

# Finance



Director	Budget	Positions
Craig Freeman	\$23,530,147	82

# DEPARTMENT INTRODUCTION

## MISSION STATEMENT

The mission of the Finance Department is to provide financial planning, management, and information services to City departments, elected officials, and the public so they can make informed decisions and have confidence in the City's financial stewardship.

## PERFORMANCE IMPACT FROM BUDGET CHANGES

In order to comply with the required budget cuts for FY18, the Finance Department proposed elimination of one vacant Procurement Buyer position in the Purchasing Program; one filled Administrative Coordinator position in the Worker's Compensation and Safety Program; and one filled Administrative Support Technician position in the Accounting Services Payroll Program. In addition, reductions were achieved by cuts to contract services and audit fees.

The duties of the Procurement Buyer have been redistributed to the remaining buyers and elimination of this position may lead to some delays in getting contracts in place and selling surplus property. Recent business improvements to processes have reduced the need for many of the duties of the Risk Management Administrative Coordinator and it is anticipated that many other tasks will become automated with the implementation of the new risk management information system and the adoption of electronic forms by the State of Oklahoma. The duties of the Payroll Administrative Support Technician will be absorbed by other staff.

The reductions achieved by cuts to contract services and fees include, first, a reduction to Treasury's independent revenue audit contract services; changes in requirements for the federally required City Single Audit; and changes in structure for the City's external audits totaling \$30,000. Secondly, Courts Department and the Utilities Department are working to eliminate the use of lockbox accounts resulting in a savings of \$33,000 in fees. Lastly, a reduction was seen with Risk Management's selection of a new provider for pharmacy services related to worker's compensation claims.

**To review additional performance information, please see the attached supplemental performance report or visit our website: [www.okc.gov/performance](http://www.okc.gov/performance).**

## Department Facts

- The City of Oklahoma City earned AAA ratings, the highest rating to receive from both S&P and Moody's, for the seventh year in a row.
- The Finance Department conducts financial management, budgeting, expending, investing, and reporting for over \$1.47 billion.
- On average, over 12,000 employee payments are processed per month.

## MAJOR BUDGET CHANGES

Finance Major Budget Changes	Amount	Positions
1. Changes in personnel related costs, such as salaries, merit, retirement, health insurance other benefits	\$178,388	-
2. Deleted one-vacant Procurement Buyer position in the Purchasing Program	(\$68,681)	(1.00)
3. Deleted one-filled Administrative Coordinator position in the Worker's Compensation & Safety Program	(\$77,610)	(1.00)
4. Deleted one-filled Administrative Support Technician in the Accounting Services Payroll Program	(\$64,065)	(1.00)
5. Reduced contractual services and auditing fees for the independent revenue audit, the City's external audit, and lockbox fees	(\$113,000)	-
6. Reduced Risk Management Contract expenses related to pharmacy services for workers' compensation claims	(\$140,000)	-

## EXPENDITURES

Summary of Expenditures by Purpose	FY16 Actual	FY17 Adopted Budget	FY18 Adopted Budget	Percent Change
<b>Operating Expenditures</b>				
Administration	\$1,996,292	\$2,029,286	\$1,953,729	-3.72%
Accounting & Financial Reporting	2,602,587	2,851,210	2,813,596	-1.32%
Financial Planning & Management	1,402,120	1,326,345	1,373,012	3.52%
Purchasing & Payment Processing	1,442,619	1,497,612	1,436,684	-4.07%
Revenue Management	2,415,457	1,487,095	1,447,858	-2.64%
Risk Management	16,029,160	14,362,178	14,337,044	-0.18%
<b>Total Operating Expenditures</b>	<b>\$25,888,235</b>	<b>\$23,553,726</b>	<b>\$23,361,923</b>	<b>-0.81%</b>
<b>Non-Operating Expenditures</b>				
Grants Management Fund	(\$185,662)	\$0	\$0	N/A
Capital Expenditures	277,117	632,388	168,224	-73.40%
<b>Total Operating Expenditures</b>	<b>\$91,455</b>	<b>\$632,388</b>	<b>\$168,224</b>	<b>-73.40%</b>
<b>Department Total</b>	<b>\$25,979,690</b>	<b>\$24,186,114</b>	<b>\$23,530,147</b>	<b>-2.71%</b>

Summary of Expenditures by Funding Source	FY16 Actual	FY17 Adopted Budget	FY18 Adopted Budget	Percent Change
General Fund	\$9,041,144	\$8,341,985	\$8,180,916	-1.93%
Capital Improvement Projects Fund	277,117	632,388	168,224	-73.40%
Grants Management Fund	(185,662)	0	0	N/A
Risk Mgmt. Internal Service Fund	16,847,091	15,211,741	15,181,007	-0.20%
<b>Total All Funds</b>	<b>\$25,979,690</b>	<b>\$24,186,114</b>	<b>\$23,530,147</b>	<b>-2.71%</b>

# POSITIONS

Summary of Positions by Purpose	FY16 Actual	FY17 Adopted Budget	FY18 Adopted Budget	Percent Change
Administration	2.50	2.50	2.50	0.00%
Accounting & Financial Reporting	30.00	29.00	28.00	-3.45%
Financial Planning & Management	15.50	13.50	13.50	0.00%
Purchasing and Payment Processing	18.00	18.00	17.00	-5.56%
Revenue Management	12.00	11.00	11.00	0.00%
Risk Management	12.00	11.00	10.00	-9.09%
<b>Department Total</b>	<b>90.00</b>	<b>85.00</b>	<b>82.00</b>	<b>-3.53%</b>

Summary of Positions by Funding Source	FY16 Actual	FY17 Adopted Budget	FY18 Adopted Budget	Percent Change
General Fund	78.00	74.00	72.00	-2.70%
Risk Mgmt. Internal Service Fund	12.00	11.00	10.00	-9.09%
<b>Total All Funds</b>	<b>90.00</b>	<b>85.00</b>	<b>82.00</b>	<b>-3.53%</b>

## FINANCE LINES OF BUSINESS

### ADMINISTRATION

- **The Executive Leadership Program** provides planning, management, administrative and reporting services to department employees and City leaders so they can achieve strategic goals and key results.

#### Administration Positions and Budget

Program	FY16		FY17		FY18	
	Adopted Positions	Actual Expenses	Adopted Positions	Adopted Budget	Adopted Positions	Adopted Budget
Executive Leadership	2.50	1,996,292	2.50	2,029,286	2.50	1,953,729
<b>Line of Business Total</b>	<b>2.50</b>	<b>\$1,996,292</b>	<b>2.50</b>	<b>\$2,029,286</b>	<b>2.50</b>	<b>\$1,953,729</b>

### ACCOUNTING AND FINANCIAL REPORTING

- **The Accounting Systems Program** provides systems infrastructure to City departments and public trusts so they can accurately record transactions and access reliable information.
- **The Financial Reporting Program** provides timely and accurate accounting, reporting and financial guidance services to City departments, City leadership, public trusts, investors and regulatory agencies, and the public so they can make well informed decisions.
- **The Payroll Program** provides payroll services to employees, vendors and City departments so they can receive timely and accurate compensation and information.

#### Accounting and Financial Reporting Positions and Budget

Program	FY16		FY17		FY18	
	Adopted Positions	Actual Expenses	Adopted Positions	Adopted Budget	Adopted Positions	Adopted Budget
Accounting Systems	5.25	\$502,443	5.25	\$445,371	5.25	\$454,134
Financial Reporting	18.75	1,663,050	17.75	1,929,389	17.75	1,936,165
Payroll	6.00	437,094	6.00	476,450	5.00	423,297
<b>Line of Business Total</b>	<b>30.00</b>	<b>\$2,602,587</b>	<b>29.00</b>	<b>\$2,851,210</b>	<b>28.00</b>	<b>\$2,813,596</b>

## FINANCIAL PLANNING AND MANAGEMENT

- **The Debt Management Program** provides financing and debt compliance services to City departments, City leadership, and the public so they can effectively and efficiently fund capital projects.
- **The Energy Management Program** provides comprehensive utility bill management services and technical and financial support for energy efficiency projects to City departments and City leadership so they can effectively manage their resources, reduce energy consumption and implement practices that are sustainable.
- **The Management and Budget Program** provides financial planning, reporting and management services to City departments, City leadership, and the public so they can make informed decisions that promote financial stability.
- **The Performance Management Program** provides strategic business planning and reporting services to City departments, City leadership, and the public so they can make informed decisions about City operations.

### **Financial Planning and Management Positions and Budget**

Program	FY16		FY17		FY18	
	Adopted Positions	Actual Expenses	Adopted Positions	Adopted Budget	Adopted Positions	Adopted Budget
Debt Management	2.00	\$206,900	2.00	\$216,650	2.00	\$247,015
Energy Management	2.00	193,280	2.00	201,912	2.00	208,172
Management and Budget	7.70	676,578	6.30	606,064	6.60	639,927
Performance Management	3.80	325,362	3.20	301,719	2.90	277,898
<b>Line of Business Total</b>	<b>15.50</b>	<b>\$1,402,120</b>	<b>13.50</b>	<b>\$1,326,345</b>	<b>13.50</b>	<b>\$1,373,012</b>

## PURCHASING AND PAYMENT PROCESSING

- **The Payment Processing Program** provides payments to vendors so they can receive timely and accurate compensation for goods and services in compliance with applicable laws and regulations.
- **The Purchasing Program** provides management of responsive and efficient purchasing, contracting, and surplus services to City departments and public trusts so they can receive timely approvals to efficiently purchase the goods and services they need in compliance with applicable laws and regulations.

### Purchasing and Payment Processing Positions and Budget

Program	FY16		FY17		FY18	
	Adopted Positions	Actual Expenses	Adopted Positions	Adopted Budget	Adopted Positions	Adopted Budget
Payment Processing	9.40	\$752,963	9.40	\$752,433	9.40	\$741,102
Purchasing	8.60	689,657	8.60	745,179	7.60	695,582
<b>Line of Business Total</b>	<b>18.00</b>	<b>\$1,442,619</b>	<b>18.00</b>	<b>\$1,497,612</b>	<b>17.00</b>	<b>\$1,436,684</b>

## REVENUE MANAGEMENT

- **The Revenue Enforcement Program** provides revenue enforcement and reporting services to the City, public trusts and outside agencies so they can have the revenues due to them in a timely manner.
- **The Treasury Program** provides secure and convenient banking, investment, billing, and revenue recording services to City departments, assessment districts, and public trusts so they can provide convenient financial transaction services to their customers and obtain a market rate of return on invested funds.

### Revenue Management Positions and Budget

Program	FY16		FY17		FY18	
	Adopted Positions	Actual Expenses	Adopted Positions	Adopted Budget	Adopted Positions	Adopted Budget
Revenue Enforcement	7.45	\$697,841	6.60	\$652,292	6.60	\$672,368
Treasury	4.55	1,717,616	4.40	834,803	4.40	775,490
<b>Line of Business Total</b>	<b>12.00</b>	<b>\$2,415,457</b>	<b>11.00</b>	<b>\$1,487,095</b>	<b>11.00</b>	<b>\$1,447,858</b>



## RISK MANAGEMENT

- **The Insurance Program** provides property and casualty insurance administration services to City departments and public trusts so they can be protected against extreme financial and operational losses.
- **The Workplace Safety and Workers' Compensation Program** provides incident/injury prevention and claims management services to City departments, public trusts and their employees so they can reduce workplace injuries and related costs.

### **Risk Management Positions and Budget**

Program	FY16		FY17		FY18	
	Adopted Positions	Actual Expenses	Adopted Positions	Adopted Budget	Adopted Positions	Adopted Budget
Insurance	0.40	\$2,732,350	0.40	\$2,794,333	1.40	\$2,841,580
Workplace Safety and Workers' Compensation	11.60	13,296,810	10.60	11,567,845	8.60	11,495,464
<b>Line of Business Total</b>	<b>12.00</b>	<b>\$16,029,160</b>	<b>11.00</b>	<b>\$14,362,178</b>	<b>10.00</b>	<b>\$14,337,044</b>



The City of  
**OKLAHOMA CITY**