

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 Information Systems 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 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
Accounting/Financial Reporting	\$599,429	\$605,230	\$611,950	1.1%
Financial Systems and Employee Accounting	1,937,628	2,356,620	2,561,930	8.7%
Revenue Collections	2,575,442	2,802,820	2,611,840	-6.8%
Treasury	619,063	637,440	645,370	1.2%
Risk Management	520,967	556,140	554,680	-0.3%
Finance Administration	407,914	417,040	424,400	1.8%
City-County Purchasing	487,572	418,980	418,360	-0.1%
Total Expenditures by Program	\$7,148,016	\$7,794,270	\$7,828,530	0.4%

PERFORMANCE MEASURES AND SERVICE TRENDS

	Actual FY 08-09	Estimated FY 09-10	Projected FY 10-11
Effectiveness			
Achieve a 92% Average Revenue Collections Rate:			
Housing/Economic Development loans	96%	96%	96%
Water/Sewer	98%	96%	98%
Stormwater	95%	95%	95%
Assessments (all types)	81%	85%	85%
Business License	100%	100%	100%
Percentage of parking tickets collected within 60 days	58%	60%	70%
Average Revenue Collection rate (all categories):	88%	89%	91%
Keep citywide accident/illness/incident rate to less than 7 per every 200,000 hours worked ¹	4.8	Less than 7	Less than 7
Hold number of City vehicle accidents to less than 5 per 100 employees	4.48	Less than 5	Less than 5
Exceed market index benchmarks for Equity Investment returns (net of fees)	-0.65%	0.16%	0.20%
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	425	422	443
Workload			
Total number of purchase orders and contracts written	2,323	2,310	2,425
Past due debt collected through <i>Debt Setoff</i> program (tax refund garnishment)	\$412,247	\$432,860	\$454,500
Number of Accounts Payable transactions processed	39,568	36,084	36,000

1- The Occupational Safety and Health Administration's (OSHA) acceptable guideline is to remain less than 7 per 200,000.

FINANCIAL MANAGEMENT SERVICES

	Actual	Budget	Adopted	Percent
EXPENDITURES BY TYPE	FY 08-09	FY 09-10	FY 10-11	Change
Personnel	\$4,217,099	\$4,430,080	\$4,271,490	-3.6%
Supplies and Services	2,870,671	3,252,530	3,472,280	6.8%
Equipment Leasing Expense	60,246	111,660	84,760	-24.1%
Total Expenditures by Type	\$7,148,016	\$7,794,270	\$7,828,530	0.4%
RESOURCES BY TYPE				
Internal Service Charges (Revenue Collection Services)	\$2,798,326	\$2,920,490	\$2,930,220	0.3%
Purchase Card Rebates	151,668	79,690	79,690	0%
Reimbursements from RAMCO	392,230	385,440	380,410	-1.3%
Miscellaneous Revenues	51,157	167,890	167,940	0%
Forsyth County (Purchasing Services)	106,907	98,140	91,650	-6.6%
Sale of Property/Equipment	146,335	300,000	150,000	-50.0%
Transfer from Water and Sewer Fund (Safety Program)	0	55,200	55,860	1.2%
Transfer from Workers' Compensation Fund (Safety Program)	0	0	122,380	N/A
Other General Fund Revenues	3,501,392	3,787,420	3,850,380	1.7%
Total Resources by Type	\$7,148,016	\$7,794,270	\$7,828,530	0.4%
Positions				Change
Full-Time	68	68	63	-5

BUDGET HIGHLIGHTS

Financial Systems

- Supplies and services expenditures are increased as a result of higher information system charges (+\$210,440). There is an annual increase in contractually-based annual maintenance fees paid to software systems vendors, as well as additional costs associated with new modules or functionality such as the Winston-Salem Police Officers' Retirement System Tyler Technologies Pension Administration system, fixed assets management, electronic payments modules, and the new iNovah Cashiering system.

Of the total \$1,968,500 in information systems charges, \$695,760 is reimbursed by the water and sewer fund, and \$268,830 is reimbursed by the stormwater fund.

Purchasing

- Forsyth County will reimburse the City 22.48% 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 24.27% in FY 09-10, 23.43% in FY 08-09, 27.87% in FY 07-08, and 28.22% in FY 06-07.

Revenue Collections

- Personnel expenditures are decreased (-\$194,920 net) as a result of the transfer of five positions to City Link.

Resources

- Revenues for Sale of Property/Equipment are decreased as a result of reduced vehicle and equipment replacements, which is limiting surplus property sales.

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 Citizens’ Budget Advisory Council

PERFORMANCE MEASURES AND SERVICE TRENDS

	Actual FY 08-09	Estimated FY 09-10	Projected FY 10-11
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)	-5.2% ¹	-2.3%	0 to 4%
Achieve no greater than +/-2.5% variance in general fund adopted expenditures compared to actuals	-4.1% ²	-2.2%	+/-2.5%

1- Revenues began to trend downward starting in October 2008, as the economic recession began affecting local revenues.

2- Mid-year expenditure cuts, which included hiring freezes, delay of capital outlay purchases and other expenditure reduction measures were implemented in response to a decline in sales tax and construction-related revenues.

	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11	Percent Change
EXPENDITURES BY TYPE				
Personnel	\$507,086	\$549,890	\$566,340	3.0%
Supplies and Services	96,441	88,890	91,880	3.4%
Equipment Leasing Expense	109	0	0	0%
Total Expenditures by Type	\$603,636	\$638,780	\$658,220	3.0%
RESOURCES BY TYPE				
Other General Fund Revenues	\$603,636	\$638,780	\$658,220	3.0%
Total Resources by Type	\$603,636	\$638,780	\$658,220	3.0%
Positions				Change
Full-Time	6	6	6	0

BUDGET HIGHLIGHTS

- Personnel expenditures are increased \$16,450 primarily due to all positions being filled, as of mid-year FY 09-10 and to required payments to the State retirement system.
- Supplies and services expenses are increased by a net \$2,990 as a result of an increase in information system charges of \$4,950, offset in part by reduced printing costs (-\$1,500) and reduced travel/training (-\$1,400).

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 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
General Property Insurance	\$75,687	\$73,050	\$73,050	0%
Payments to RAMCO:				
RAMCO Auto Liability (Non-Departmental)	307,010	313,160	319,420	2.0%
RAMCO General Liability (Non-Departmental)	173,550	177,690	181,240	2.0%
Miscellaneous General Claims	0	21,000	21,000	0%
Total General Fund Expenditures	\$556,247	\$584,900	\$594,710	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

Fund	Actual	Budget	Adopted	Percent
	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Change</u>
General Fund	\$487,440	\$497,900	\$507,850	2.0%
Fleet Services	87,680	89,440	91,220	2.0%
Solid Waste Disposal Fund	7,210	7,370	7,510	2.0%
Water and Sewer Fund	100,600	102,620	104,680	2.0%
Parking Fund	5,330	5,440	5,550	2.0%
Transit Fund	188,310	192,090	195,930	2.0%
Coliseum/Fairgrounds	15,010	15,340	15,640	2.0%
Total Payments	\$891,580	\$910,200	\$928,380	2.0%

FISCAL MANAGEMENT CAPITAL PROJECTS

Listed below are the adopted capital appropriations for fiscal management related funds and entities.

EXPENDITURES

<u>Project Title</u>	<u>Adopted FY 10-11</u>
Web Business License	\$40,000
Total Expenditures	\$40,000

FUNDING SOURCES

North Carolina Municipal Leasing Corporation	\$40,000
Total Funding Sources	\$40,000