

DEPARTMENTAL BUDGET INFORMATION FINANCE DEPARTMENT (23)

STATEMENT OF PURPOSE

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, Detroit-based/women-owned businesses, Detroit-based/minority-owned 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 and Disbursements** unit is responsible for financing the City's capital needs and those of quasi-public agencies, and for investing all City funds, excluding Pension 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 2008-09

The Purchasing Division will provide training to city departments on the DRMS/Oracle Purchasing module and monitor compliance with various ordinances. The Assessments Division will re-evaluate land values in the residential and industrial class (the last valuation was twenty years ago). 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 the Human Resources Department to complete the implementation of the new front-end time capture system known as Workbrain, and continue to reorganize the General Accounting Division to improve accounting and financial reporting including timely completion of audits.

PLANNING FOR THE FUTURE FOR FY 2009-10, FY 2010-11 and BEYOND

The Finance Department plans to improve the City's ability to bill and collect its account receivables. The Office of Targeted Business Development will continue to

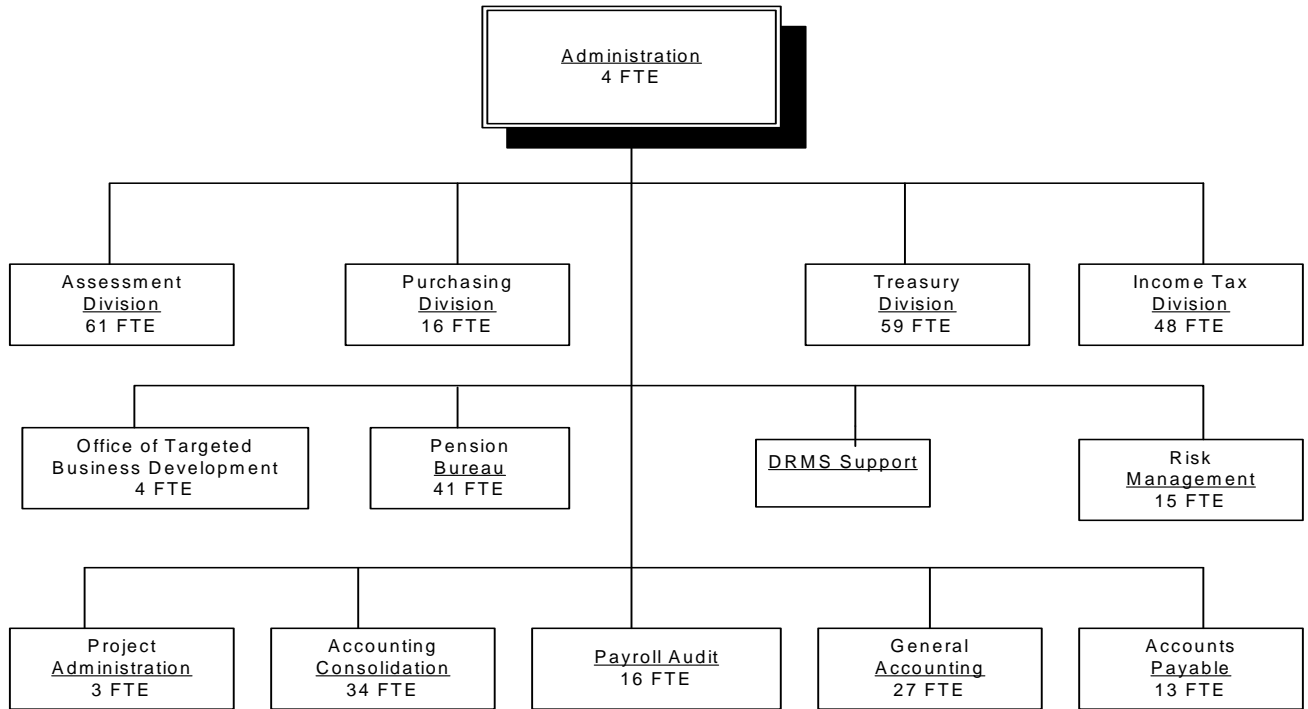
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provide appropriate training classes for Detroit- based businesses and increase the level of Detroit- based entrepreneurs (DBE) participation in contracting services with the City of Detroit as well as other government agencies and private-sector companies. The Assessments Division will enhance Internet services with building data, photographs and sketches. The Treasury Division will implement an online payment date and access system for property taxes and Accounts Receivables.

The Income Tax Division will continue specialized compliance with the Internal Revenue Service and administer electronic tax filing. The Pension Division will advance the implementation of the new Defined Contribution Plan for its members.

In FY 2009-10, a Grants Management unit is proposed as well.

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PERFORMANCE MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2007-08 Actual	2008-09 Projection	2009-10 Target
Outputs: Units of Activity directed toward Goals			
Contracts Processed	800	850	900
Personal property audits	1,300	1,300	1,500
Refunds paid (checks issued)	194,233	140,000	140,000
Vendor Payments Processed	175,000	175,000	175,000

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EXPENDITURES

	2007-08 Actual Expense	2008-09 Redbook	2009-10 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 15,732,801	\$ 17,872,861	\$ 16,456,500	\$ (1,416,361)	-8%
Employee Benefits	10,502,035	11,293,873	11,399,713	105,840	1%
Prof/Contractual	2,704,855	6,048,289	7,985,805	1,937,516	32%
Operating Supplies	230,812	524,055	455,068	(68,987)	-13%
Operating Services	3,242,435	4,839,233	4,223,898	(615,335)	-13%
Capital Equipment	14,833	178,289	161,980	(16,309)	-9%
Fixed Charges	25,160	43,360	1,039,783	996,423	2298%
Other Expenses	238,893	312,000	340,030	28,030	9%
TOTAL	\$ 32,691,824	\$ 41,111,960	\$ 42,062,777	\$ 950,817	2%
POSITIONS	330	365	344	(21)	-6%

REVENUES

	2007-08 Actual Revenue	2008-09 Redbook	2009-10 Mayor's Budget Rec	Variance	Variance Percent
Fines/Forfeits	26,418	33,220	33,220	-	0%
Revenues	20	-	-	-	0%
Sales & Charges	16,092,638	8,704,025	8,887,347	183,322	2%
Sales of Assets	60	-	-	-	0%
Miscellaneous	4,608,115	1,653,392	1,653,392	-	0%
TOTAL	\$ 20,727,251	\$ 10,390,637	\$ 10,573,959	\$ 183,322	2%

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