

## DEPARTMENTAL BUDGET INFORMATION FINANCE DEPARTMENT (23)

### STATEMENT OF PURPOSE

The Finance Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

In that light, the Finance Department is responsible for maintaining the City's financial solvency, providing finance-based services to City departments and facilitating economic growth in Detroit through the effective and efficient management of resources and processes that provide essential services, a safer environment and an improved business climate for the City's public and private sector customers.

### DESCRIPTION

The Finance Department's principal responsibilities focus upon safeguarding the City's financial position by maximizing revenues, controlling expenditures, managing risk exposure, monitoring debt parameters and reporting financial information.

The Finance Department is comprised of various divisions. The **Administrative** Division sets and maintains policies and procedures to be used throughout the Department. The **Office of Targeted Business Development** (OTBD) facilitates, and encourages startup growth of Detroit-headquartered businesses, and Detroit-based small businesses. The **Assessments, Treasury and Income Tax** Divisions are responsible for property valuation and for collecting property taxes, income taxes and utility users taxes owed to the City. The **Accounts** Division is responsible for

maintaining accounting controls, the pre-audit of expenditures, and processing all payments including payrolls. The **Purchasing** Division is responsible for the processing of City purchase orders and contracts. The **Risk Management** unit protects the assets and earning power of the City from loss or destruction and is responsible for maintaining the self-insurance Risk Management Fund, and this unit administers various safety programs. The **Debt Management** unit of Treasury is responsible for financing the City's capital needs and those of quasi-public agencies, and for investing all City funds, excluding Pensions funds. This division also administers the City's deferred compensation plan. The **Pension** Division is responsible for the administration of the employee pension and retirement systems.

### MAJOR INITIATIVES FOR FY 2006-07

The Finance Department will add staff to the Treasury Division to increase revenue collection for the City of Detroit, and will consolidate debt management and disbursement activities under the Treasury division. The Purchasing Division will consolidate contracts that are similar in nature. The Assessments Division will continue to implement the Mayor's Neighborhood Enterprise Zone (NEZ)-Homestead Program. The Treasury Division will install an Interactive Voice Response (IVR) Information/Call Sequencer System. The Accounts Division will continue to upgrade the City's Human Resources/Payroll System, work with appropriate banking institutions to implement electronic processing of vendor payments, and implement an ergonomic study of the job classifications causing the

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greatest amount of workers compensation costs in order to identify unsafe working practices/policies for a greater reduction of worker's compensation costs.

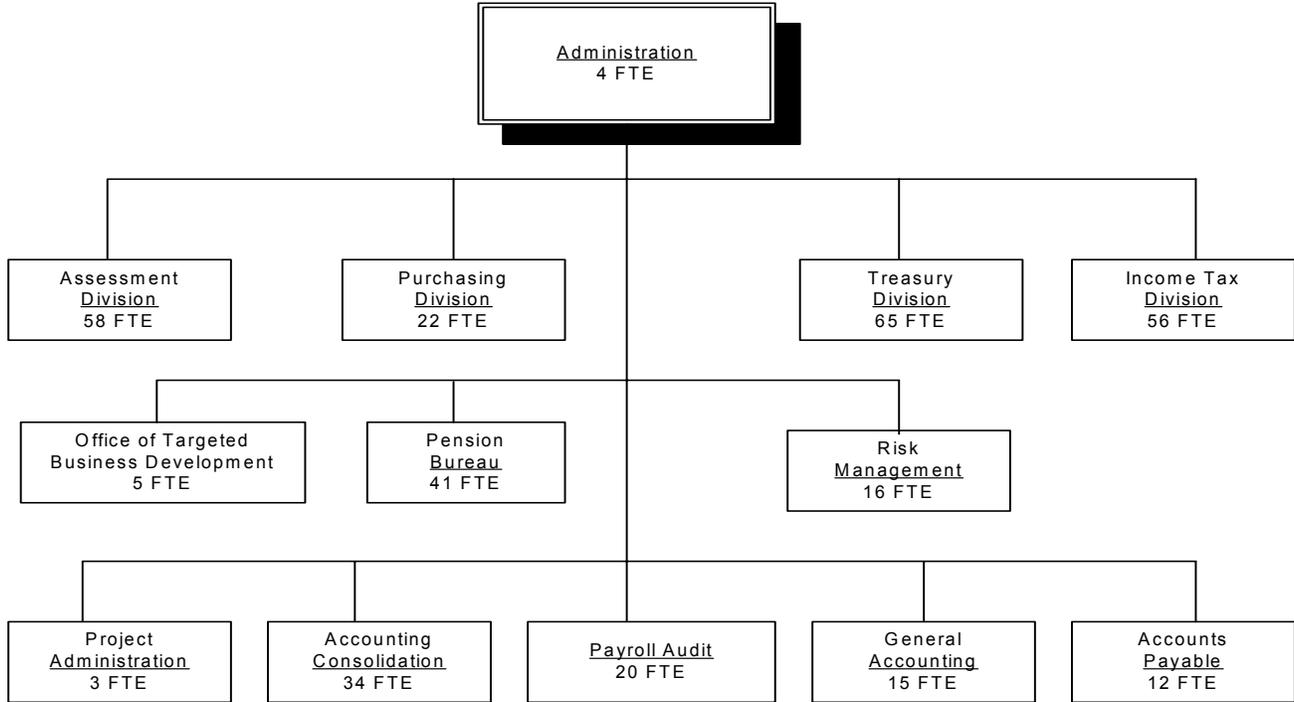
**PLANNING FOR THE FUTURE FOR  
FY 2007-08, FY 2008-09 and BEYOND**

The Finance Department role in the Next Detroit Neighborhood Initiative (NDNI) will transform the city's neighborhoods into vibrant areas for its citizens to work, play, and live and provide support services for vendor payments, property tax information, and other financial services to assist the NDNI in establishing the proposed neighborhoods in development.

The Finance Department plans to continue to provide online tax preparation and electronic filing for City of Detroit income

taxes and will also continue procedures to reduce the number of purchases processed through imprest (petty cash) accounts. The Office of Targeted Business Development will continue to provide NxLevel Classes for Detroit- based businesses and increase the level of Detroit- based entrepreneurs (DBE) participation in contracting services with the City of Detroit as well as other government agencies and private-sector companies. The Assessments Division will continue the expansion of NEZ and other Special Abatement Programs. The Treasury Division will implement an online payment date and access system for property taxes and Accounts Receivable.

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**PERFORMANCE MEASURES AND TARGETS**

<b>Type of Performance Measure:</b> List of Measures	<b>2005-06 Actual</b>	<b>2006-07 Projection</b>	<b>2007-08 Target</b>
<b>Outputs: Units of Activity directed toward Goals</b>			
Contracts Processed	750	765	775
Personal property audits	1,200	1,300	1,300
Refund paid (checks issued)	154,449	220,000	150,000
Vendor Payments Processed	169,781	175,000	175,000

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**EXPENDITURES**

	2005-06 Actual Expense	2006-07 Redbook	2007-08 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 15,206,797	\$ 14,361,902	\$ 15,928,201	\$ 1,566,299	11%
Employee Benefits	9,469,854	10,523,078	10,628,306	105,228	1%
Prof/Contractual	2,305,977	3,705,618	3,953,749	248,131	7%
Operating Supplies	288,941	540,216	539,859	(357)	0%
Operating Services	3,346,318	4,280,497	5,610,842	1,330,345	31%
Capital Equipment	52,046	21,381	21,500	119	1%
Capital Outlays	696	0	0	0	0%
Fixed Charges	325,988	153,241	45,683	(107,558)	-70%
Other Expenses	171,583	448,002	307,770	(140,232)	-31%
<b>TOTAL</b>	<b>\$ 31,168,200</b>	<b>\$ 34,033,935</b>	<b>\$ 37,035,910</b>	<b>\$ 3,001,975</b>	<b>9%</b>
<b>POSITIONS</b>	<b>304</b>	<b>333</b>	<b>351</b>	<b>18</b>	<b>5%</b>

**REVENUES**

	2005-06 Actual Revenue	2006-07 Redbook	2007-08 Mayor's Budget Rec	Variance	Variance Percent
Fines/Forfeits	33,167	33,220	33,220	0	0%
Grants/Shared	589,516	0	0	0	0%
Sales & Charges	3,463,353	6,995,776	9,721,847	2,726,071	39%
Sales of Assets	1,208	0	0	0	0%
Miscellaneous	75,404	0	0	0	0%
<b>TOTAL</b>	<b>\$ 4,162,648</b>	<b>\$ 7,028,996</b>	<b>\$ 9,755,067</b>	<b>\$ 2,726,071</b>	<b>39%</b>