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Winston-Salem

FINANCIAL MANAGEMENT SERVICES

MISSION STATEMENT

The mission of Financial Management Services is to provide high quality, responsive, “personalized” financial services, using innovative solutions to ensure customer and employee satisfaction. It facilitates understanding of financial information and the impacts of decisions upon short-term objectives, as well as long-term goals, and the city’s financial accountability and integrity.

PROGRAM DESCRIPTIONS

Accounting Services

- Provides financial reporting and analysis for all city funds
- Reviews financial transactions of North Carolina Municipal Leasing Corporation (NCMLC) and Risk Acceptance Management Corporation (RAMCO)
- Provides financial reporting and internal control of the city’s fixed assets
- Coordinates payroll and income tax functions
- Provides financial administration of employee benefits funds
- Provides administrative support for all city employees under the North Carolina Local Government Employees Retirement System and Winston-Salem Police Officers’ Retirement Plan and Separation Allowance program

Financial Systems

- Coordinates information technology services with I.S. Department and outside vendors and consultants
- Designs, programs, and implements client-server applications for specialized needs
- Administers security, performs system configuration, and report creation for vended FMS department systems
- Program and troubleshoot system interfaces between vended and custom-built client-server systems

Revenue Collections

- Provides customer services for utility services and performs accounts receivable activities
- Provides centralized payment processing and revenue collection services for city income sources including water and sewer, stormwater, solid waste, mortgage loans, special assessments, business privilege licenses, parking enforcement, other city invoices, and general collections

Treasury

- Administers state and city financial policies and procedures for cash management, daily deposits of city funds, cash receipt control and accounting, cash disbursements, debt management, and investment of city funds

Risk Management

- Assists other city units and agencies with developing and monitoring insurance and self-insurance programs
- Obtains indemnification and insurance on contracts with the city, monitors significant contracts, and advises city departments concerning liability issues relating to risk
- Provides complete claims investigation, evaluation, and settlement of claims against the city
- Provides safety inspections, safety training, and ensures compliance and record keeping for OSHA mandated programs and general safety programs to all city departments
- Provides driver improvement training and issues the City Driver License

Administration

- Directs and coordinates the department’s activities and provides city elected officials and management with financial advice regarding city operations and activities

Purchasing

- Maintains centralized procurement services for the City of Winston-Salem, Forsyth County, the City-County Utility Commission, and the Winston-Salem Transit Authority
- Disposes of city surplus personal property, and assists in the administration of the city’s Minority and Women’s Business Enterprise (M/WBE) program

FINANCIAL MANAGEMENT SERVICES

EXPENDITURES BY PROGRAM	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Accounting/Financial Reporting	\$537,655	\$586,080	\$595,850	1.7%
Financial Systems	2,098,366	2,737,480	2,489,800	-9.0%
Revenue Collections	2,421,707	2,698,810	2,717,920	0.7%
Treasury	1,110,379	648,060	653,130	0.8%
Risk Management	703,578	536,900	564,130	5.1%
Finance Administration	364,028	356,060	370,580	4.1%
City-County Purchasing	542,732	556,740	528,800	-5.0%
Total Expenditures by Program	\$7,778,445	\$8,120,130	\$7,920,210	-2.5%

PERFORMANCE MEASURES AND SERVICE TRENDS

	Actual FY 06-07	Estimated FY 07-08	Projected FY 08-09
Effectiveness			
Achieve a 92% Average Revenue Collections Rate:			
Housing/Economic Development loans	96%	96%	96%
Water/Sewer	99%	99%	99%
Storm water	86%	90%	91%
Assessments	N/A	90%	91%
Business License	N/A	97%	97%
Percentage of parking tickets collected within 60 days	79%	80%	80%
Average Revenue Collection rate (all categories):	90%	92%	92%
Keep city-wide accident/illness/incident rate to less than 5 per every 200,000 hours worked	N/A	3.41	Less than 5
Hold number of city vehicle accidents to less than 5 per 100 employees	8.697	6.426	6.400
Exceed market index benchmarks for Equity Investment returns (net of fees)	1.12%	0.75%	0.72%
Maintain Highest (AAA) Credit Rating (by Fitch, Moody's, and Standard and Poors)	AAA	AAA	AAA
Efficiency			
Number of purchase orders and contracts per Purchasing position	508.33	500.00	500.00
Workload			
Total number of purchase orders and contracts written	3,050	3,070	3,070
Past due debt collected through <i>Debt Setoff</i> program (tax refund garnishment)	\$259,087	\$290,000	\$300,000
Number of Accounts Payable transactions processed	44,499	44,545	46,889

FINANCIAL MANAGEMENT SERVICES

	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Percent</u>
EXPENDITURES BY TYPE	FY 06-07	FY 07-08	FY 08-09	Change
Personnel Expense	\$4,151,555	\$4,264,670	\$4,359,200	2.2%
Supplies and Services	3,577,857	3,772,630	3,437,930	-8.9%
Capital Outlay	0	0	9,850	N/A
Equipment Leasing Expense	49,033	82,830	113,230	36.7%
Total Expenditures by Type	\$7,778,445	\$8,120,130	\$7,920,210	-2.5%
RESOURCES BY TYPE				
Service Charges	\$2,724,210	\$2,791,850	\$2,775,360	-0.6%
Purchase Card Rebates	56,969	130,000	137,560	5.8%
Reimbursements from RAMCO	334,526	396,550	392,230	-1.1%
Miscellaneous Revenues	98,193	49,000	28,600	-41.6%
Forsyth County (Purchasing Services)	133,622	138,320	114,010	-17.6%
Sale of Property/Equipment	296,979	240,000	300,000	25.0%
Transfer from Water and Sewer Fund (Safety Program)	0	0	46,960	N/A
Other General Fund Revenues	0	4,374,410	4,125,490	-5.7%
Total Resources by Type	\$3,644,498	\$8,120,130	\$7,920,210	-2.5%
Positions				Change
Full-Time	67	67	68	+1

BUDGET HIGHLIGHTS

Financial Systems

- Information systems charges decrease (-\$308,560) as a result of development and support resources being shifted to other departments where major new technology projects are underway such as Geographical Information Systems, City Link, and Mobile Service Order dispatch.

Risk Management

- Risk Management expenses increase due to the transfer of a safety inspector position from Utilities to Risk Management Division. The position, though coordinated centrally through Risk Management, remains funded by Water and Sewer division and will continue to provide safety programs to Utilities. (See transfer from Water and Sewer Fund, +\$46,960).

Purchasing

- Forsyth County will reimburse the city approximately 23.43% of purchasing services expenses, based on the prior year percentage of purchase order line-item activity, the percentage of total dollar volume purchase orders, and the percentage of administrative time dedicated to each jurisdiction. The County share was 27.87% in FY 07-08, 28.22% in FY 06-07, 24.68% in FY 05-06, and 27.85% in FY 04-05.

Resources

- Miscellaneous revenues decrease 41.6% (-\$25,000) as *Piedmont Authority for Regional Transportation (PART)* begins internal management of its own financial and accounting services instead of contracting with the city.

UNFUNDED REQUESTS

Workers compensation system upgrades	\$87,000
Document scanning applications	15,000
Electronic receipt system for sealed bids	5,000

BUDGET, AUDIT AND PERFORMANCE REPORTING

MISSION STATEMENT

The mission of the Office of Budget, Audit and Performance Reporting is to assist the city manager in the allocation of public resources to meet the service, program and facilities needs and expectations of the community, as determined by the Mayor and City Council, in accordance with federal, state and local laws and regulations. The department is also responsible for review of financial and operational processes to determine if processes produce reliable, relevant information and comply with the city’s mission and relevant regulations and policies, statutes, grant or contract requirements.

PROGRAM DESCRIPTIONS

Budget and Evaluation

- Prepares the city manager’s operating budget and six-year capital plan based on an annual budget forecast and operations review
- Coordinates the city’s performance measurement program
- Undertakes special projects as identified by the city manager
- Participates in the North Carolina Local Government Performance Measurement Project
- Provides staff support to the Citizen Budget Advisory Council

Internal Audit

- Reviews financial and operational processes to determine if processes produce reliable information and comply with the city’s mission and relevant regulations and policies, statutes, grant, or contract requirements
- Prepares ethics studies and guidelines

EXPENDITURES BY PROGRAM	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Budget and Evaluation	\$534,232	\$626,290	\$660,910	5.5%
Internal Audit	310,721	315,540	344,260	9.1%
Total Expenditures by Program	\$844,953	\$941,830	\$1,005,170	6.7%

PERFORMANCE MEASURES AND SERVICE TRENDS

	Actual FY 06-07	Estimated FY 07-08	Projected FY 08-09
Effectiveness			
Complete Annual <i>Performance Scorecard</i> of key city services	Published July 2, 2007	Published Mar. 24, 2007	Publish by March 31
Complete at least two capital project monitoring reports annually	-	2	2
Achieve 0 to +4% variance in General Fund adopted revenues compared to actuals (excluding fund balance appropriation)	+2.5%	+0.5%	0-4%
Achieve no greater than +/-2.5% variance in General Fund adopted expenditures compared to actuals	+2.6%	+1.0%	+/-2.5%
Achieve implementation of at least 98% of audit recommendations	95%	98%	98%
Workload			
Number of non-notice cash counts	10	7	10
Number of reviews of internal controls on assets	34	19	15
Number of major inventories/assets reconciled	8	8	7
Number of department/major program audits	18	19	15
Number of Citizen Budget Advisory Council meetings	5	6	5

BUDGET, AUDIT AND PERFORMANCE REPORTING

PERFORMANCE MEASURES AND SERVICE TRENDS- Continued

	Actual FY 06-07	Estimated FY 07-08	Projected FY 08-09
Meet deadlines for NC Performance Measurement/Benchmarking Project			
Data collection/reporting by mid-October	Met deadline	Met deadline	Met deadline
Data cleaning/corrections by mid-December	Met deadline	Met deadline	Met deadline
Report to the City Manager by mid-March	Met deadline	Met deadline	Met deadline

EXPENDITURES BY TYPE	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Personnel Expense	\$729,914	\$805,900	\$847,890	5.2%
Supplies and Services	116,096	135,660	157,010	15.7%
Equipment Leasing Expense	262	270	270	0%
Total Expenditures by Type	\$846,518	\$941,830	\$1,005,170	6.7%

RESOURCES BY TYPE	Actual FY 06-07	Amended FY 07-08	Adopted FY 08-09	Percent Change
Other General Fund Revenues	\$846,518	\$941,830	\$1,005,170	6.7%
Total Resources by Type	\$846,518	\$941,830	\$1,005,170	6.7%

Positions				Change
Full-Time	9	10	10	0

BUDGET HIGHLIGHTS

- Personnel expenses are increased \$41,990 due to the one-third position classification study and the up to 3.0% adjustment to employee pay based on merit.
- Supplies and services expenses increase as a result of increased information systems charges (+\$15,880) for scheduled computer replacements, network access, and development of a capital project management system; City Hall rent expenses are increased (+\$5,050) due to a larger proportionate share of office space after consolidation of Budget and Evaluation and Internal Audit; printing and publishing expenses are increased (+\$1,470) for production of additional reports such as the best practices reports, fuel reports, and the capital projects monitoring reports, and; employee travel and training expenses are increased (+\$1,650) as a result of transferring travel expenses associated with Internal Audit from the Finance Administration.

CLAIMS FOR DAMAGES

PROGRAM DESCRIPTIONS

- Includes payments to the Risk Acceptance Management Corporation (RAMCO), a non-profit risk management corporation, to cover current claims expense for general and auto liability and to meet reserve requirements on outstanding major claims
- Includes premium payments for general property claims

EXPENDITURES	Actual	Amended	Adopted	Percent
General Fund	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
General Property Insurance	\$68,984	\$84,130	\$73,050	-13.2%
Payments to RAMCO:				
RAMCO Auto Liability (Non-Departmental)	295,090	300,990	307,010	2.0%
RAMCO General Liability (Non-Departmental)	166,760	170,780	174,200	2.0%
Miscellaneous General Claims	17,481	16,320	21,000	28.7%
Total General Fund Expenditures	\$548,315	\$572,220	\$575,260	0.5%

BUDGET HIGHLIGHTS

- Payments to the Risk Acceptance Management Corporation (RAMCO) for auto and general liability are required to be increased 2% per year, per the terms of an operating agreement between the city and RAMCO.
- The payments listed above are for the General Fund only. A summary of payments budgeted in all funds is provided below:

PAYMENTS TO RAMCO BY FUND

Fund	Actual	Amended	Adopted	Percent
<u>Fund</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Change</u>
General Fund	\$468,450	\$478,500	\$488,090	2.0%
Fleet Services	84,270	85,950	87,680	2.0%
Solid Waste Disposal Fund	6,930	7,060	7,210	2.0%
Water and Sewer Fund	96,680	98,610	100,600	2.0%
Parking Fund	5,120	5,220	5,330	2.0%
Transit Fund	181,089	184,610	188,310	2.0%
Coliseum/Fairgrounds	14,410	14,700	15,010	2.0%
Total Payments	\$856,949	\$874,650	\$892,230	2.0%