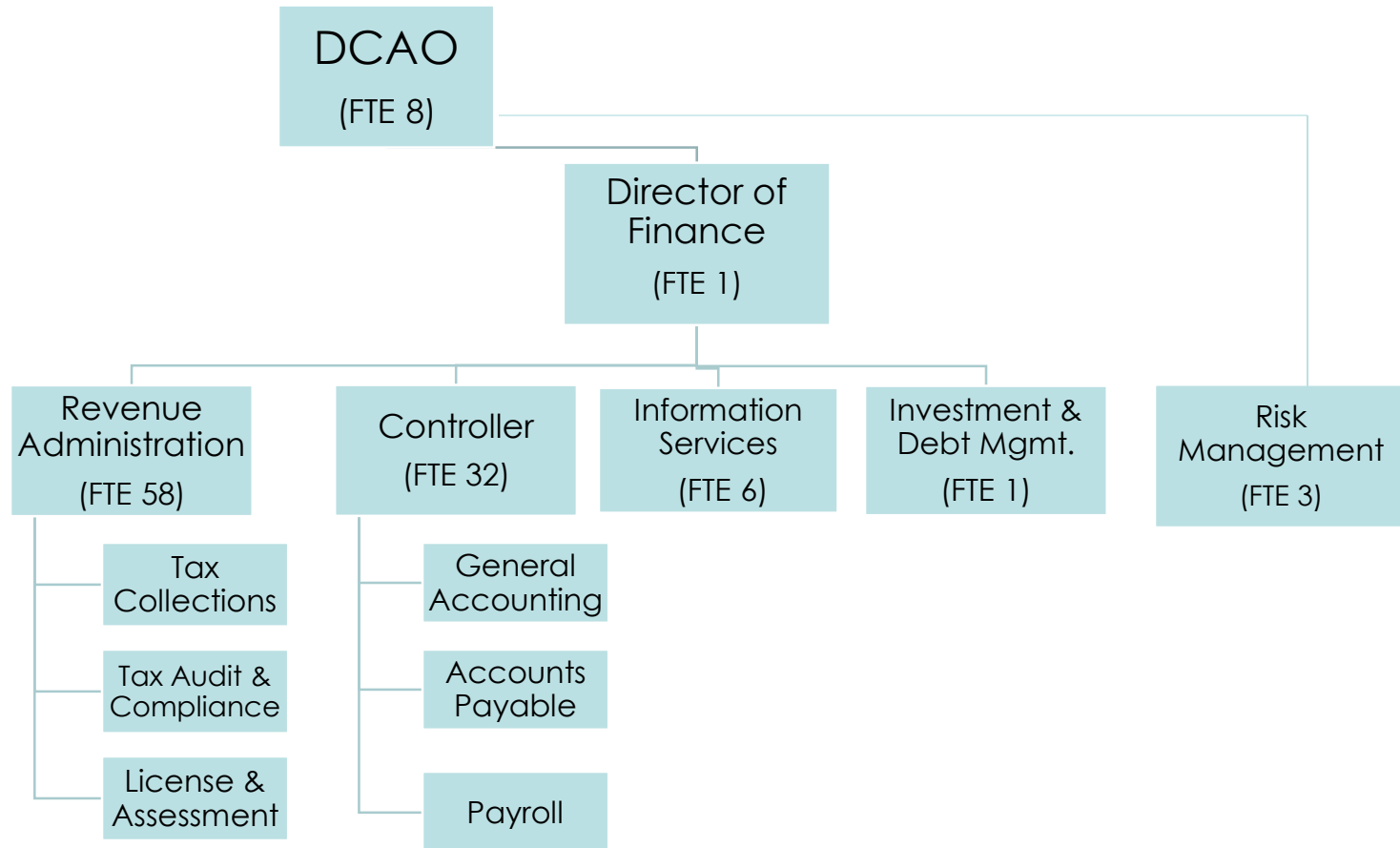
Selena Cuffee-Glenn, CAO



# Finance & Administration Portfolio



# Department of Finance



# FY2018 Budget Changes: Finance

## Risk Management

- In FY2017, this was a general fund cost center with a \$13,778,232 budget supported by \$5M in revenue
- In FY2018, now a separate Internal Service Fund with \$17,039,461 budget supported by DPU, Fleet, and general fund (\$10.1M from Non-Departmental)
- Budget increasing due to actuarial determined claims projection, establishing \$500K claims reserve
- In FY2017 budget, only had 1 FTE, now to include a Project Management Analyst and City Occupational Safety & Health Officer

# FY2018 Budget Changes: Finance

## Finance General Fund Budget:

- Personnel budget decreasing \$749K (separate from Risk Management) due to two positions being unfunded, reduced health care costs, and salaries of recent hires being below budgeted amounts
- Operating budget essentially flat (separate from Risk Management), despite the new initiatives planned in FY2018 such as tax amnesty

# Budget Summary: Finance

| Department of Finance<br>Summary of Proposed Operating Budget |                   |                   |                    |
|---|-------------------|-------------------|--------------------|
|   | FY2016<br>Actual  | FY2017<br>Adopted | FY2018<br>Proposed |
| <b>General Fund</b>   |                   |                   |                    |
| Personnel Services  | 6,100,826         | 8,402,365         | 7,511,144          |
| Operating Expenses  | <u>13,869,380</u> | <u>16,356,641</u> | <u>2,747,486</u>   |
| <b>Total General Fund</b>                                     | <b>19,970,206</b> | <b>24,759,006</b> | <b>10,258,630</b>  |
| <b>Internal Service Fund</b>                                  |                   |                   |                    |
| Personnel Services  | 0                 | 0                 | 320,641            |
| Operating Expenses  | <u>0</u>          | <u>0</u>          | <u>16,718,820</u>  |
| <b>Total Non-General Funds</b>                                | <b>0</b>          | <b>0</b>          | <b>17,039,461</b>  |
| <b>Total All Funds</b>  |                   |                   |                    |
| Personnel Services  | 6,100,826         | 8,402,365         | 7,831,785          |
| Operating Expenses  | <u>13,869,380</u> | <u>16,356,641</u> | <u>19,466,306</u>  |
| <b>Grand Total Operating Budget</b>                           | <b>19,970,206</b> | <b>24,759,006</b> | <b>27,298,091</b>  |

# Personnel Summary: Finance

| Department of Finance                        |                   |                    |
|--|-------------------|--------------------|
| Summary of Personnel Component               |                   |                    |
|  | FY2017<br>Adopted | FY2018<br>Proposed |
| <b>General Fund (FTE)</b>                    |                   |                    |
| Number of Funded Positions (FTE)             | 106.0             | 104.0              |
| Number of Unfunded Positions (FTE)           | <u>0.0</u>        | <u>2.0</u>         |
| <b>Total General Fund (FTE)</b>              | <b>106.0</b>      | <b>106.00</b>      |
| <b>Internal Service Fund</b>                 |                   |                    |
| Number of Funded Positions (FTE)             | 0                 | 3.0                |
| Number of Unfunded Positions (FTE)           | <u>0</u>          | <u>0</u>           |
| <b>Total Other Funds (FTE)</b>               | <b>0</b>          | <b>0</b>           |
| <b>Grand Total Number of Positions (FTE)</b> | <b>106.0</b>      | <b>109.00</b>      |

## NOTES:

- Risk Management was included as 1 FTE in FY2017 Adopted General Fund budget, now shown as 3 FTE in Internal Service Fund
- Two positions that were funded in the FY2017 budget without a Finance FTE were established during the fiscal year, for Supplemental Real Estate Assessments and Accounts Payable
- A third Risk Management (Safety) position is being established in FY2018

# Department of Finance

## Major Accomplishments for FY2016/2017

- Collected \$451.7M in FY2016 Local Taxes, an increase of \$23.1M over FY2015
- Maintained GO Bond Ratings at Aa2 / AA+ / AA+ with stable outlook
- Refunded Utilities Bonds in November 2016, achieving \$104.7M of debt service savings over next 24 years, unprecedented in Virginia



# Department of Finance

## Major Accomplishments for FY2016/2017

- Engaged new external auditor, CliftonLarsonAllen, to complete FY2016 audit months earlier than FY2015, FY2017 audit on time to Auditor of Public Accounts
- FY2016 audit to cost over \$100K less than FY2015, and FY2017 audit to cost \$58K less than FY2016
- Accounts Payable aging dramatically improved
- Now submit Monthly Finance Report to City Council by the 15<sup>th</sup> of each subsequent month

# Department of Finance

## Major Initiatives for FY2018

- Anticipate collecting 97% of current real estate tax levy = \$2.44 Million revenue increase
- Tax Amnesty program to be conducted August 15<sup>th</sup> through October 15<sup>th</sup> = \$2.4 Million revenue increase
- Additional business personal property and machinery and tools tax assessments = \$1.0 Million revenue increase

# Special Revenues – Finance

| Department of Finance<br>Summary of Special Revenues |                         |                   |                    |                    |   |                      |
|--|-------------------------|-------------------|--------------------|--------------------|---|----------------------|
|  | June 30 2016<br>Balance | FY2017<br>Adopted | Total<br>Available | FY2018<br>Proposed | Allowable Use   | Funding<br>Source    |
| <b>Special Revenue Funds</b>                         |                         |                   |                    |                    |   |                      |
| Riverfront Special Assessment                        | 290,601                 | 525,000           | 815,601            | 425,000            | Economic development, promotion of business and retail, beautification and landscaping, public parking, and cultural activities | Special District tax |
|  | <u>0</u>                | <u>0</u>          | <u>0</u>           | <u>0</u>           |   |                      |
| <b>Total Special Revenue Funds Grants</b>            | <b>290,601</b>          | <b>525,000</b>    | <b>815,601</b>     | <b>425,000</b>     |   |                      |
|  | 0                       | 0                 | 0                  | 0                  |   |                      |
| List Others as Needed                                | <u>0</u>                | <u>0</u>          | <u>0</u>           | <u>0</u>           |   |                      |
| <b>Total Grants</b>                                  | <b>0</b>                | <b>0</b>          | <b>0</b>           | <b>0</b>           |   |                      |
| <b>Grand Total Department Budget</b>                 | <b>51,566</b>           | <b>653,016</b>    | <b>704,582</b>     | <b>525,000</b>     |   |                      |

# Major Budget and Policy Challenges – Finance

## 1. Retention of Revenue Administration positions

- Need qualified employees in support of the revenue enhancement initiatives

## 2. Financial Reporting Requests

- Need to stay focused on timely submission of CAFR and monthly reports to Council
- Revenue Administration system has limitations for requests of specialized reports

# Questions?

