

FISCAL MANAGEMENT

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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 07-08	Budget FY 08-09	Adopted FY 09-10	Percent Change
Accounting/Financial Reporting	\$577,139	\$595,850	\$605,230	1.6%
Financial Systems and Employee Accounting	2,616,360	2,489,800	2,356,620	-5.3%
Revenue Collections	2,617,416	2,717,920	2,802,820	3.1%
Treasury	592,094	653,130	637,440	-2.4%
Risk Management	435,328	564,130	556,140	-1.4%
Finance Administration	347,248	370,580	417,040	12.5%
City-County Purchasing	559,834	528,800	418,980	-20.8%
Total Expenditures by Program	\$7,745,418	\$7,920,210	\$7,794,270	-1.6%

PERFORMANCE MEASURES AND SERVICE TRENDS

	Actual FY 07-08	Estimated FY 08-09	Projected FY 09-10
Effectiveness			
Achieve a 92% Average Revenue Collections Rate:			
Housing/Economic Development loans	96%	96%	96%
Water/Sewer	99%	97%	97%
Stormwater	93%	90%	90%
Assessments (all types)	84%	85%	85%
Business License	100%	100%	100%
Percentage of parking tickets collected within 60 days	73% ¹	75% ¹	75% ¹
Average Revenue Collection rate (all categories):	91%	91%	91%
Keep city-wide accident/illness/incident rate to less than 5 per every 200,000 hours worked	4.76	4.9	Less than 5
Hold number of city vehicle accidents to less than 5 per 100 employees	6.4	6.4	Less than 5
Exceed market index benchmarks for Equity Investment returns (net of fees)	2.17%	0.40%	0.40%
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	563.17	558.18	614.0 ²
Workload			
Total number of purchase orders and contracts written	3,379	3,070	3,070
Past due debt collected through <i>Debt Setoff</i> program (tax refund garnishment)	\$317,246	\$325,000	\$335,000
Number of Accounts Payable transactions processed	43,584	38,592	40,000

1- Parking ticket collection rate is below target as a result of Department of Motor Vehicles backlog of plate exchanges.

2- A buyer position is eliminated effective July 1, 2009 (FY 09-10).

FINANCIAL MANAGEMENT SERVICES

EXPENDITURES BY TYPE	Actual FY 07-08	Budget FY 08-09	Adopted FY 09-10	Percent Change
Personnel Expense	\$3,922,877	\$4,359,200	\$4,430,080	1.6%
Supplies and Services	3,772,118	3,437,930	3,252,530	-5.4%
Capital Outlay	5,657	9,850	0	-100.0%
Equipment Leasing Expense	44,766	113,230	111,660	-1.4%
Total Expenditures by Type	\$7,745,418	\$7,920,210	\$7,794,270	-1.6%
RESOURCES BY TYPE				
Service Charges	\$2,791,842	\$2,775,360	\$2,920,490	5.2%
Purchase Card Rebates	122,262	137,560	79,690	-42.1%
Reimbursements from RAMCO	389,500	392,230	385,440	-1.7%
Miscellaneous Revenues	116,955	28,600	167,890	487.0%
Forsyth County (Purchasing Services)	139,228	114,010	98,140	-13.9%
Sale of Property/Equipment	579,378	300,000	300,000	0%
Transfer from Water and Sewer Fund (Safety Program)	0	46,960	55,200	17.5%
Other General Fund Revenues	3,606,253	4,125,490	3,787,420	-8.2%
Total Resources by Type	\$7,745,418	\$7,920,210	\$7,794,270	-1.6%
Positions				Change
Full-Time	67	68	68	0

BUDGET HIGHLIGHTS

Financial Systems

- A vacant senior computer information analyst position is eliminated (-\$60,677).

Purchasing

- A vacant buyer position is eliminated (-\$40,294).
- Forsyth County will reimburse the city 24.27% 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 23.43% in FY 08-09, 27.87% in FY 07-08, and 28.22% in FY 06-07.

Revenue Collections

- The Mortgage Revenue Bond Services Fund and two positions are consolidated/moved to the General Fund effective July 1, 2009. As a result, Revenue Collections expenditures increase approximately \$150,000 as well as service charge revenues (loan collection fees) by a like amount.

Finance Administration

- Expenditures are increased for the contract for auditing the city's financial statements by 40%. Due to new risk-based audit standards, audit firms are required to more extensively review the government entity and its environment for risk assessment.

Resources

- Purchasing card rebate revenue is equal to 1% of amounts paid. As a result of cutback measures enacted in October 2008, purchasing card charges by city departments have fallen from \$1.1 million a month to about \$0.8 million per month. Expected rebate revenue is therefore reduced (-\$57,870).

BUDGET AND EVALUATION

MISSION STATEMENT

The mission of the Budget and Evaluation Department 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.

PROGRAM DESCRIPTIONS

Budget and Evaluation

- Prepares the city manager’s operating budget and six-year capital plan
- Coordinates the city’s performance measurement program
- Undertakes special projects and conducts analytical studies 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

PERFORMANCE MEASURES AND SERVICE TRENDS

	Actual FY 07-08	Estimated FY 08-09	Projected FY 09-10
Effectiveness			
Complete at least two capital project monitoring reports annually	2	2	2
Achieve 0 to +4% variance in General Fund adopted revenues compared to actuals (excluding fund balance appropriation)	+0.1%	-1.2%	0 to 4%
Achieve no greater than +/-2.5% variance in General Fund adopted expenditures compared to actuals	+1.1%	-2.0%	+/-2.5%

	Actual <u>FY 07-08</u>	Budget <u>FY 08-09</u>	Adopted <u>FY 09-10</u>	Percent <u>Change</u>
EXPENDITURES BY TYPE				
Personnel Expense	\$513,939	\$538,100	\$549,890	2.2%
Supplies and Services	113,836	122,700	88,890	-27.6%
Equipment Leasing Expense	109	110	0	-100.0%
Total Expenditures by Type	\$627,885	\$660,910	\$638,780	-3.3%

RESOURCES BY TYPE

Other General Fund Revenues	\$627,885	\$660,910	\$638,780	-3.3%
Total Resources by Type	\$627,885	\$660,910	\$638,780	-3.3%

Positions

				<u>Change</u>
Full-Time	5	6	6	0

BUDGET HIGHLIGHTS

- Supplies and services expenses are decreased by 27.6% primarily as a result of reduced information systems charges (-\$27,990) Additional savings of \$3,820 were identified in FY 08-09 and made permanent for FY 09-10, including cuts in printing expenses, office supplies, and contractual expenses.

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	Budget	Adopted	Percent
General Fund	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>Change</u>
General Property Insurance	\$91,269	\$73,050	\$73,050	0%
Payments to RAMCO:				
RAMCO Auto Liability (Non-Departmental)	300,990	307,010	313,160	2.0%
RAMCO General Liability (Non-Departmental)	170,220	174,200	177,690	2.0%
Miscellaneous General Claims	6,775	21,000	21,000	0%
Total General Fund Expenditures	\$569,254	\$575,260	\$584,900	1.7%

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

<u>Fund</u>	Actual	Budget	Adopted	Percent
	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>Change</u>
General Fund	\$478,250	\$488,090	\$497,900	2.0%
Fleet Services	85,950	87,680	89,440	2.0%
Solid Waste Disposal Fund	7,060	7,210	7,370	2.0%
Water and Sewer Fund	98,610	100,600	102,620	2.0%
Parking Fund	5,220	5,330	5,440	2.0%
Transit Fund	184,610	188,310	192,090	2.0%
Coliseum/Fairgrounds	14,700	15,010	15,340	2.0%
Total Payments	\$874,400	\$892,230	\$910,200	2.0%



Winston-Salem