

Finance Department

Mission Statement: The mission of the Finance Department is to provide long-term financial stability to the City through effective expenditure control, reliable and equitable revenue collection practices, sound cash and debt management policies, and responsible accounting, purchasing and pension administration practices.

Expenditure and Revenue Summary

Expenditure By Classification	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved	% Change
Personnel	\$6,700,196	7,614,250	7,836,539	2.9%
Non-Personnel	3,003,423	3,104,970	3,103,243	-0.1%
Capital Goods Outlay	0	24,485	24,485	0.0%
Total Expenditures	<u>\$9,703,619</u>	<u>\$10,743,705</u>	<u>\$10,964,267</u>	2.1%
Less Revenues				
Internal Service	\$20,630	29,600	44,600	50.7%
Special Revenue Fund	219,049	239,519	239,401	0.0%
Total Designated Funding Sources	<u>\$239,679</u>	<u>\$269,119</u>	<u>\$284,001</u>	5.5%
Net General Fund Expenditures	<u>\$9,463,940</u>	<u>\$10,474,586</u>	<u>\$10,680,266</u>	2.0%
Total Department FTE's	89.5	90.5	90.5	0.0%

Highlights

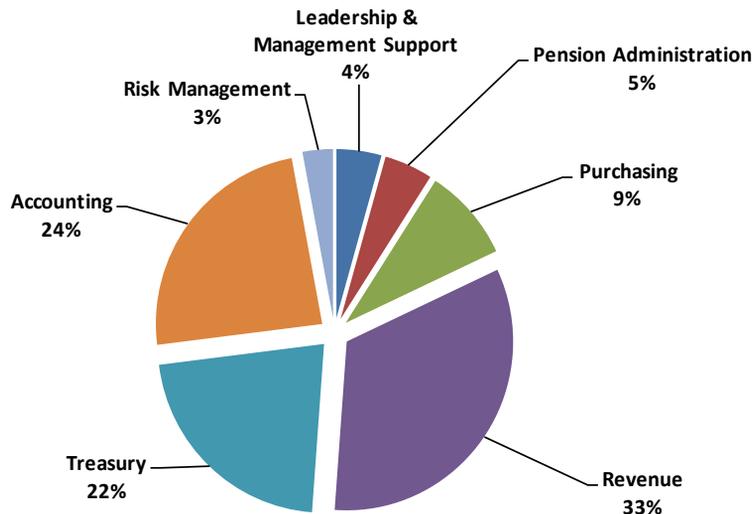
- In FY 2012, the approved general fund budget increases \$205,680 or 2.0%.
- In FY 2012 personnel costs increase by \$222,289 or 2.9% due to merit step increases and benefit cost increases.
- In FY 2012 non-personnel costs decrease by \$1,727. Major changes in non-personnel costs include increases in contract costs for the personal property tax application (\$2,995); maintenance and support of the Financial and Asset Management system (\$3,530); the independent audit for the City and Schools (\$15,600); annual support for the procurement system (\$20,000); maintenance for the payroll system (\$2,981); and \$6,930 for increased lease costs . Non-personnel also include the reallocation of telecommunications systems costs from the ITS Department to user departments (\$25,010). The contract increases are offset by the reallocation of bank fees, (\$52,200) previously budgeted in the Cash Management and Investment activity, to user departments to ensure that budget authority exists where the transactions are occurring. Technical expenditure adjustments include a reduction in contract costs associated with parking adjudication (\$12,000) and a reduction in tax season overtime (\$20,000). Reductions identified in FY 2011 have been continued into FY 2012 for travel and contracted training (\$15,000).

Finance Department

Selected Performance Measures

Selected Performance Measures	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
Achievement of AAA/Aaa bond ratings with each bond issue	yes	yes	yes
% of compliance with City adopted debt policies in last fiscal year	100%	100%	100%
Maintain an overall collection rate for current year taxes greater than 95%	yes	yes	yes
% of GFOA standards met without comment on financial reporting	100%	100%	100%

FY 2012 Approved Expenditures by Program



Finance Department

Program Level Summary Information

Expenditure Summary

Expenditure By Classification	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved	% Change
Leadership and Management Support	\$414,086	\$339,990	\$479,147	40.9%
Pension Administration	340,302	545,581	515,489	-5.5%
Purchasing	873,964	946,306	979,607	3.5%
Revenue	3,063,985	3,468,432	3,634,678	4.8%
Treasury	2,233,656	2,545,950	2,397,717	-5.8%
Accounting	2,449,298	2,606,538	2,634,335	1.1%
Risk Management	328,327	290,908	323,294	11.1%
Total Expenditures	\$9,703,618	\$10,743,705	\$10,964,267	2.1%

Staffing Summary

Authorized Positions (FTE's) by Program	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved	% Change
Leadership and Management Support	1.0	1.0	2.8	180.0%
Pension Administration	3.0	3.0	3.0	0.0%
Purchasing	8.0	8.0	8.0	0.0%
Revenue	38.0	37.5	37.4	-0.3%
Treasury	17.5	17.6	17.6	-0.3%
Accounting	19.0	21.3	19.5	-8.5%
Risk Management**	3.0	2.0	2.5	22.5%
Total full time employees	89.5	90.5	90.5	0.0%

Finance Programs and Activities		Dept Info
<p>Leadership & Mgmt Support Services Leadership & General Mgmt</p> <p>Pension Administration Pension Investment Retirement Plan Admin.</p> <p>Revenue Business & Personal Property Tax Assessment Delinquent Tax Collections Tax Audit, Research & Analysis Taxpayer Assistance/ Customer Relations</p> <p>Purchasing Purchasing</p>	<p>Treasury Payment Processing Tax Billing Cash Management/ Investment Parking Adjudication</p> <p>Accounting Financial Reporting Paying & Billing Vendors/Employees Reconciliations</p> <p>Risk Management Tort Claims Management Workplace & General Safety Management Liability/Property Insurance Management Workers Comp Claims Management</p>	<p>Department Contact Info 703.746.3900 http://alexandriava.gov/finance/</p> <p>Department Head Laura Triggs, CPA, Deputy Chief Financial Officer 703.746.3900 laura.triggs@alexandriava.gov</p> <p>Department Staff Ray Welch, Comptroller Steven Bland, Retirement Administrator Debbie Kidd, JD, Dep. Dir. of Finance - Revenue David Clark, CPA, Dep. Dir. of Finance - Treasury Eleanor Foddrell, Purchasing Agent Rick Willsey, Risk Manager</p>

Finance Department

Leadership and Management Support Services Program

The goal of Leadership and Management Support Services is to provide leadership and oversight to the Department and to issue City debt in order to provide long-term financial stability for the City.

Program Totals	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
% Total All Funds Budget	4.3%	3.2%	4.4%
Total Expenditures	\$414,086	\$339,990	\$479,147
Less Revenues	\$20,630	\$29,600	\$44,600
Net General Fund Expenditures	\$393,456	\$310,390	\$434,547
Program Outcomes			
Demonstrate long-term financial stability by maintaining AAA ratings from bond rating agencies	Yes	Yes	Yes

Activity Data

LEADERSHIP AND GENERAL MANAGEMENT: The goal of Leadership and General Management is to maintain the City's standard of financial excellence by providing citizens, City Council, vendors and employees with competent and comprehensive financial services, sound financial policy recommendations and reporting, and oversight of the collection and disbursement of City funds.	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
Expenditures	\$414,086	\$339,990	\$479,147
FTE	1.0	2.1	2.8
\$ amount of revenue collected and funds disbursed	\$1,878,003,775	\$2,100,000,000	\$2,100,000,000
\$ amount of funds disbursed (all funds)	\$925,204,776	\$985,000,000	\$985,000,000
Ratio of Finance Department costs to City budget	1.0%	0.9%	0.9%
% compliance with City adopted debt policies in last fiscal year	100%	100%	100%

Pension Administration Program

The goal of the Pension Administration Program is to provide retirement income for retired City employees at a controlled cost to the City.

Program Totals	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
% Total All Funds Budget	3.5%	5.1%	4.7%
Total Expenditures	\$340,302	\$545,581	\$515,489
Less Revenues	\$219,049	\$239,519	\$239,401
Net General Fund Expenditures	\$121,253	\$306,062	\$276,088
Program Outcomes			
Ratio of annual pension administration program costs to City employer annual contributions	1.9%	1.9%	1.9%

Activity Data

PENSION INVESTMENT – The goal of Pension Investment is to provide investment earnings for each of the five pension plans in order to meet actuarial assumptions.	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
Expenditures	\$41,810	\$225,178	\$196,096
FTE's	1.1	1.0	1.0
Funds invested at fiscal year end in millions of dollars ¹	\$291.6	\$295.0	\$340.0

¹ Assumes actuarial rate of returns for FY2010

RETIREMENT PLAN ADMINISTRATION – The goal of Retirement Plan Administration is to provide suggestions for plan improvements and to manage the outside pension administrator, investment consultant, actuarial, legal counsel and other consultants for the City in order to control pension costs.			
Expenditures	\$298,492	\$320,403	\$319,393
FTE's	2.0	2.0	2.0
# of plans administered	9	9	8
# of employee/retirees consulting sessions	1,400	1,400	1,428
Cost per employee/retiree served	\$213.21	\$228.86	\$223.66
Ratio of annual pension administration costs to fund assets	0.10%	0.09%	0.09%

Finance Department

Revenue Program

The goal of the Revenue Program is to accurately, reliably and equitably assess and collect taxes, and enforce taxpayer compliance in order to maximize city revenues.

Program Totals	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
% Total All Funds Budget	31.6%	32.3%	33.2%
Total Expenditures	\$3,063,986	\$3,468,432	\$3,634,678
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$3,063,986	\$3,468,432	\$3,634,678
Program Outcomes			
Total tax revenue generated for the City in compliance with City regulations	\$451,722,773	\$425,067,527	\$470,929,073

Activity Data

BUSINESS & PERSONAL PROPERTY TAX ASSESSMENT – The goal of Business and Personal Property Tax Assessment is to identify tax basis and accurately and uniformly assess the appropriate tax in order to maximize City revenues.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Expenditures	\$1,240,621	\$1,342,272	\$1,566,831
FTE's	15.7	14.9	15.4
# of tax transactions processed	1,796,901	1,078,877	1,832,839
Cost per tax transaction processed	\$0.69	\$1.24	\$0.85
% of tax assessments processed by due date	100%	100%	100%

DELINQUENT TAX COLLECTION – The goal of Delinquent Tax Collections is to collect delinquent taxes in order to reduce the outstanding tax balance and increase the City's general fund revenue.			
Expenditures	\$624,875	\$717,587	\$664,323
FTE's	5.8	7.8	7.1
# of demands for payment action sent	164,388	154,358	167,676
Cost per demand for payment action	\$3.80	\$4.65	\$3.96
% of delinquent tax collected annually	82.0%	75.0%	82.0%

TAX AUDIT, RESEARCH & ANALYSIS – The goal of Tax Audit, Research and Analysis is to ensure that business tax returns are filed accurately and to identify unregistered businesses and vehicles in order to maximize City revenues and taxpayer compliance.			
Expenditures	\$342,105	\$417,873	\$418,482
FTE's	4.6	4.3	4.3
# of tax accounts reviewed/audited	89,392	79,572	91,180
Costs of tax accounts reviewed/audited	\$3.83	\$5.25	\$4.59
\$ amount of revenue generated from audits and compliance activity	\$553,749	\$1,200,000	\$1,200,000
Ratio of audit and tax compliance expenses to revenue generated from audits and compliance activities	61.8%	34.8%	34.9%

Finance Department

Revenue Program (continued)

The goal of the Revenue Program is to accurately, reliably and equitably assess and collect taxes, and enforce taxpayer compliance in order to maximize city revenues.

TAXPAYER ASSISTANCE/CUSTOMER RELATIONS – The goal of the Taxpayer Assistance and Customer Relations is to administer tax relief programs and provide assistance to taxpayers in order to accommodate their needs pertaining to City and State taxes.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Expenditures	\$856,385	\$990,700	\$985,042
FTE's	12.0	10.5	10.6
# of applications processed for tax relief programs	1,308	1,500	1,334
# of tax payers assisted on State tax issues*	350	1,948	300
Cost per application processed	\$22.91	\$19.98	\$22.47
% of applications approved for tax relief	98.0%	94.0%	98.0%
% of survey participants reporting satisfaction with customer service	99%	95%	99%

*Decrease in # of tax payers assisted on State tax issues due to increase of tax payers filing their income taxes electronically

Finance Department

Treasury Program

The goal of the Treasury Program is to generate accurate and timely tax bills, process revenues efficiently and invest City funds prudently to maximize City revenues and promote high quality customer service.

Program Totals	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
% Total All Funds Budget	23.0%	23.7%	21.9%
Total Expenditures	\$2,233,656	\$2,545,950	\$2,397,717
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$2,233,656	\$2,545,950	\$2,397,717
Program Outcomes			
Maintain an overall collection rate for current year taxes greater than 95%	Yes	Yes	Yes

Activity Data

PAYMENT PROCESSING – The goal of Payment Processing is to process City revenues in a manner that maximizes interest earnings and promotes high quality customer service.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Expenditures	\$1,186,220	\$1,271,397	\$1,254,510
FTE's	13.6	9.5	9.8
# of tax payments processed	263,774	278,000	267,000
# of electronic payments	191,990	166,200	200,250
# of manual payments	71,784	111,800	66,750
# of tax payments processed per FTE	19,395	20,517	27,385
% of tax payments processed electronically	72.8%	59.8%	75.0%

TAX BILLING – The goal of Tax Billing is to maximize revenues while providing high quality customer service by mailing accurate and timely tax bills.			
Expenditures	\$551,806	\$664,771	\$596,289
FTE's	4.7	7.8	7.1
% of current year personal property tax collected	95.2%	96.0%	96.0%
% of current year real estate tax collected	99.7%	99.0%	99.0%
% of current year business property tax collected (including statutory assessments)	85.0%	95.0%	87.0%

CASH MANAGEMENT/INVESTMENT – The goal of Cash Management and Investment is to invest City funds in a manner that safeguards principal, ensures liquidity and earns a reasonable rate of return. This function is largely contracted out.			
Expenditures	\$277,172	\$414,183	\$321,488
FTE's	0.3	0.3	0.7
Average month end portfolio dollar balance	\$107,000,000	\$118,000,000	\$105,000,000
City's rate of return	0.4%	1.6%	1.8%

PARKING ADJUDICATION-The goal of Parking Case Adjudication is to provide an efficient and convenient method of adjudicating parking infractions as an alternative to Court adjudication.			
Expenditures*	\$218,458	\$195,599	\$225,430
FTE's	0.0	0.0	0.0
# of cases concluded	6,968	4,300	7,000
% of cases adjudicated without appeal	99.8%	99.7%	99.8%

Finance Department

Accounting Program

The goal of the Accounting Program is to provide the City Manager, City Council, employees, departments and the public with internal controls and financial information to support effective financial management decisions.

Program Totals	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
% Total All Funds Budget	25.2%	24.3%	24.0%
Total Expenditures	\$2,449,299	\$2,606,538	\$2,634,335
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$2,449,299	\$2,606,538	\$2,634,335
Program Outcomes			
% GFOA standards met without comment on Financial Reporting	100%	100%	100%

Activity Data

FINANCIAL REPORTING – The goal of Financial Reporting is to provide financial information for City stakeholders in order to make financial decisions and comply with laws and reporting requirements.	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
Expenditures	\$1,166,255	\$1,141,467	\$1,090,417
FTE's	3.7	5.5	4.3
# of audit reports issued	4	4	4
% of audit reports issued by due date	100%	100%	100%

PAYING & BILLING EMPLOYEES/VENDORS – The goal of Paying and Billing Vendors and Employees is to provide receipt and payment processing and control for City departments, employees and vendors in order to appropriately manage their own finances.			
Expenditures	\$1,092,925	\$1,171,077	\$1,181,580
FTE's	11.6	11.8	11.2
# of employees processed annually	4,104	4,253	4,150
# of transactions processed	501,956	343,000	485,254
Cost per transaction	\$2.18	\$3.41	\$2.43
# of payrolls processed within required time frame	100%	100%	100%
% of vendors paid within required time frame	95.0%	95.0%	96.0%

RECONCILIATIONS – The goal of Reconciliation is to provide internal controls over financial information for City stakeholders in order to accurately report the results of the City's financial transactions comply with laws and reporting requirements.			
Expenditures	\$190,119	\$293,994	\$362,338
FTE's	3.8	4.0	4.0
# of capital, debt, bank, health and workers comp reconciliations produced	2,600	2,700	2,750
Cost per reconciliation produced	\$73.12	\$108.89	\$131.76
% of reconciliations issued within a desired timeframe	99.0%	99.0%	99.0%

Finance Department

Risk Management Program

The goal of Risk Management is to review safety, handle claims, manage cases, manage the City's insurance policies, and provide loss control for the City and the public in order to preserve City assets.

Program Totals	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
% Total All Funds Budget	3.4%	2.7%	2.9%
Total Expenditures	\$328,327	\$290,908	\$323,294
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$328,327	\$290,908	\$323,294
Program Outcomes			
% reduction in number in annual claim expenses	48.0%	3.0%	3.0%

Note: Reported 48% reduction reflects "snapshot" as of 8/31/10, reflecting paid to date by FY. FY 2010 claims have one year less payment development than FY2009 claims as of the snapshot date. FY 2010 claims will have more additional payment activity than prior year claims.

Activity Data

TORT CLAIMS MANAGEMENT – The goal of Tort Claims Management is to provide courteous, expeditious and fair handling of routine claims by residents and others against the City.	FY 2010 Actuals	FY 2011 Approved	FY 2012 Approved
Expenditures	\$42,568	\$33,697	\$34,957
FTE's	0.4	0.3	0.3
# of claims handled	116	135	135
Administrative cost per claim	\$290	\$250	\$250
% of claims settled within 6 months	87%	90%	90%
WORKPLACE & GENERAL SAFETY MANAGEMENT – The goal of Workplace and General Safety Management is to assist City operating departments in maintaining a safe, and OSHA and CDL compliant, work environment, and in identifying and reducing liability exposure from City operations and properties.			
Expenditures	\$123,242	\$146,922	\$143,537
FTE's	0.9	0.9	1.0
# of safety consultations	101	115	115
Cost per request	\$1,455	\$1,278	\$1,278
% of requests resolved within 7 work days	81%	85%	85%
LIABILITY/PROPERTY INSURANCE MANAGEMENT – The goal of Liability/Property Insurance Management is to efficiently procure and administer the City's casualty insurance and liability reinsurance policies and programs.			
Expenditures	\$70,979	\$37,606	\$63,003
FTE's	1.1	0.3	0.5
# of policies obtained	14	15	15
Administrative cost per policy	\$1,455	\$2,507	\$2,507
% of exposure reduced through insurance/reinsurance	50%	50%	50%
WORKERS COMP CLAIMS MANAGEMENT – The goal of Workers Comp Claims Management is to efficiently administer the City's Workers Compensation program.			
Expenditures	\$91,538	\$72,683	\$81,797
FTE's	0.8	0.7	0.8
# of claims handled	236	245	245
Administrative cost per claim	\$308	\$297	\$297
% of claims closed within 12 months	61%	85%	85%

Finance Department

Purchasing Program

The goal of the Purchasing Program is to purchase goods, services, construction and insurance at best value in support of City Departments in order that those departments may respond to the needs of the citizens of the City in an efficient and cost effective manner and to treat all vendors equitably and with the highest standards of integrity.

Program Totals	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
% Total All Funds Budget	9.0%	8.8%	8.9%
Total Expenditures	\$873,964	\$946,306	\$979,607
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$873,964	\$946,306	\$979,607
Program Outcomes			
Percentage of significant contracting actions executed for clients within mutually agreed time frames	70.0%	80.0%	83.0%

Activity Data

PURCHASING – The goal of Purchasing is to purchase goods, services, construction and insurance at best value in support of City Departments in order that those departments may respond to the needs of the citizens of the City in an efficient and cost effective manner and to treat all vendors equitably and with the highest standards of integrity.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Expenditures	\$873,964	\$946,306	\$979,607
FTE's	8.0	8.0	8.0
# of significant contracts administered	579	510	500
Staff cost per # of significant contracts administered	\$1,509	\$1,856	\$1,959
Percentage of significant contracting actions executed for clients within mutually agreed time frames	70%	80%	83%
Revenue generated from sales of surplus property and impounded vehicles and procurement card rebates	\$577,260	\$375,000	\$500,000
Percentage of the number of vendor payments made with procurement cards	44.0%	75%	75.0%

Finance Department

Summary of Budget Changes

Adjustment to Maintain Current Service Levels

Activity	Adjustment	FY 2012 Approved
Various	<i>Contract cost increases</i>	\$45,106
The increase for contracts will support the personal property tax application (\$2,995); maintenance and support of the financial and asset management system (\$3,530); the independent audit for the City and Schools (\$15,600); annual support for the procurement system (\$20,000) and maintenance for the payroll system (\$2,981).		
Various	<i>Telecommunications System</i>	\$25,010
In FY 2012, telecommunications systems costs from the ITS Department have been reallocated to user departments.		
Cash Management and Investment	<i>Reallocation of bank fees</i>	-\$52,200
This reduction is attributable to the reallocation of bank fees from the Cash Management and Investment Activity to user departments where the fees are incurred.		
Various	<i>Office Space Rental</i>	\$6,930
Includes the cost of lease increases in office space occupied by Finance.		
Various	<i>Education and Travel</i>	-\$3,000
The department's budget for education and travel is reduced to reflect historical spending.		
Workplace and Safety Management	<i>Contracted training</i>	-\$12,000
The contract for defensive driver training has been reduced and the training will be performed by existing Finance staff.		
Taxpayer Assistance	<i>Overtime</i>	-\$20,000
The new tax system and public outreach have reduced the need for overtime during the peak tax season.		