



CITY OF MEMPHIS FINANCE DIVISION

**FY 2016 O&M Budget Request
Brian Collins, Finance Director
Fund: General Fund**

Finance Division

Mission Statement:

To provide fiscal leadership and deliver superior financial performance through prudent financial management of City's financial affairs.

Strategic Priorities Addressed:

- Advance a culture of excellence in government

Overview of the New Service Delivery – Initiatives in the FY 2016 Budget

Staffing Changes:

- None

Program Changes reflected in FY 2016 Plan:

- None

Bridge Analysis

Finance Division - Expenditures

| | |
|---|---------------------|
| FY 2015 Adopted (Finance Division Expenditures - General Fund) | \$ 5,239,608 |
|---|---------------------|

Personnel Services

| | | |
|---|------------------|---|
| Pension ARC Funding | \$38,361 | Administration Initiative to Increase Pension Funding |
| Attrition | 15,000 | Reducing Vacancies |
| Overtime | 11,500 | Records Management for Council Meetings |
| Health Insurance | 1,540 | Basic + Premier Health Insurance |
| Personnel - Others | 41,634 | Part-Time Salaries & 18 Other Line Items |
| Total Increase in Personnel Expenses | \$108,035 | |

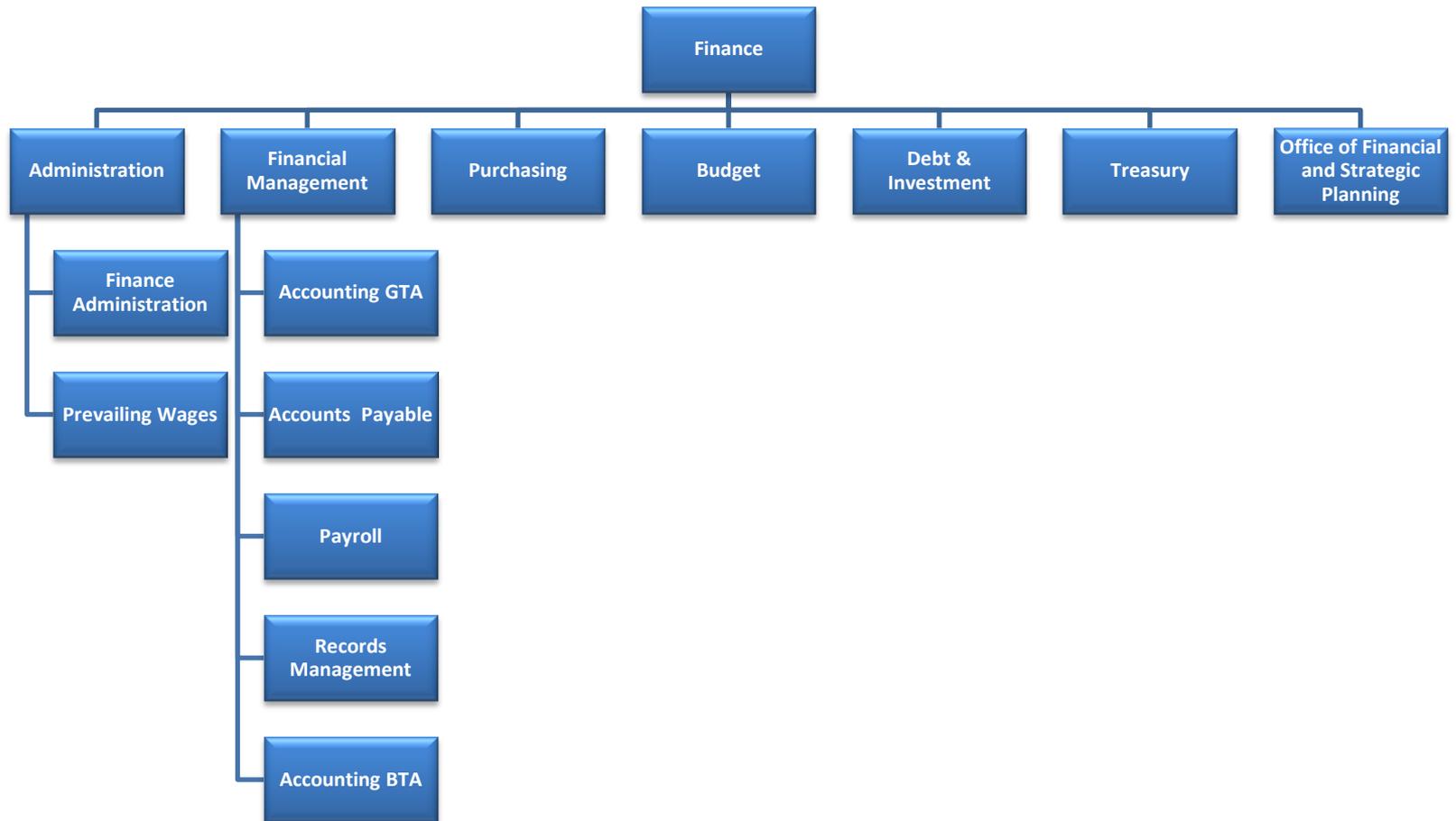
Materials and Supplies

| | | |
|---|------------------|--------------------------------------|
| Professional Services | 17,100 | External technology support services |
| Materials and Supplies - Others | 3,800 | 28 Other Line Items |
| Total Increase in Materials and Supplies | \$ 20,900 | |

| | |
|---|------------------|
| Finance Division Net Increase/(Decrease) | \$128,936 |
|---|------------------|

| | |
|--|---------------------|
| FY 2016 Budget Proposed (Expenditure Budget - General Fund) | \$ 5,368,544 |
|--|---------------------|

Organization Chart



Description of Legal Levels

Administration

Includes Administration and the Prevailing Wage Office.

Description:

- To provide leadership and direction to all Finance Division service centers and to coordinate all financial functions of the City.
- To ensure all contractors and/or subcontractors awarded City-funded projects are in compliance and adhering to the Prevailing Wage Ordinance adopted by the City.

Strategic Goals:

- Ensure that all available resources are efficiently and effectively utilized and that the City maintains financial stability.
- Increase the use of technology to enhance internal financial processes and improve customer service.

Strategic Priorities:

- ✓ Advance a culture of excellence in government

Financial Management

Performance Objective:

To effectively manage the City's financial information through the preparation of accurate and timely financial reports, accurate processing of payroll, and timely payments to vendors.

Performance Metrics:

- To prepare and publish the Comprehensive Annual Financial Report (CAFR) within six months of the end of the fiscal year.
- To process payment documents within five business days of receipt from the divisions.
- To process the payroll for all active employees on a bi-weekly basis and retired City employees on a semi-monthly basis in accordance with established procedures.
- To respond to requests for documents within one day of request (small projects) or within the agreed time period for large volume requests.

Purchasing

Performance Objective:

To efficiently procure materials, products, and services for the City of Memphis in compliance with all applicable procurement laws.

Performance Metrics:

- Complete regular purchase orders within 30 days.
- Complete construction requisitions within 120 days.

Budget Office

Performance Objective:

To maximize City resources by assisting divisions in the development of their annual budget, monitoring financial trends, and identifying cost-saving measures.

Performance Metrics:

- Complete budget to actual variance reporting within 10 business days of period closing.
- Complete 1st and 2nd quarter forecasts within 45 days of quarterly closing.

Debt & Investment

Performance Objective:

To provide funds for the City's operations as needed that minimize the impact of debt payments, invest cash in a safe manner, and achieve a yield equal to or greater than the market average.

Performance Metrics:

- Monitor and report on City's bond rating.
- Monitor and report on debt per capita.
- Annual rate of return on investments to exceed the three month Treasury Bill rate.

Treasury

Performance Objective:

To maximize revenue collections, while providing effective and responsive customer service to the citizens of Memphis.

Performance Metrics:

- To respond to all inquiries internal and external entities within 24 hours of receipt.
- Total revenue collections per capita.

Office of Financial and Strategic Planning

Performance Objective:

To monitor and evaluate existing revenue trends and develop new revenue enhancement opportunities, while supporting the development of strategic fiscal policy.

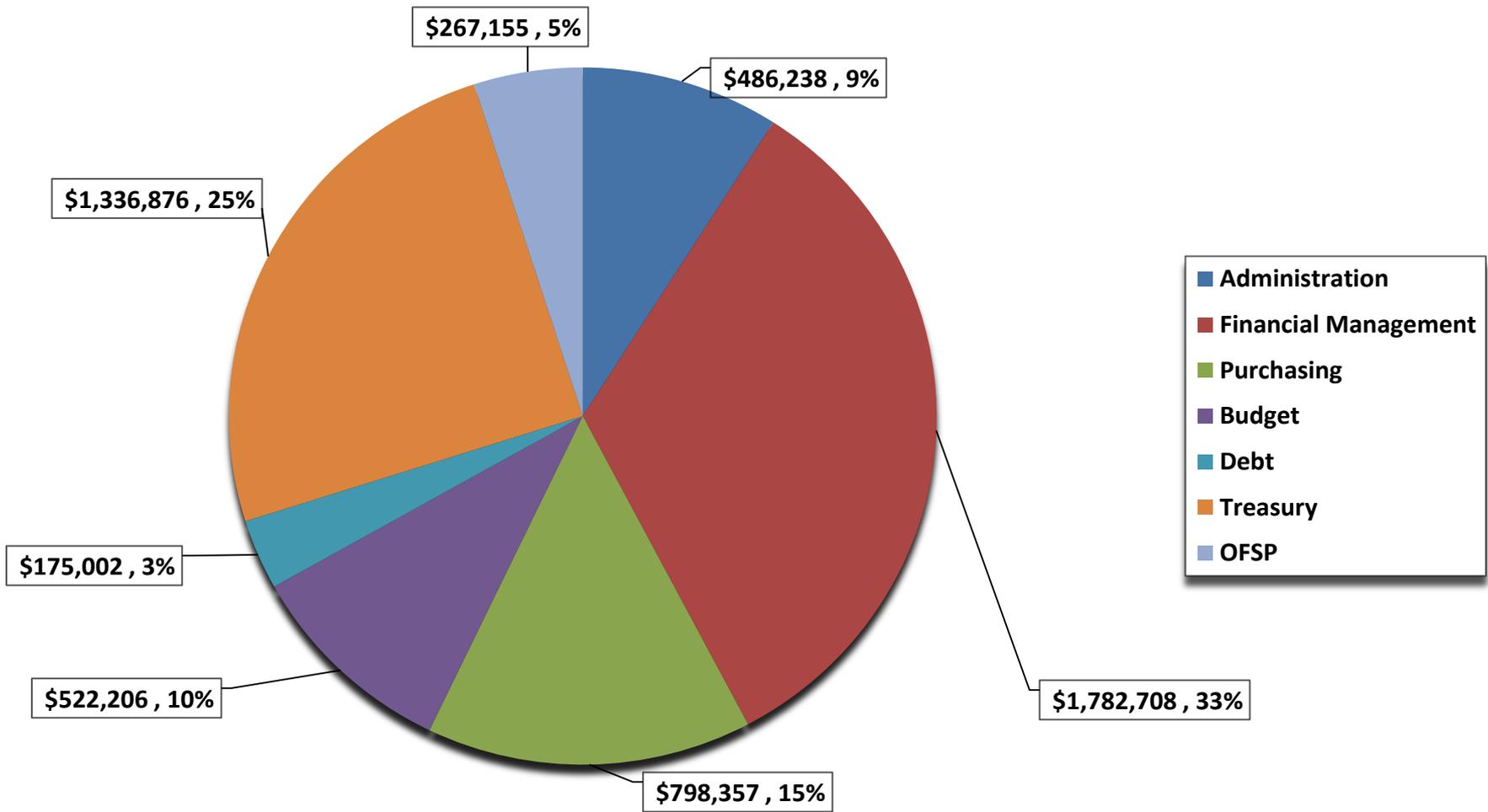
Performance Metrics:

- To complete two assessments of fee-generating accounts for revenue enhancement opportunities.

FY 2016 Revenue Budget Sources of Revenue Program

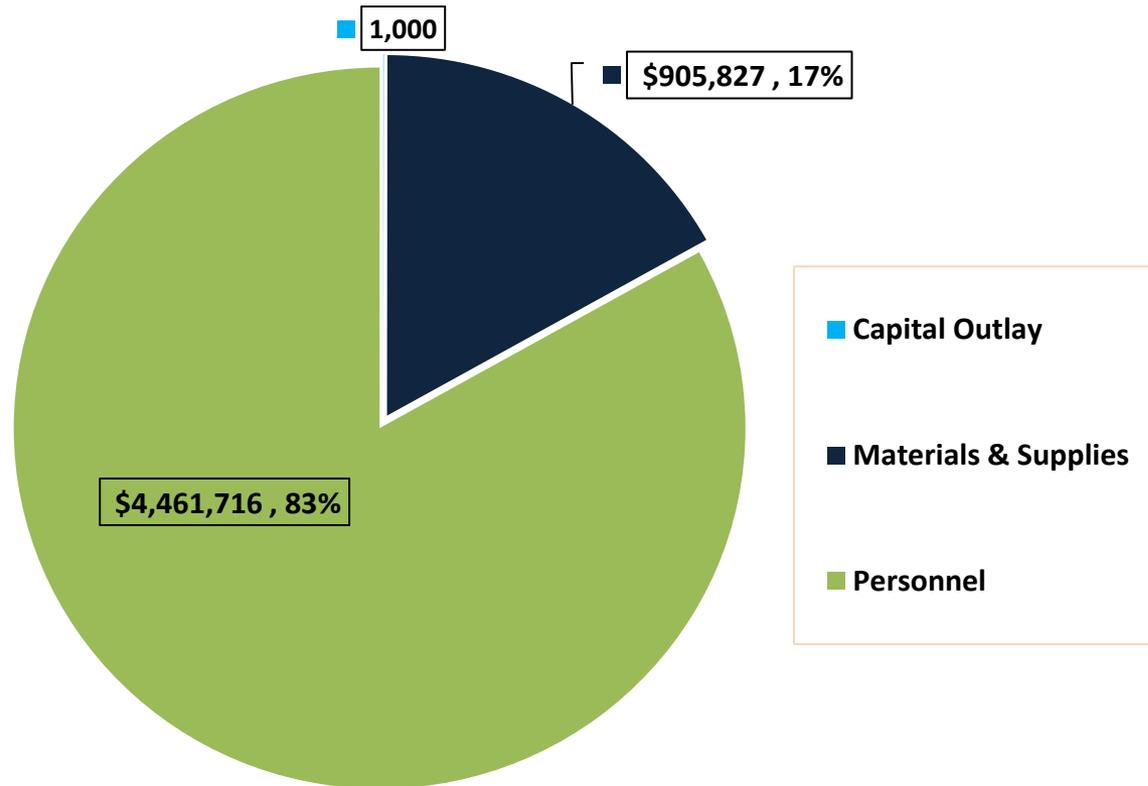
- (Comptroller's Office)
 - Zoning Ordinance Publication Fees - \$10,000

Expenditure Budget by Legal Level



Total Division Gross Expenditures \$5,368,544

Expenditures by Category



Total Division Gross Expenditures \$5,368,544

Cost Trends And Other Detailed Information

5-Year Expenditure Trend Report – Division Level

Page:S110000 Division - Finance & Administration, 0111 General Fund

| | FY12 | FY13 | FY14 | FY15 | FY15 | FY15 | FY16 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Year Total | Year Total | Year Total | Mar YTD | Total Year | Year Total | Year Total |
| | Actual | Actual | Actual | Actual | Forecast | Budget | Request |
| | Final | Final | Final | | | FY15 Adopted | Stage 2 |
| 500 Personnel Services | | | | | | | |
| 051101 Full-Time Salaries | 3,250,698 | 3,098,923 | 3,105,532 | 2,241,582 | 3,174,480 | 4,032,533 | 4,075,363 |
| 051102 Holiday Salary Full Time | 178,684 | 177,022 | 179,822 | 127,607 | 179,159 | 0 | 0 |
| 051103 Vacation Leave | 191,379 | 179,578 | 189,038 | 145,549 | 196,275 | 0 | 0 |
| 051104 Bonus Leave | 32,543 | 26,080 | 27,919 | 26,018 | 32,847 | 0 | 0 |
| 051105 Sick Leave | 127,841 | 99,037 | 79,150 | 64,724 | 81,232 | 0 | 0 |
| 051202 Overtime | 17,835 | 59,259 | 97,258 | 30,242 | 38,342 | 0 | 11,500 |
| 051206 Out of Rank Pay | 1,709 | 6,301 | 8,151 | 5,814 | 6,816 | 0 | 0 |
| 051212 Longevity Pay | 37 | 37 | 48 | 48 | 48 | 0 | 0 |
| 051218 Retirement Benefits | 25,592 | 53,389 | 32,955 | 27,198 | 46,729 | 30,000 | 30,000 |
| 051302 Pension | 211,966 | 201,087 | 205,594 | 148,987 | 201,613 | 237,486 | 207,684 |
| 051304 Social Security | 12,642 | 10,386 | 8,541 | 8,491 | 9,577 | 0 | 0 |
| 051307 Pension ARC Funding | 0 | 0 | 0 | 89,259 | 281,774 | 281,774 | 320,135 |
| 051308 Group Life Insurance | 10,876 | 10,249 | 9,857 | 6,936 | 10,447 | 14,410 | 12,085 |
| 051310 Unemployment | 14,060 | 12,950 | 10,295 | 10,200 | 10,200 | 10,200 | 7,370 |
| 051314 Medicare | 51,350 | 50,455 | 51,869 | 37,916 | 52,260 | 61,257 | 61,456 |
| 051315 Long Term Disability | 11,513 | 10,749 | 10,507 | 7,595 | 11,270 | 11,391 | 11,050 |
| 051320 Health Insurance - Basic | 0 | 2,341 | 6,264 | 7,358 | 9,221 | 2,214 | 4,416 |
| 051322 Health Insurance - Premier | 412,051 | 373,802 | 335,520 | 266,936 | 397,654 | 433,225 | 432,563 |
| 051323 Other Post Employment Benefits | 0 | 55,542 | 27,967 | 0 | 0 | 0 | 56,925 |
| 051402 Salaries - Part Time/Temporary | 197,914 | 173,110 | 170,279 | 134,040 | 179,789 | 218,000 | 251,900 |
| 051501 On the Job Injury | 628 | 2,076 | 5,183 | 2,704 | 1,439 | 4,260 | 4,260 |
| 051601 Payroll Reserve | -177,100 | 24,212 | 11,887 | 0 | 0 | 0 | 0 |
| 051901 Attrition | 0 | 0 | 0 | 0 | 0 | -45,000 | -30,000 |
| 051902 Bonus Pay | 52,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| 056199 Expense Recovery - Personnel | -791,282 | -866,040 | -868,608 | -614,798 | -801,620 | -938,069 | -938,069 |
| 051326 Benefits Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | -56,922 |
| Total 500 Personnel Services | 3,833,736 | 3,760,545 | 3,705,027 | 2,774,405 | 4,119,554 | 4,353,681 | 4,461,716 |

5-Year Expenditure Trend Report – Division Level *Continued*

| | FY12 Year Total Actual Final | FY13 Year Total Actual Final | FY14 Year Total Actual Final | FY15 Feb YTD Actual | FY15 Total Year Forecast | FY15 Year Total Budget FY15 Adopted | FY16 Year Total Request Stage 2 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------|--------------------------------|--|--|
| 505 Materials & Supplies | | | | | | | |
| 052106 City Hall Postage | 0 | 0 | 0 | 0 | 50 | 100 | 100 |
| 052116 City Shop Charges | 1,368 | 0 | 0 | 0 | 0 | 1,430 | 1,430 |
| 052124 City Shop Fuel | 1,368 | 268 | 0 | 0 | 0 | 425 | 425 |
| 052204 City Computer Svc Equipment | 22,518 | 5,349 | 8,290 | 6,585 | 12,846 | 19,357 | 22,357 |
| 052206 Data/Word Processing Equipment | 0 | 0 | 345 | 0 | 0 | 0 | 0 |
| 052208 Data/Word Process Software | 12,905 | 12,811 | 13,644 | 360 | 15,512 | 15,202 | 15,202 |
| 052209 Pers Computer Software | 1,431 | 0 | 0 | 14,177 | 1,367 | 3,620 | 3,620 |
| 052210 City Telephone/Communications | 11,745 | 17,662 | 14,196 | 10,365 | 15,835 | 13,462 | 13,462 |
| 052302 Printing - Outside | 65,524 | 62,904 | 93,730 | 98,131 | 140,632 | 55,317 | 113,117 |
| 052304 Supplies - Outside | 55,637 | 67,210 | 69,747 | 36,002 | 55,024 | 67,614 | 62,614 |
| 052305 Food Expense | 0 | 274 | 531 | 730 | 1,211 | 0 | 0 |
| 052324 Outside Postage | 138,254 | 137,031 | 137,044 | 2,735 | 137,098 | 137,263 | 137,263 |
| 052342 Materials and Supplies | -7,358 | 2,299 | 1,229 | 1,293 | 4,281 | 8,972 | 8,972 |
| 052343 Expense | 3,585 | 3,028 | 2,232 | 1,570 | 4,458 | 7,400 | 7,400 |
| 052410 Outside Equipment Repair/Maintenance | 1,988 | 2,220 | 2,604 | 1,655 | 4,453 | 8,200 | 8,200 |
| 052504 Legal Services/Court Cost | 0 | -698 | 0 | 0 | 0 | 0 | 0 |
| 052512 Advertising/Publication | 124,177 | 163,583 | 113,383 | 38,147 | 54,836 | 112,886 | 61,886 |
| 052514 Outside Phone/Communications | 0 | 200 | 0 | 0 | 250 | 425 | 425 |
| 052520 Security | 729 | 683 | 491 | 896 | 2,985 | 4,129 | 4,129 |
| 052526 Seminars/Training/Education | 18,080 | 24,477 | 12,574 | 10,160 | 24,118 | 51,605 | 48,605 |
| 052528 Professional Services | 431,090 | 367,502 | 556,317 | 384,886 | 564,312 | 427,643 | 444,743 |
| 052610 Travel Expense | 5,079 | 8,465 | 6,979 | 10,802 | 18,758 | 23,100 | 24,100 |
| 052611 Unreported Travel | 884 | 14,279 | 8,430 | -2,672 | 1,054 | 800 | 800 |
| 052521 Photography | 0 | 452 | 0 | 0 | 0 | 0 | 0 |
| 052525 Total Quality Management | 0 | 1,095 | 191 | 0 | 0 | 0 | 0 |
| 052920 Insurance | 3,802 | 1,091 | 3,925 | 4,284 | 4,307 | 432 | 432 |
| 052921 Claims | 0 | 65 | 0 | 0 | 0 | 0 | 0 |
| 052923 Lawsuits | 0 | 0 | 3,862 | 0 | 0 | 1,000 | 1,000 |
| 052930 Dues/Memberships/Periodicals | 7,861 | 6,888 | 3,262 | 3,316 | 7,123 | 6,520 | 7,520 |
| 052950 Services and Charges | 7,438 | 2,513 | 1,286 | 1,057 | 2,258 | 7,525 | 7,525 |
| 052984 Hotel | 1,026 | 0 | 2,789 | 0 | 500 | 1,000 | 1,000 |
| 057454 Catering | 189 | 1,456 | 0 | 210 | 1,500 | 1,500 | 1,500 |
| 056299 Expense Recovery - M & S | -90,506 | -107,582 | -113,362 | -48,278 | -87,000 | -92,000 | -92,000 |
| 061150 Bank Charges | -3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total 505 Materials & Supplies | 818,812 | 795,526 | 943,717 | 576,410 | 987,768 | 884,927 | 905,827 |

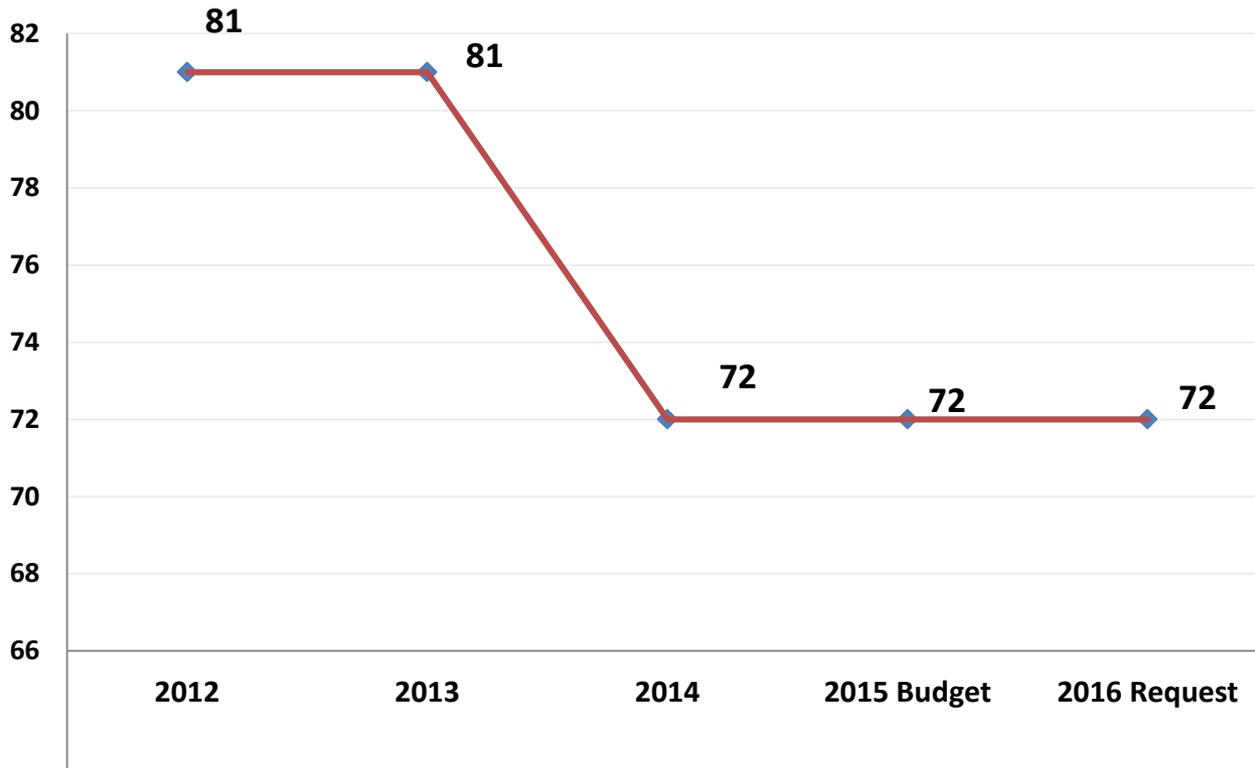
5-Year Expenditure Trend Report – Division Level *Continued*

| | FY12 Year Total Actual Final | FY13 Year Total Actual Final | FY14 Year Total Actual Final | FY15 Mar YTD Actual | FY15 Total Year Forecast | FY15 Year Total Budget FY15 Adopted | FY16 Year Total Request Stage 2 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------|--------------------------------|--|--|
| 053102 Furniture/Furnishings | 0 | 3,751 | 0 | 0 | 1,000 | 1,000 | 1,000 |
| FSC510 510 Capital Outlay | 0 | 3,751 | 0 | 0 | 1,000 | 1,000 | 1,000 |
| Total Expenditures | 4,656,299 | 4,556,071 | 4,648,744 | 3,350,815 | 5,107,322 | 5,239,608 | 5,368,544 |
| <u>Revenue:</u> | | | | | | | |
| FSS215 215 Other - Local Shared Revenue | 87 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSS220 220 Other - Misc. | 13,232 | 4,775 | 34,006 | 4,075 | 2,875 | 10,000 | 10,000 |
| FSC475 475 Other Revenues | 13,319 | 4,775 | 34,006 | 4,075 | 2,875 | 10,000 | 10,000 |
| 070203 Oper Tfr In - Midtown Corridor | 0 | 0 | 142,000 | 0 | 0 | 0 | 0 |
| FSC480 480 Transfers In | 0 | 0 | 142,000 | 0 | 0 | 0 | 0 |
| Total Revenues | <u>13,319</u> | <u>4,775</u> | <u>176,006</u> | <u>4,075</u> | <u>2,875</u> | <u>10,000</u> | <u>10,000</u> |
| Net Operations | <u>4,642,979</u> | <u>4,551,296</u> | <u>4,472,738</u> | <u>3,346,740</u> | <u>5,104,447</u> | <u>5,229,608</u> | <u>5,358,544</u> |

Personnel Trend Information

Authorized Complement History

Finance Division - Authorized Personnel History



Materials and Supplies (M&S)

FY 2016 Finance – M & S Expenditures

| Account - Line Item Description | Budgeted Amount | % of Total M & S Expenditures |
|---|-------------------|-------------------------------|
| 052528 Professional Services * | \$ 444,743 | 49.10% |
| 052324 Outside Postage | 137,263 | 15.15% |
| 052302 Printing - Outside | 113,117 | 12.49% |
| 052304 Supplies - Outside | 62,614 | 6.91% |
| 052512 Advertising/Publication | 61,886 | 6.83% |
| 052526 Seminars/Training/Education | 48,605 | 5.37% |
| 052610 Travel Expense | 24,100 | 2.66% |
| 052204 City Computer Svc Equipment | 22,357 | 2.47% |
| 052208 Data/Word Process Software | 15,202 | 1.68% |
| 052210 City Telephone/Communications | 13,462 | 1.49% |
| 052342 Materials and Supplies | 8,972 | 0.99% |
| 052410 Outside Equipment Repair/Maintenance | 8,200 | 0.91% |
| 052950 Services and Charges | 7,525 | 0.83% |
| 052930 Dues/Memberships/Periodicals | 7,520 | 0.83% |
| 052343 Miscellaneous Expense | 7,400 | 0.82% |
| 052520 Security | 4,129 | 0.46% |
| 052209 Pers Computer Software | 3,620 | 0.40% |
| Other M & S Accounts | 7,112 | 0.79% |
| 056299 Expense Recovery - M & S ** | (92,000) | -10.16% |
| 505 Materials and Supplies | <u>\$ 905,827</u> | 100.00% |

** 9 Other M & S Expenditure Accounts, ranging from 100 to 1500 dollars (For Account Level Details check 5-Year Expenditure Trend Report on slide 20)

* See detail Breakdown on the next slide

Account Detail – Professional Services

| Legal Level | Legal Level | Division Total - Amount | Comments | % of Account Total |
|-------------|----------------------|-------------------------------|---|--------------------|
| 110200 | Financial Accounting | \$ 51,450 | Required Accounting Services to Address Governmental Accounting Standards | 11.57% |
| 110300 | Purchasing | 135,000 | Payment to City Attorney - Staff Attorney for Procurements | 30.35% |
| 110400 | Budget Office | 30,000 | Hyperion and Budget Production Support Costs | 6.75% |
| 110500 | Debt and Investment | 1,430 | Arbitrage | 0.32% |
| 110600 | Treasury | 131,863 | Business License Payments and Banking Deposit Services | 29.65% |
| 110700 | Strategic Planning | 95,000 | University of Memphis (External Review on Revenue Projection) | 21.36% |
| | | <u>\$ 444,743</u> | | 100.00% |