



FINANCE

Program Goal

The Finance Department strives to maintain a fiscally sound governmental organization that conforms to legal requirements and generally accepted financial management principles; maintains effective procurement procedures for commodities and services; provides for effective treasury management and a citywide risk management program; acquires, manages and disposes of property for public facilities; provides an effective debt management program; and provides financial advisory services for all city departments.

Budget Allowance Explanation

The Finance Department 2009-10 operating budget allowance of \$25,090,000 is \$2,229,000 or 9.8 percent more than 2008-09 estimated expenditures. A significant portion of the Finance Department's contribution to balancing the budget was through new revenues not reflected here. In addition, the 2009-10 budget is increased for City Improvement payments to a benefit reserve fund. The increase is offset by budget reductions. The budget includes a reduction of 21.7 positions in Inventory Management, Banking and Cashiering, Tax, Accounting, Administration, Purchasing, Treasury and Debt Management, and Financial Application and Support divisions. These reductions will negatively impact administrative support within the Finance Department, decrease timely processing and customer service, and increase the workload of operations staff in each division.

The budget also includes reduced General Fund support of the Tax and Treasury divisions through appropriate staff time being charged out to Capital Construction, Parks and Preserves and Transit 2000 sales tax funds and the various enterprise funds. Additionally, the budget eliminates the centralized city inventory warehouse which results in city departments placing orders directly with various contract vendors and reduces contractual services for computer software licenses and support.

Finance Major Performance Measures and Service Levels

The following significant performance measures and service trends will be achieved with the 2009-10 budget allowance:

| | 2007-08 | 2008-09* | 2009-10 |
|---|------------|------------|------------|
| Sales tax and franchise fees collected | \$743 mil. | \$700 mil. | \$700 mil. |
| Average real estate acquisition cycle time (months) | 16.2 | 18.0 | 18.0 |
| Average property damage claims cycle time (days) | 47 | 37 | 60 |
| Average invitation for bid (IFB) cycle time (days) | 95 | 95 | 90 |

*Based on 10 months actual experience.

Expenditure and Position Summary

| | 2007-08 | 2008-09 | 2009-10 |
|-------------------|--------------|--------------|--------------|
| Operating Expense | \$24,931,000 | \$22,861,000 | \$25,090,000 |
| Total Positions | 303.5 | 281.8 | 281.8 |
| Source of Funds: | | | |
| General | \$23,333,000 | \$20,972,000 | \$21,968,000 |
| Water | 718,000 | 744,000 | 929,000 |
| Wastewater | 714,000 | 774,000 | 759,000 |
| Sports Facilities | 109,000 | 129,000 | 129,000 |
| Public Housing | — | (57,000) | (85,000) |
| City Improvement | 57,000 | 55,000 | 1,080,000 |
| Aviation | — | 134,000 | 104,000 |
| Other Restricted | — | 110,000 | 206,000 |