

Finance Department

Budget, Finance & Governance Committee

March 18, 2026

Agenda

- Mission Statement and Services
- Budget and FTE History
- FY26 Performance Agreement
- FY26 Performance Measures
- FY27 Proposed Performance Agreement Measures
- FY27 Budget Reduction Impact on Performance
- Other Service Delivery Challenges
- Accomplishments

Mission Statement and Services

Our core mission is to protect the fiscal integrity of the City through the financial management of taxpayer resources, collection of revenue, disbursements, administration of payroll, debt management, prudent investments and the preparation of financial statements, among other duties. In addition, the Department focuses on the wellbeing of employees through employee safety programs, an employee wellness program and employee benefit programs.

- Accounting Operations
- Audits (Income Tax)
- Benefits (Retirement)
- Bond Retirement
- Cash Management
- Collections
- Employee Health and Safety
- Financial Reporting
- Health & Wellness Benefits
- Income Tax Administration
- Insurance
- Investments (Retirement)
- Investments (Treasury)
- Licenses
- Payroll
- PEAP
- Retirement Administration
- Safety & Workers Compensation
- Tax Collection

Budget and FTE History

Finance General Fund	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personnel Compensation	4,335,700	4,543,680	4,879,770	5,065,130	5,147,560
Fringe Benefits	1,500,300	1,528,860	1,596,710	1,679,020	1,732,890
Non-Personnel Expenses	1,367,800	1,278,310	1,436,880	1,564,280	1,540,190
General Fund Total	7,203,800	7,350,850	7,913,360	8,308,430	8,420,640

Finance Principal Restricted Funds	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Parking System Facilities Fund 102	55,040	55,040	55,320	55,600	55,880
Bond Retirement Fund 151	184,199,480	129,455,840	149,756,080	139,150,100	76,226,810
Income Tax-Infrastructure Fund 302	231,370	146,800	145,210	240,960	251,800
Parking Meter Fund 303	44,320	26,320	26,320	26,320	26,320
Retirement System Fund* 749	-	-	3,835,980	3,917,430	3,949,320
Principal Restricted Funds Total	184,530,210	129,684,000	153,818,910	143,390,410	80,510,130

*The Retirement System Fund is governed by a Board of Trustees. Management of the agency was transferred to the Department of Finance in FY 2024. The budget is developed on a calendar year basis.

Budget and FTE History

Finance - FTEs by Agency	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
131 - Office of the Director	3.00	3.00	3.00	3.00	3.00
133 - Accounts and Audits	19.00	19.00	18.81	19.00	19.00
134 - Treasury**	13.00	13.00	14.00	13.00	13.00
135 - Risk Management	25.70	25.96	30.63	28.66	30.67
136 - Income Tax	31.00	31.00	31.00	31.00	31.00
138 - Retirement*	0.00	0.00	15.00	16.00	16.00
FTE Total	91.70	91.96	112.44	110.66	112.67

*Retirement was moved to Finance in FY 2024.

**FTEs in Treasury included an additional position for FY 2024 due to a temporary overfill; FTEs have since been reduced to 13.00 in Treasury.

FY26 Performance Agreement

City Goal	Service	Performance Goal
Excellent & Equitable Service Delivery	Safety & Workers Compensation	10 facility/job site safety audits per quarter
	Health & Wellness Benefits	90% of employees complete open enrollment by the deadline
	Payroll	Fewer than 20% of departments have payroll errors (80% of departments are free of payroll errors)
Fiscal Sustainability	Income Tax Administration	Provide great customer service by timely processing 95% of refund claims with 90 days
	Audits	250 business accounts (1000 selective high audit risk cases each year) to be reviewed and tracked each quarter, report to include status of reviews and additional revenue
	Investments (Treasury)	100% of funds managed by an investment firm meet or exceed the 1-5 year Treasury Index benchmark

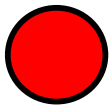
FY26 Performance Measures

Payroll

Q1: July-September

14

Departments with
Payroll Errors

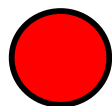


67%

Q2: October-December

19

Departments with
Payroll Errors



90%

Fewer than 20% of departments have payroll errors
(80% of departments are free of payroll errors)

This initial baseline illustrates the work to be done on the payroll process. The extra short Thanksgiving week in particular presented challenges for nearly every department in Q2.

FY26 Performance Measures

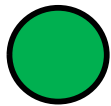
Income Tax Audits

Q1: July-September

375
Audits

Q2: October-December

160
Audits



535

250 business accounts (1000 selective high audit risk cases each year) to be reviewed and tracked each quarter, report to include status of reviews and additional revenue

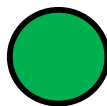
Income tax audits are an important compliance tool to ensure the City is collecting all taxes due. We are on track to meet our lofty goal for annual selective high audit risk cases for the fiscal year.

FY26 Performance Measures

Income Tax Administration

Q1: July-September

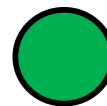
1,149
Refunds

 **99.83%**

Provide great customer service by timely processing
95% of refund claims within 90 days

Q2: October-December

931
Refunds

 **99.9%**

Refunds are prioritized for customer service and for cost avoidance, as not to incur interest penalties on returns. We are exceeding an ambitious goal for processing timeliness.

FY26 Performance Measures

Health & Wellness Benefits

Q1: July-September

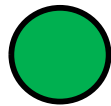
N/A

Q2: October-December

5360

Employees Completing
Open Enrollment

Open Enrollment
Occurs in Q2



99.3%

90% of employees complete Open Enrollment by the
deadline

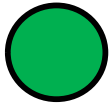
This metric is extraordinary for an organization of this
scale and complexity.

FY26 Performance Measures

Safety & Workers Compensation

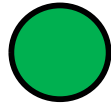
Q1: July-September

Q2: October-December



56

10 facility/job site safety audits per quarter



23

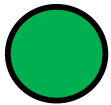
This is another important metric in mitigating avoidable injuries in the workplace. We are well above our annual target in the first half of the year.

FY26 Performance Measures

Investments (Treasury)

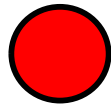
Q1: July-September

Q2: October-December



100%

100% of funds managed by an investment firm meet or exceed the 1-5 year Treasury Index benchmark



75%

We halted trading for one of our managers for a period, and this affected their ability to meet the benchmark for some of their positions.

Proposed FY27 Performance Measures

Accounts & Audits	Income Tax	Risk Management	Treasury	Retirement
No Change	No Change	Modification	No Change	New
<u>Why:</u> Measure improvements to process and identify training needs <u>Measure:</u> <20% of departments have unaddressed payroll errors per Q	<u>Why:</u> Audits are an important compliance tool to ensure the City is receiving all taxes <u>Measure:</u> 1,000 selective high-risk cases each year	<u>Why:</u> Audits are an important factor in mitigating avoidable injuries in the workplace <u>Measure:</u> 15 facility/job site safety audits per quarter	<u>Why:</u> To ensure maximization of available resources <u>Measure:</u> All funds managed by an investment firm meet or exceed the quarterly benchmark	<u>Why:</u> Core to operations <u>Measure:</u> 60% of the portfolio equals or exceeds the benchmark (on rolling 3yr, 5yr and 10yr periods), annually at 12/31

Budget Reduction Impact

A 5% budget reduction for Finance is equivalent to \$469,066. This will have a performance impact on FY27 service delivery in the following ways:

- **Accounts & Audits**

This section is heavily compliance focused with a lot of external deadlines that are already challenging. Reduced capacity increases the possibility of errors, omissions, and issues with timeliness. Internal controls are built upon redundancies, which are degraded as capacity decreases. CFS upgrade and Payroll process improvements will be difficult to keep on track.

- **Treasury**

Service levels related to licensing are already challenging. Licensing software implementation, external audits, and other recommendations from internal audit will not be possible to implement as recommended with the reduced level of resources.

- **Income Tax**

Processing returns and requests would be delayed. Level of audits and timeliness of refunds would decline.

Other Service Delivery Challenges

- **Challenge 1: Capacity**
- **Challenge 2: GASB**
- **Challenge 3: Staffing**

FY26 Accomplishments

- **Accomplishment 1: Pension Funding Policy Update**
- **Accomplishment 2: Employee Health and Wellness Plan recognition**
- **Accomplishment 3: GFOA Certificate of Achievement for Excellence in Financial Reporting**

Questions?