

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 2011 Actual	FY 2012 Approved	FY 2013 Approved	% Change
Personnel	6,991,680	7,836,539	8,272,770	5.6%
Non-Personnel	3,124,068	3,103,243	3,064,918	-1.2%
Capital Goods Outlay	9,597	24,485	26,185	6.9%
Total Expenditures	\$10,125,345	\$10,964,267	\$11,363,873	3.6%
Less Revenues				
Internal Service	19,411	44,600	44,600	0.0%
Special Revenue Fund	233,299	239,401	557,154	132.7%
Total Designated Funding Sources	\$252,710	\$284,001	\$601,754	111.9%
Net General Fund Expenditures	\$9,872,635	\$10,680,266	\$10,762,119	0.8%
Total Department FTE's	90.5	90.5	91.5	1.1%

Highlights

• In FY 2013 the General Fund budget increases \$81,853 or 0.8%, while the Special Revenue Fund increases \$317,753 or 111.9%. The \$317,753 increase in the Special Revenue Fund includes \$229,038 to fund three new staff members funded by pension investment earnings. The remaining \$73,383 reflects a position previously paid from the General Fund that will now be funded by permitting fees that are reflected in the table above as Special Revenue Funds..

• In FY 2013 personnel costs increase by \$436,231 or 5.6%. This is due to the addition of four positions, employee step adjustments, increased benefit costs and the 1% increase in the General Government pay scale to offset the 1% shift in the VRS contribution rate from the employer to the employee. These increase are offset by savings from one position transfer and two position eliminations.

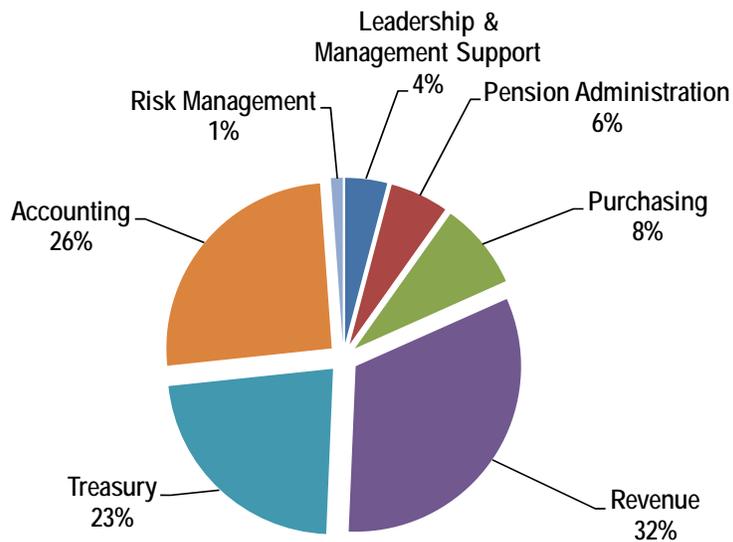
- The Finance Department added three new positions to the Pension Administration Program. Currently the City pays an outside vendor to administer the defined benefits plan for Firefighters and Police Officers. Finance will be bringing this service "in-house" and use the savings generated in the pension plan funds to fund the new positions.
- The Department of Community and Human Services has transferred one position to the Finance Department where they will work on the Enterprise Resource Planning System.
- An Accountant position will be transferred from Finance to Internal Audit to improve performance management and accountability.
- Two Risk Management positions have been eliminated. Limited risk management functions will be performed by individual departments with some Finance staff and support from a third party administrator.
- Non-personnel costs decrease by \$38,325 (1.2%), due to decreases in general support of the risk management function.

Finance Department

Selected Performance Measures

Selected Performance Measures	FY 2011 Actual	FY 2012 Approved	FY 2013 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 on financial reporting	100%	100%	100%

FY 2013 Approved Expenditures by Program



Finance Department

Program Level Summary Information

Expenditure Summary

Expenditure By Classification	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved	% Change
Leadership and Management Support	\$470,271	\$479,147	\$470,990	-1.7%
Pension Administration	355,622	515,489	652,253	26.5%
Purchasing	861,761	979,607	971,674	-0.8%
Revenue	3,102,091	3,634,678	3,619,383	-0.4%
Treasury	2,447,938	2,397,717	2,588,472	8.0%
Accounting	2,554,860	2,634,335	2,923,136	11.0%
Risk Management	332,802	323,294	137,965	-57.3%
Total Expenditures	\$10,125,345	\$10,964,267	\$11,363,873	3.6%

Staffing Summary

Authorized Positions (FTE's) by Program	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved	% Change
Leadership and Management Support	2.1	2.8	2.7	-5.4%
Pension Administration	3.0	3.0	6.0	100.0%
Purchasing	8.0	8.0	8.0	0.0%
Revenue	37.5	37.4	35.7	-4.4%
Treasury	17.6	17.6	17.6	0.0%
Accounting	21.3	19.5	20.7	6.2%
Risk Management**	2.2	2.5	1.0	-61.2%
Total full time employees	90.5	90.5	91.5	1.1%

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, 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, Dep. Dir. of Finance - Treasury Stephen Taylor, Acting Purchasing Agent</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 2011 Actual	FY 2012 Approved	FY 2013 Approved
% Total All Funds Budget	4.6%	4.4%	4.1%
Total Expenditures	\$470,271	\$479,147	\$470,990
Less Revenues	\$281,773	\$44,600	\$44,600
Net General Fund Expenditures	\$188,498	\$434,547	\$426,390
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 2011 Actuals	FY 2012 Approved	FY 2013 Approved
Expenditures	\$470,271	\$479,147	\$470,990
FTE	2.1	2.8	2.7
\$ amount of revenue collected and funds disbursed	\$2,088,276,825	\$2,100,000,000	\$2,088,276,825
\$ amount of funds disbursed (all funds)	\$1,002,490,799	\$985,000,000	\$1,002,490,799
Ratio of Finance Department costs to City budget	1.0%	0.9%	1.0%
% compliance with City adopted debt policies in last fiscal year	100%	100%	100%

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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 2011 Actual	FY 2012 Approved	FY 2013 Approved
% Total All Funds Budget	3.5%	4.7%	5.7%
Total Expenditures	\$355,622	\$515,489	\$652,253
Less Revenues	\$231,932	\$239,401	\$557,154
Net General Fund Expenditures	\$123,690	\$276,088	\$95,099
Program Outcomes			
Ratio of annual pension administration program costs to City employer annual contributions	1.6%	1.9%	2.9%

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Expenditures	\$44,998	\$196,096	\$83,023
FTE's	1.0	1.0	0.2
Funds invested at fiscal year end in millions of dollars ¹	\$358.9	\$340.0	\$370.0

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	\$310,624	\$319,393	\$569,230
FTE's	2.0	2.0	5.8
# of plans administered	9	8	7
# of employee/retirees consulting sessions	1,400	1,428	1,456
Cost per employee/retiree served	\$221.87	\$223.66	\$232.64
Ratio of annual pension administration costs to fund assets	0.09%	0.09%	0.15%

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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 2011 Actual	FY 2012 Approved	FY 2013 Approved
% Total All Funds Budget	30.6%	33.2%	31.8%
Total Expenditures	\$3,102,091	\$3,634,678	\$3,619,383
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$3,102,091	\$3,634,678	\$3,619,383
Program Outcomes			
Total tax revenue generated for the City in compliance with City regulations	\$468,087,388	\$481,140,912	\$495,809,214

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Expenditures	\$1,297,471	\$1,566,831	\$1,551,754
FTE's	14.9	15.4	14.6
# of tax transactions processed	1,916,205	1,832,839	1,954,529
Cost per tax transaction processed	\$0.68	\$0.85	\$0.79
% 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	\$626,776	\$664,323	\$647,429
FTE's	7.8	7.1	6.49
# of demands for payment action sent	170,204	167,676	173,608
Cost per demand for payment action	\$3.68	\$3.96	\$3.73
% of delinquent tax collected annually	91.0%	82.0%	91.0%

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	\$309,729	\$418,482	\$355,770
FTE's	4.3	4.3	3.5
# of tax accounts reviewed/audited	97,854	91,180	99,811
Costs of tax accounts reviewed/audited	\$3.17	\$4.59	\$3.56
\$ amount of revenue generated from audits and compliance activity	\$1,012,309	\$1,200,000	\$1,200,000
Ratio of audit and tax compliance expenses to revenue generated from audits and compliance activities	30.6%	34.9%	29.6%

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Expenditures	\$868,115	\$985,042	\$1,064,430
FTE's	10.5	10.6	11.1
# of applications processed for tax relief programs	1,362	1,334	1,389
# of taxpayers assisted on State tax issues*	300	300	300
Cost per application processed	\$24.60	\$22.47	\$25.98
% of applications approved for tax relief	90.0%	98.0%	98.0%
% of survey participants reporting satisfaction with customer service	99%	99%	99%

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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 2011 Actual	FY 2012 Approved	FY 2013 Approved
% Total All Funds Budget	24.2%	21.9%	22.8%
Total Expenditures	\$2,447,938	\$2,397,717	\$2,588,472
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$2,447,938	\$2,397,717	\$2,588,472
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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Expenditures	\$1,249,492	\$1,254,510	\$1,318,797
FTE's	9.5	9.8	9.9
# of tax payments processed	208,963	267,000	217,000
# of electronic payments	146,291	200,250	169,260
# of manual payments	62,672	66,750	47,740
# of tax payments processed per FTE	21,996	27,385	21,919
% of tax payments processed electronically	70.0%	75.0%	78.0%

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	\$569,868	\$596,289	\$698,615
FTE's	7.8	7.1	7.0
% of current year personal property tax collected	93.8%	96.0%	93.8%
% of current year real estate tax collected	99.6%	99.0%	99.6%
% of current year business property tax collected (including statutory assessments)	91.2%	87.0%	91.2%

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	\$303,970	\$321,488	\$326,895
FTE's	0.3	0.7	0.7
Average month end portfolio dollar balance	\$116,320,000	\$105,000,000	\$110,000,000
City's rate of return	0.5%	1.8%	0.5%

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*	\$324,608	\$225,430	\$244,165
FTE's	0.0	0.0	0.0
# of cases concluded	8,071	7,000	7,000
% of cases adjudicated without appeal	99.9%	99.8%	99.9%

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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 2011 Actual	FY 2012 Approved	FY 2013 Approved
% Total All Funds Budget	25.2%	24.0%	25.7%
Total Expenditures	\$2,554,860	\$2,634,335	\$2,923,136
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$2,554,860	\$2,634,335	\$2,923,136
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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Expenditures	\$1,135,560	\$1,090,417	\$1,285,970
FTE's	5.5	4.3	5.2
# 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	\$1,105,761	\$1,181,580	\$1,230,955
FTE's	11.8	11.2	11.5
# of employees processed annually	4,041	4,150	4,300
# of transactions processed	463,602	485,254	485,000
Cost per transaction	\$2.39	\$2.43	\$2.54
# of payrolls processed within required time frame	100%	100%	100%
% of vendors paid within required time frame	97.0%	96.0%	97.0%

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	\$313,539	\$362,338	\$406,211
FTE's	4.0	4.0	4.0
# of capital, debt, bank, health and workers comp reconciliations produced	2,854	2,750	2,802
Cost per reconciliation produced	\$109.86	\$131.76	\$144.97
% of reconciliations issued within a desired timeframe	99.0%	99.0%	99.0%

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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 2011 Actual	FY 2012 Approved	FY 2013 Approved
% Total All Funds Budget	3.3%	2.9%	1.2%
Total Expenditures	\$332,802	\$323,294	\$137,965
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$332,802	\$323,294	\$137,965
Program Outcomes			
% reduction in number in annual claim expenses	51.9%	3.0%	3.0%

Note: Reported 51.9% reduction reflects "snapshot" as of 7/26/11, reflecting paid to date by FY. FY 2011 claims have one year less payment development than FY2010 claims as of the snapshot date. FY 2011 claims will have more additional payment activity than prior year claims. Although payment activity will continue, the trend is promising. Approved reduction for future years is Over All after full payment development.

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Expenditures	\$33,444	\$34,957	\$0
FTE's	0.3	0.3	0.0
# of claims handled	96	135	110
Administrative cost per claim	\$348	\$259	\$0
% of claims settled within 6 months	83%	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	\$155,477	\$143,537	\$93,993
FTE's	0.9	1.0	0.7
# of safety consultations	110	115	125
Cost per request	\$1,413	\$1,248	\$752
% of requests resolved within 7 work days	80%	85%	87%
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	\$66,875	\$63,003	\$28,744
FTE's	0.3	0.5	0.2
# of policies obtained	13	15	15
Administrative cost per policy	\$5,144	\$4,200	\$1,916
% 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	\$77,006	\$81,797	\$15,228
FTE's	0.7	0.8	0.1
# of claims handled	219	245	235
Administrative cost per claim	\$352	\$334	\$65
% of claims closed within 12 months	95%	85%	90%

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
% Total All Funds Budget	8.5%	8.9%	8.6%
Total Expenditures	\$861,761	\$979,607	\$971,674
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$861,761	\$979,607	\$971,674
Program Outcomes			
Percentage of significant contracting actions executed for clients within mutually agreed time frames	65.0%	83.0%	85.0%

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Expenditures	\$861,761	\$979,607	\$971,674
FTE's	8.0	8.0	8.0
# of significant contracts administered	535	500	550
Staff cost per # of significant contracts administered	\$1,611	\$1,959	\$1,767
Percentage of significant contracting actions executed for clients within mutually agreed time frames	65%	83%	85%
Revenue generated from sales of surplus property and impounded vehicles and procurement card rebates	\$785,781	\$500,000	\$800,000
Percentage of the number of vendor payments made with procurement cards	43%	75.0%	45.0%

Finance Department

Summary of Budget Changes

Supplemental Funding

Activity	Adjustment	FY 2013 Approved
Pension Administration	<i>Pension Administration - New System and Staffing</i>	3.0 FTE
<p>Currently the City pays over \$1 million to a third party administrator for defined benefits plans. With the addition of new software (price not included in this request) and three new positions (\$229,038 in Special Revenue Fund) the Finance department will be able to administer the defined benefits plan in-house. The positions will be paid for using the savings from this action.</p>		

Expenditure Reductions

Activity	Reduction	FY 2013 Approved
Risk Management	<i>Elimination of Two Full-Time Positions</i>	-\$220,449
<p>This reduction will eliminate two positions (one currently vacant) within the Risk Management Program. This reduction will make City departments the primary source of safety training, employees will be responsible for obtaining their own defensive driver training, and some initiatives in assessing and reviewing disability and workers compensation trends will no longer be performed.</p>		