



Finance Department

Proposed Budget

Fiscal Year 2011-12





Finance Department Overview

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The Finance Department supports the City of Modesto and its Strategic Plan by ensuring all financial transactions are properly accounted for in accordance with generally accepted accounting principles and all applicable governing regulations while overseeing the administration of the City's fiscal resources. We assist in forecasting and cost-benefit analysis of proposed actions. We also assist the Mayor and City Manager with preparation of the City's budget. The Customer Services Division serves our residents by providing utility billing, cashiering, business license administration and other activities.



Finance Department Overview

Divisions

Finance is comprised of four divisions:

- Purchasing
- Budget
- Customer Services
- Accounting

There is also an Administration Section for costs of the Director

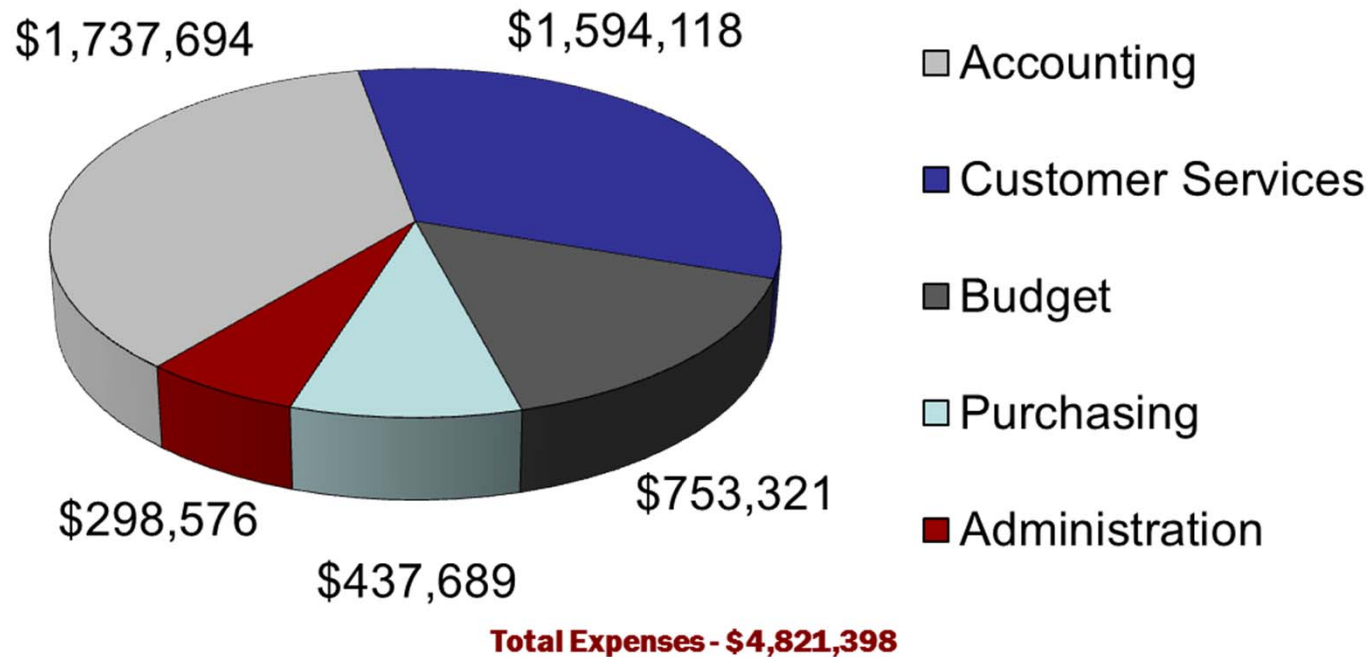
Staffing

General Fund – 39 allocations
Water Fund – 22 allocations
Central Stores Fund – 4 allocations



Finance Department

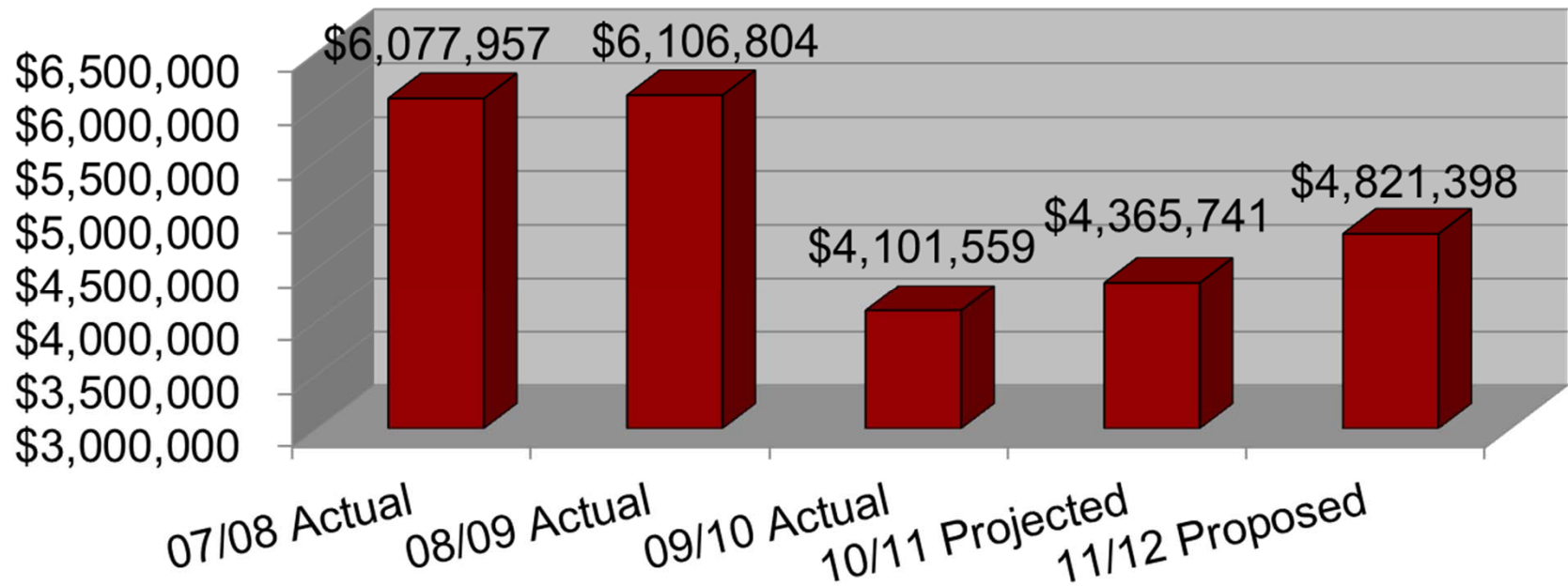
Proposed FY 11/12 Expenses by Division





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4-Year Expense History Including FY11-12 Proposed Budget





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Proposed FY 2011/12 Budget – General Fund Impact

	Current <u>FY10/11</u>	Proposed <u>FY11/12</u>	Increase <u>(Decrease)</u>
Expenditure Budget	\$ 4,365,741	4,821,398	455,657
Less Revenues Generated by Finance	<u>(2,011,492)</u>	<u>(2,120,327)</u>	<u>(108,835)</u>
Net General Fund Impact	<u>\$ 2,354,249</u>	<u>2,701,071</u>	<u>346,822</u>

Reasons for Increased Cost:

- Brown & Armstrong Audit Contract \$156,192
- IT Charges \$210,847
- CalPERS Increase \$37,415
- Citation Processing Fees for State \$33,079
- Liability Insurance Cost \$12,762
- **Total Increases \$450,295**

Reduction Worksheet:

- SRF Loan - Svc Credits \$40,000
- NSP2 Grant Claiming Svc Credits \$20,000
- Central Stores Buyer Svc Credits \$18,000
- Rebate of Central Stores Burden \$25,000
- **Total - \$103,000**



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Proposed FY 2011/12 Expense Budget – Non-General Fund

- Central Stores Fund – \$5,395,906
- Water Fund for Utility Billing/Cashiering – \$3,079,109
- Copier Fund – \$32,725



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Strategic Commitments

Finance Supports the Council's Strategic Commitment #3

Provide an innovative and accountable city government that embraces a standard of service excellence through adaptive leadership and responsive public service.

- **Implementation of a new ERP software package for the City's financial accounting system**
- **Preparation and audit of the City's comprehensive annual financial report**
- **Execution of a marketing strategy to capture 50% on all online paying customer for the new e-billing process**
- **Bond Refunding Strategies**



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Achievements in 2010-11

- Annual audit was completed with no material exceptions
- Department staff is coordinating with the IT Department and our implementation partner to successfully implement an ERP Project (COSMO)
- Successfully Partnered with PW and UPP on Water Rate Studies and Issues

Challenges

- Fiscal resources limited – Implementation of COSMO additional workload
- Provide a consistent high level of service with increasing workloads for existing staff
- Employee morale and wellness
- Expanding strategic partnerships

Opportunities

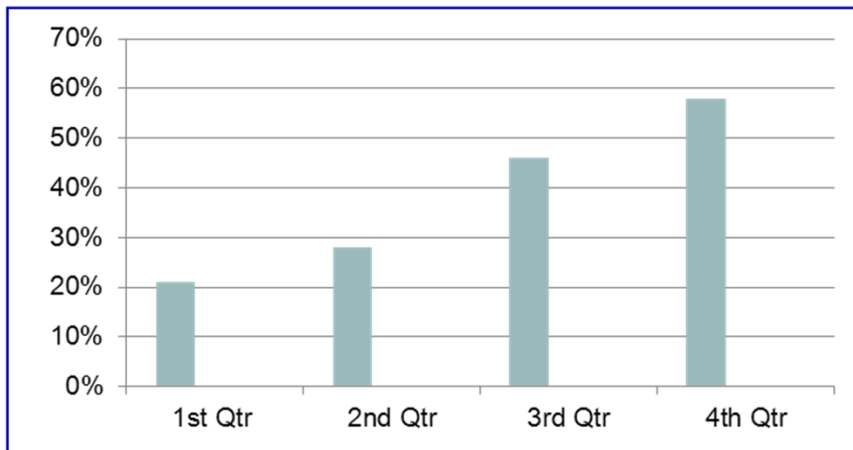
- Long-term debt restructuring
- New process efficiencies by taking advantage of COSMO technology
- Improvements and efficiencies in service delivery



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Key Performance Measures

Percentage of Online customers enrolled in e-billing – 70%
or 2762 customers as of April 30, 2011



We receive an average of 3973 online payments per month. As of September 2010, 46% of online customers have enrolled in e-billing. As of November 2010, 53% of online customers have enrolled in E-billing. As of December 2010, 58% of online customers have enrolled in E-billing.

For the 26th consecutive year, the City received the Government Finance Officers' Association (GFOA) annual award for excellence in Financial Reporting. Currently only 17% of the cities in California who currently participate in this program have received this award for over 20 consecutive years.



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- Questions?