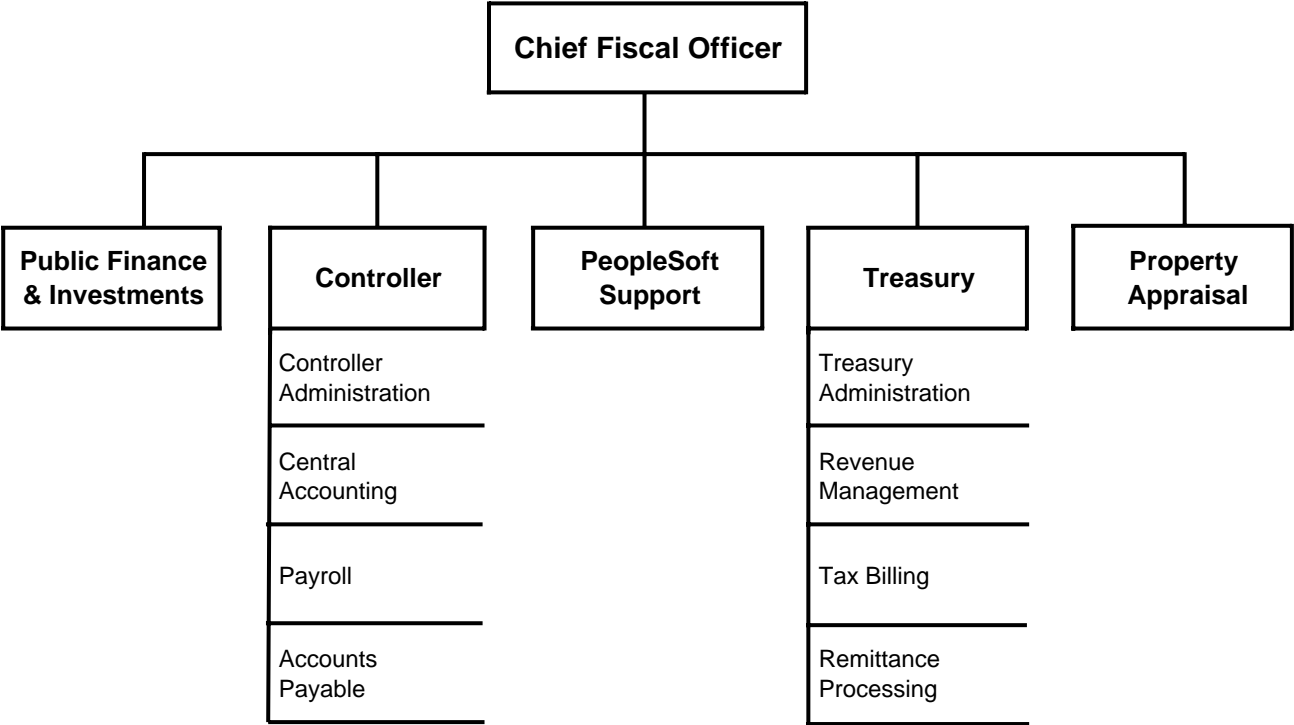

Finance



2006/2007 Proposed General Government Operating Budget

Finance

Jeffrey E. Sinz, Chief Fiscal Officer

343-6610

Description

The Department of Finance is responsible for the management and investment of Municipal funds; sale of bonds; oversight of accounting functions and coordinating the annual audit; disbursement of payments; collection of taxes, fees, fines and other revenues; and determination of property values.

The department consists of five divisions:

- **Public Finance and Investments** – manages cash and investments and bonds from pre-issuance to final maturity
- **Controller** – maintains financial records and produces the annual financial audit
- **Treasury** – manages Municipal revenues and the MOA Trust Fund
- **Property Appraisal** – determines value of real and personal taxable property
- **PeopleSoft Support** – manages financial/human resources software

2005 Highlights

- Replaced the 15-year-old database system for administering and managing the Municipality's room tax.
- Negotiated new contracts for Municipal banking services and credit card processing services. The new contracts will save more than \$120,000 a year in banking and credit card fees and will provide improved services and fraud protections.
- Successfully implemented the voter-approved residential property tax relief program, saving money for the owners of approximately 50,000 homes. The average homeowner's 2005 property tax bill was about \$300 lower than it would have been without the new residential exemption.
- The PeopleSoft Division implemented new-hire automation processes and enhanced its web-based reporting system.
- The Municipality received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for its 2003 Comprehensive Annual Financial Report.
- The Controller Division received no compliance findings in the past two years of compliance audits performed in accordance with OMB Circular A-133 and the Alaska Audit Guide and Compliance Supplement for State Single Audits.

2006-2007 Operational Goals

- Step up collection efforts for delinquent criminal fines and fees owed to the Municipality.
- Implement enhancements to document flow and allow for document imaging at the Controller Division.
- The PeopleSoft Division will review day-to-pay processes to align them with the best practices in government services, and also will look at business process re-engineering.

2006/2007 Proposed General Government Operating Budget

Finance

Resource Plan

Description	2005 Revised	2006 Proposed	2007 Proposed
<i>Financial Summary</i>			
Public Finance and Investments	\$ 341,660	\$ 485,810	\$ 510,720
Controller	2,418,220	2,563,490	2,734,830
PeopleSoft Support	1,160,390	1,327,370	1,433,030
Treasury	2,440,470	2,722,970	2,896,690
Property Appraisal	4,247,890	4,421,700	4,777,880
Operating Cost	10,608,630	11,521,340	12,353,150
Add Debt Service	-	-	-
Direct Organization Cost	10,608,630	11,521,340	12,353,150
Charges From/(To) Others	(2,226,920)	(2,878,060)	(3,052,020)
Function Cost	8,381,710	8,643,280	9,301,130
Less Program Revenues	1,916,940	2,059,650	2,174,640
Net Program Cost	\$ 6,464,770	\$ 6,583,630	\$ 7,126,490
<i>Personnel Summary</i>			
Full-Time Employees	123	123	123
Part-Time Employees	-	-	-
Temporary Employees	-	-	-
Total Employees	123	123	123
<i>Resource Costs by Category</i>			
Personal Services	\$ 9,696,450	\$ 10,422,780	\$ 11,307,260
Supplies	68,780	56,840	56,840
Other Services *	1,136,750	1,315,190	1,262,520
Depreciation & Amortization	-	-	-
Capital Outlay	22,210	76,800	76,800
Total Direct Cost	10,924,190	11,871,610	12,703,420
Less Vacancy Factor	(315,560)	(350,270)	(350,270)
Add Debt Service	-	-	\$ -
Total Direct Organization Cost	\$ 10,608,630	\$ 11,521,340	\$ 12,353,150
* Travel for this department included in the Other Services category	\$ 72,850	\$ 68,820	\$ 68,820

2006/2007 Proposed General Government Operating Plan

Finance

Reconciliation From 2005 Revised Budget to 2006/2007 Proposed Budget

	<u>Direct Costs</u>	<u>Positions</u>		
		<u>FT</u>	<u>PT</u>	<u>T</u>
2005 Revised Budget	\$ 10,608,630	123		
2005 One-Time Requirements				
- None				
Transfers (To)/From Other Agencies				
- None				
Debt Service Changes - Not Applicable				
Changes in Existing Programs for 2006				
- Salary and benefits adjustments	726,330			
Continuation Level for 2006	\$ 11,334,960	123	-	-
Transfers (To)/ From Other Agencies				
- PeopleSoft Maintenance from Information Technology Dept	100,000			
2006 Program/Funding Changes				
- Vacancy factor adjustment	(34,710)			
- Financial investment advisor contract	121,090			
2006 Proposed Budget	\$ 11,521,340	123	-	-
Changes in Existing Programs for 2007				
- Salary and benefits adjustments	884,480			
- Procurement savings	(52,670)			
2007 Proposed Budget	\$ 12,353,150	123	-	-

2006/2007 Proposed General Government Operating Budget

Finance -- Public Finance and Investments Division

Public Finance and Investments provides management of bonds from pre-issuance to final maturity and management of cash and investments to obtain maximum interest earnings consistent with safety of the principle.

Cost Categories	2005 Revised	2006 Proposed	2007 Proposed
Personal Services	\$ 298,690	\$ 321,750	\$ 347,140
Supplies	1,800	1,500	1,500
Other Services	41,170	162,560	162,080
Capital Outlay	-	-	-
Total Direct Cost	\$ 341,660	\$ 485,810	\$ 510,720

Personnel Summary	FT	PT	T	FT	PT	T	FT	PT	T
Public Finance and Investments	3	-	-	3	-	-	3	-	-
Division Total	3	-	-	3	-	-	3	-	-

2006/2007 Proposed General Government Operating Budget

Finance -- Controller Division

The Controller manages professional accounting staff to provide detailed analysis, interpretation and presentation of the Municipality's financial results and operations through financial reporting and oversight.

Cost Categories	2005 Revised	2006 Proposed	2007 Proposed
Personal Services	\$ 2,182,240	\$ 2,327,510	\$ 2,529,030
Supplies	19,300	11,700	11,700
Other Services	210,430	160,530	130,350
Capital Outlay	6,250	63,750	63,750
Total Direct Cost	\$ 2,418,220	\$ 2,563,490	\$ 2,734,830

Personnel Summary	FT	PT	T	FT	PT	T	FT	PT	T
Controller Administration	1	-	-	1	-	-	1	-	-
Central Accounting	17	-	-	17	-	-	17	-	-
Payroll	4	-	-	4	-	-	4	-	-
Accounts Payable	5	-	-	5	-	-	5	-	-
Division Total	27	-	-	27	-	-	27	-	-

Services/Program Components	2005 Revised	2006 Proposed	2007 Proposed
Controller Administration -- oversees the Controller Division and preparation of the annual audit	\$ 127,240	\$ 138,710	\$ 144,830
Central Accounting -- maintains Municipal accounting records and prepares the annual audit	1,612,260	1,577,650	1,700,990
Payroll -- issues payroll checks and maintains employee records for taxes, deductions, etc.	318,110	361,740	383,090
Accounts Payable -- processes payments for goods and services which the Municipality uses	360,610	485,390	505,920
Division Total	\$ 2,418,220	\$ 2,563,490	\$ 2,734,830

2006/2007 Proposed General Government Operating Budget

Finance -- PeopleSoft Support Division

PeopleSoft Support works with Municipal employees to utilize and refine the software used in financial and human resource records.

Cost Categories	2005 Revised	2006 Proposed	2007 Proposed
Personal Services	\$ 1,141,620	\$ 1,208,600	\$ 1,314,460
Supplies	2,000	500	500
Other Services	16,770	118,270	118,070
Capital Outlay	-	-	-
Total Direct Cost	\$ 1,160,390	\$ 1,327,370	\$ 1,433,030

Personnel Summary	FT	PT	T	FT	PT	T	FT	PT	T
PeopleSoft Support	12	-	-	12	-	-	12	-	-
Division Total	12	-	-	12	-	-	12	-	-

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Finance -- Treasury Division

The Treasury Division oversees and manages the billing, collecting and auditing of the Municipality's revenues, and monitors and reports on the MOA Trust Fund performance.

Cost Categories	2005 Revised	2006 Proposed	2007 Proposed
Personal Services	\$ 1,804,460	\$ 2,080,600	\$ 2,266,740
Supplies	19,300	19,400	19,400
Other Services	600,750	609,920	597,500
Capital Outlay	15,960	13,050	13,050
Total Direct Cost	\$ 2,440,470	\$ 2,722,970	\$ 2,896,690

Personnel Summary	FT	PT	T	FT	PT	T	FT	PT	T
Treasury Division	2	-	-	2	-	-	2	-	-
Revenue Management	19	-	-	19	-	-	19	-	-
Tax Billing	4	-	-	6	-	-	6	-	-
Remittance Processing	2	-	-	2	-	-	2	-	-
Division Total	27	-	-	29	-	-	29	-	-

Services/Program Components	2005 Revised	2006 Proposed	2007 Proposed
Treasury Administration -- monitors and reports on MOA Trust Fund	\$ 169,950	\$ 184,100	\$ 195,560
Revenue Management -- administers accounts receivable and processes payments received	1,750,590	1,852,240	1,973,340
Tax Billing -- bills, collects and manages property tax receivable; processes tax payments and requests for tax information	358,290	505,780	538,310
Remittance Processing -- processes property tax and Municipal utility payments and ensures proper posting to customer accounts.	161,640	180,850	189,480
Division Total	\$ 2,440,470	\$ 2,722,970	\$ 2,896,690

2006/2007 Proposed General Government Operating Budget

Finance -- Property Appraisal Division

Property Appraisal prepares a mass appraisal of Anchorage's personal and real taxable property annually and manages the appeals process, working with the Board of Equalization to arrive at a fair and equitable valuation.

Cost Categories	2005 Revised	2006 Proposed	2007 Proposed
Personal Services	\$ 3,953,880	\$ 4,134,050	\$ 4,499,620
Supplies	26,380	23,740	23,740
Other Services	267,630	263,910	254,520
Capital Outlay	-	-	-
Total Direct Cost	\$ 4,247,890	\$ 4,421,700	\$ 4,777,880

Personnel Summary	FT	PT	T	FT	PT	T	FT	PT	T
Property Appraisal	54	-	-	52	-	-	52	-	-
Division Total	54	-	-	52	-	-	52	-	-