

FINANCE

Mission Statement

The Finance Division's mission is to provide fiscal leadership, integrity, and superior financial services through prudent and efficient management of the City's financial affairs.

Organization Structure



Services

The City's Financial Division is committed to the preparation and maintenance of timely, accurate, and cost-effective accounting records and financial reports. Our core responsibilities include disbursement of payments to employees/retirees, vendors, contractors, and others, procurement of materials, products, and construction services. We emphasize a service-oriented, team approach to providing financial information, systems, and policies to develop, manage, and defend the operating and capital budgets. Our fiduciary expertise supports the City's performance-based budgeting and accountability initiative; investment of the City's cash and pension funds; debt management; and effective management of tax and other revenue collections.

Operating Budget

Category:	FY20	FY21	FY21	FY22
Actual	Adopted	Forecast	Adopted	
Expenditures				
Personnel Services	\$15,617,931	\$8,268,154	\$19,882,885	\$8,265,788
Materials and Supplies	2,433,741	2,132,162	2,523,297	2,214,645
Capital Outlay	5,107	0	5,106	10,000
Grants and Subsidies	7,309,095	3,309,300	3,514,611	3,309,300
Misc. Expense	0	0	959,767	0
Total Expenditures	\$25,365,874	\$13,709,616	\$26,885,666	\$13,799,733
Total Revenues	\$3,352,360	\$48,000	\$79,723	\$48,000
Net Expenditures	\$22,013,514	\$13,661,616	\$26,805,943	\$13,751,733
Authorized Complement				113

Performance Highlights

Awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 43rd straight year

Earned the GFOA Distinguished Budget Presentation Award for the 22nd consecutive year

Maintained ratings of Aa2, AA and AA from Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings, Inc., respectively

Issues & Trends

The Finance Division continues to encourage a culture of excellence by refining the internal division processes that will lead to effective, efficient, and responsive services. In this time of COVID-19 the Finance Division is adapting its service delivery model to reflect the new normal caused by the pandemic.

Issues & Trends *(continued)*

The Finance Division funding for FY22 provides for continued progress toward the implementation of a new treasury system in calendar year 2022. In the areas of Accounts Payable, Payroll, and Council Record: the timely payment to vendors, payroll service to the almost 15,000 customers (active and retired employees), and the continued transitioning to move archived data to the website are priorities.

Key Performance Indicators

Performance Indicator	FY20 Actual	FY21 Goal	FY21 Actual*	FY22 Goal	Category
FINANCIAL MANAGEMENT					
Unassigned fund balance is at least 10% of General Fund Expenditures	100%	100%	100%	100%	Government
% of time monthly financial reporting Completed by the 10th day of the following month	100%	100%	100%	100%	Government
% of all accurately submitted vendor payments processed within 5 business days	65%	95%	75%	100%	Government
PURCHASING					
% of regular purchase orders completed within 30 days	95%	95%	95%	95%	Government
% of construction requisitions completed within 120 days	95%	95%	95%	95%	Government
BUDGET OFFICE					
% of budget to actual variance reports completed within 10 business days after period closing	91%	95%	75%	90%	Government
Complete 1st and 2nd quarter Actuals within 45 days of quarterly closing	100%	95%	100%	100%	Government
DEBT MANAGEMENT					
Maintain the City's Bond rating at or above Moody: Aa2, S&P: AA	Moody: Aa2 S&P: AA	Moody: Aa2 S&P: AA	Moody: Aa2 S&P: AA	Moody: Aa2 S&P: AA	Government
Annual rate of return on investments (comparable to 3-month treasury bill rate)	100%	100%	100%	100%	Government
EQUAL BUSINESS OPPORTUNITY AND DEVELOPMENT					
% of contracts monitored for compliance	1,500	1,500	1,500	1,500	Government
% of City of Memphis spending with MWBE vendors	21.00%	21.00%	23.92%	24.00%	Government
BUSINESS DEVELOPMENT CENTER					
# of outreach events for MWBE vendors completed annually	50	50	72	50	Economy
# of certified MWBE vendors registered with the City of Memphis	600	500	574	500	Economy

Finance • Division Detail

<u>Category:</u>	FY20	FY21	FY21	FY22
<u>Expenditures</u>	Actual	Adopted	Forecast	Adopted
Personnel Services				
Full-Time Salaries	\$5,058,835	\$6,890,510	\$6,358,707	\$7,075,003
Holiday Salary Full Time	247,679	0	0	0
Vacation Leave	228,715	0	0	0
Bonus Leave	68,528	0	0	0
Sick Leave	192,215	0	0	0
FFCRA Regular	0	0	329,930	0
FFCRA Part Time	660	0	76,017	0
COVID-19 Hazard	4,044,460	0	9,444,598	0
COVID-19 OJI	0	0	2,095,748	0
OT Straight Retro	0	0	518	0
Vacation Day Paid	4,701,807	0	47,449	0
Overtime	7,078	5,000	2,576	5,000
Out of Rank Pay	17,235	0	10,457	0
Longevity Pay	59	0	0	0
PTO Final Pay	84,623	15,000	307,116	15,000
Pension	303,801	412,569	309,145	349,178
Social Security	18,131	0	17,295	0
Pension ADC Funding	554,208	713,860	713,860	564,094
Group Life Insurance	13,432	19,551	20,631	16,792
Unemployment	7,440	8,240	8,240	6,800
Medicare	87,164	99,861	99,861	90,922
Long Term Disability	20,271	19,803	19,803	16,266
Health Insurance - Choice Plan	385,210	408,468	408,468	392,100
Health Insurance - Select Plan	237,727	286,416	291,253	236,760
Salaries - Part Time/Temporary	286,399	345,088	266,735	454,877
On the Job Injury	921	4,260	2,445	4,260
Benefits Adjustments	0	21,568	0	20,776
Bonus Pay	750	1,000	1,450	1,000
Expense Recovery - Personnel	(949,417)	(983,040)	(949,417)	(983,040)
Total Personnel Services	\$15,617,931	\$8,268,154	\$19,882,885	\$8,265,788
Materials & Supplies				
City Hall Printing	\$1,586	\$0	\$5,178	\$0
City Storeroom Supplies	415	0	0	0

Finance • Division Detail *(continued)*

<u>Category:</u>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
City Shop Charges	\$0	\$0	\$2,070	\$0
City Shop Fuel	0	676	0	0
Outside Computer Services	0	1,000	0	1,000
City Computer Svc Equipment	81,685	28,900	35,053	28,900
Pers Computer Software	0	12,200	8,802	12,200
Printing - Outside	43,981	49,200	82,829	49,200
Supplies - Outside	120,358	150,000	87,752	150,000
Food Expense	2,980	0	0	0
Document Reproduction - Outside	0	2,000	507	2,000
Clothing	155	0	0	0
Drafting/Photo Supplies	0	250	255	250
Outside Postage	116,253	109,400	142,839	109,400
Materials and Supplies	28,744	39,000	57,145	39,000
Miscellaneous Expense	3,868	7,850	9,607	7,850
Internal Repairs and Maintenance	0	1,000	1,143	1,000
Legal Services/Court Cost	0	5,000	2,000	5,000
Advertising/Publication Outside	150,777	209,782	173,134	209,782
Phone/Communications	14,788	15,450	28,851	15,450
Security	23,660	33,500	22,822	33,500
Weed Control/Chemical Service	348	0	0	0
Seminars/Training/Education	42,863	60,000	34,368	60,000
Misc. Professional Services	1,515,881	1,152,247	1,500,000	1,225,747
Travel Expense	29,629	60,000	12,190	60,000
Unreported Travel	-200	0	0	0
Relocation Expense	4,589	0	0	0
Mileage	592	1,500	342	1,500
Utilities	18,295	10,000	381	10,000
Insurance	28,985	29,574	29,574	39,233
Claims	3,135	0	0	0
Lawsuits	0	1,000	1,038	1,000
Dues/Memberships/Periodicals	5,325	18,933	14,874	18,933
Rent	166,305	169,000	171,695	169,000
Misc. Services and Charges	85,604	64,700	98,948	64,700
We Mean Business	-56,420	0	0	0
Expense Recovery - M & S	(440)	(100,000)	(100)	(100,000)
Total Materials and Supplies	\$2,433,741	\$2,132,162	\$2,523,297	\$2,214,645

Finance Division Detail *(continued)*

<u>Category:</u>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
Capital Outlay				
Office Machines	\$1,277	\$0	\$0	\$0
Equipment	3,830	0	5,106	10,000
Total Capital Outlay	\$5,107	\$0	\$5,106	\$10,000
Grants and Subsidies				
Payment to Sub grantees	\$1,049,012	\$0	\$202,720	\$0
Planning & Development	1,500,000	1,500,000	1,500,000	1,500,000
RBC Training/Certification Program	4,000	4,650	4,749	4,650
EDGE	3,558,590	0	0	0
Tax Receivable Sale Vendor	1,196,751	1,800,000	1,800,000	1,800,000
Contr Assist Prog/Bonding	742	4,650	7,142	4,650
Total Grants and Subsidies	\$7,309,095	\$3,309,300	\$3,514,611	\$3,309,300
Misc. Expense				
Prior Year Expense	\$0	\$0	\$959,767	\$0
Total Misc. Expense	\$0	\$0	\$959,767	\$0
Total Expenditures	\$25,365,874	\$13,709,616	\$26,885,666	\$13,799,733
<u>Revenue</u>				
Local Taxes				
Tourism Development Zone				
Local Sales	\$2,919,818	\$0	\$14,236	\$0
Total Local Taxes	\$2,919,818	\$0	\$14,236	\$0
Other Revenues				
Rezoning Ordinance				
Publication Fees	\$2,995	\$3,000	\$6,667	\$3,000
Miscellaneous Income	16,575	0	13,820	0
Donated Revenue	373,863	45,000	45,000	45,000
Recovery of Prior Year Expense	39,109	0	0	0
Total Other Revenues	\$432,542	\$48,000	\$65,487	\$48,000
Total Revenues	\$3,352,360	\$48,000	\$79,723	\$48,000
Net Expenditures	\$22,013,514	\$13,661,616	\$26,805,943	\$13,751,733

Administration

The Finance Administration provides leadership and direction to all Finance Division service centers and coordinates all financial functions of the City. Finance also ensures that all contracts and/ or subcontractors, that are awarded City-funded projects, are following, and adhering to the Prevailing Wage Ordinance adopted by the City, which is now a part of City Engineering.

Operating Budget

<i>Category:</i>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$9,391,156	\$636,684	\$12,722,625	\$439,286
Materials and Supplies	157,631	170,850	300,226	178,169
Payment to Sub grantees	1,049,012	0	0	0
Capital Outlay	0	0	0	10,000
Total Expenditures	\$10,597,799	\$807,534	\$13,022,851	\$627,455
Total Revenues	\$0	\$0	\$45,000	\$0
Net Expenditures	\$10,597,799	\$807,534	\$12,977,851	\$627,455
Authorized Complement				4

Financial Management

This legal level includes Financial Accounting - Governmental Activities, Financial Accounting-Operational Activities, Accounts Payable, Payroll, Records Management, and the Office of Grants Compliance service centers. The overall goal of the Financial Management legal level is to ensure the integrity of the City's financial information by preparing and maintaining accurate accounting records, providing timely and accurate financial reports to City Divisions, management and staff, and preparing the Comprehensive Annual Comprehensive Financial Report (ACFR) following Generally Accepted Accounting Principles (GAAP) and legal requirements. Additional responsibilities include ensuring that agendas and minutes of City Council meetings are prepared and retained, and ordinances are published by following legal requirements (Records Management), and examining grant program and funding compliance with federal, state, and private requirements (Office of Grants Compliance).

Operating Budget

Category:	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$2,252,045	\$2,824,220	\$2,433,524	\$2,905,583
Materials and Supplies	363,877	255,047	328,760	256,947
Capital Outlay	5,107	0	5,106	0
Total Expenditures	\$2,621,029	\$3,079,267	\$2,767,390	\$3,162,530
Total Revenues	\$2,995	\$3,000	\$6,667	\$3,000
Net Expenditures	\$2,618,034	\$3,076,267	\$2,760,723	\$3,159,530
Authorized Complement				40

Procurement

The Procurement Department serves the public by delivering reliable, responsive, and high-quality procurement and contracting services to the Citizens of the City of Memphis. The Procurement Department at adhere to the procurement laws of the State of Tennessee and the City Charter by implementing a fair and transparent procurement process while engaging local businesses and maximizing purchasing value by applying the best procurement practices.

Operating Budget

<i>Category:</i>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$691,434	\$924,964	\$938,611	\$1,018,969
Materials and Supplies	493,764	366,082	249,546	366,082
Total Expenditures	\$1,185,198	\$1,291,046	\$1,188,157	\$1,385,051
Net Expenditures	\$1,185,198	\$1,291,046	\$1,188,157	\$1,385,051
Authorized Complement				13

Budget Office

The Budget Office seeks to maximize city resources by identifying cost-saving measures, monitoring financial trends, assisting divisions in developing their budgets, and evaluating budget performance throughout the year. In addition, the Budget Office publishes the City's Annual Operating Budget, which play a vital role in communicating to the citizens of Memphis the uses of their tax dollars.

Operating Budget

<u>Category:</u>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$504,078	\$478,676	\$473,570	\$489,522
Materials and Supplies	49,388	77,036	118,969	76,800
Total Expenditures	\$553,466	\$555,712	\$592,539	\$566,322
Net Expenditures	\$553,466	\$555,712	\$592,539	\$566,322
Authorized Complement				6

Debt Management

Debt Management operates under three major functions: (1) Market Management includes maintaining communications with bond rating agencies, developing, and managing relationships with other municipal bond market participants, and monitoring the municipal bond market to ensure the City is kept abreast of events that may impact the City's debt or its access to capital markets. (2) Debt Issuance involves managing the issuance of the bonds, notes, and leases. (3) Debt Administration manages the timely payment of principal and interest on the City's outstanding debt and ensures the City's disclosure obligations are filed timely.

Operating Budget

<u>Category:</u>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$153,219	\$204,651	(\$39,396)	\$192,805
Materials and Supplies	23,698	31,650	19,682	31,650
Total Expenditures	\$176,917	\$236,301	(19,714)	\$224,455
Net Expenditures	\$176,917	\$236,301	\$19,714	\$224,455
Authorized Complement				5

City Treasurer

The City Treasurer maximizes tax and other miscellaneous revenue collections while providing effective and responsive customer service to the citizens of Memphis in all Treasury-related operations with optimal use of resources.

Operating Budget

Category:	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$1,087,247	\$1,222,710	\$1,483,299	\$1,203,512
Materials and Supplies	333,929	373,100	360,279	446,600
Grants and Subsidies	4,755,341	1,800,000	1,802,272	1,800,000
Misc. Expense	0	0	959,767	0
Total Expenditures	\$6,176,517	\$3,395,810	\$4,605,617	\$3,450,112
Total Revenues	\$2,958,927	\$0	\$14,236	\$0
Net Expenditures	\$3,217,590	\$3,395,810	\$4,591,381	\$3,450,112
Authorized Complement				18

Office of Financial & Strategic Planning

The Office of Financial and Strategic Planning monitors and evaluates existing revenue trends and the development of new revenue enhancement opportunities while supporting the development of strategic financial goals. This office also prepares and monitors the Capital Improvement Budget (CIP).

Operating Budget

<i>Category:</i>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$132,377	\$223,302	\$246,988	\$219,011
Materials and Supplies	80,791	100,500	37,737	100,500
Total Expenditures	\$213,168	\$323,802	\$284,725	\$319,511
Net Expenditures	\$213,168	\$323,802	\$284,725	\$319,511
Authorized Complement				2

Equal Business Opportunity & Development Program

The Office of Equal Business Opportunity & Development Program (EBODP) serves as the administrator for contract compliance activities for the City of Memphis additionally EBODP is the facilitator for programs like the Equal Business Opportunity Program, Small Business Enterprise Programs, and services rendered through the Business Development Center. The EBODP also serves as the facilitator for Title VI compliance and training activities and opportunities. This office functions as the catalyst through which small M/WBE can fully participate in the Minority and Women Business Enterprises (M/WBE) program and ensures that M/ WBES are included in all procurement in the economic expansion of the Memphis business community. This office also facilitates the participation of public and private sector business entities in local M/WBE business development opportunities through the execution of inclusive economic development strategies.

Operating Budget

Category:	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Expenditures</u>				
Personnel Services	\$979,021	\$1,240,716	\$1,072,350	\$1,162,905
Materials and Supplies	924,834	746,347	735,428	746,347
Grants and Subsidies	4,742	9,300	9,900	9,300
Total Expenditures	\$1,908,597	\$1,996,363	\$1,817,678	\$1,918,552
Total Revenues	\$373,863	\$45,000	\$0	\$45,000
Net Expenditures	\$1,534,734	\$1,951,363	\$1,817,678	\$1,873,552
Authorized Complement				14

Office of Comprehensive Planning

The Office of Comprehensive Planning actively engages with the citizens of Memphis to develop strategies and implement programs that will enhance the quality of life for all Memphians.

Operating Budget

<i>Category:</i>	FY20	FY21	FY21	FY22
<u>Expenditures</u>	Actual	Adopted	Forecast	Adopted
Personnel Services	\$427,354	\$512,231	\$551,314	\$634,195
Materials and Supplies	5,829	11,550	372,670	11,550
Grants and Subsidies	1,500,000	1,500,000	1,702,439	1,500,000
Total Expenditures	\$1,933,183	\$2,023,781	\$2,626,423	\$2,145,745
Total Revenues	\$16,375	\$0	\$13,820	\$0
Net Expenditures	\$1,916,808	\$2,023,781	\$2,612,603	\$2,145,745
Authorized Complement				11