FINANCE AND ADMINISTRATIVE SERVICES

The Finance and Administrative Services Department provides internal services including accounting, budget, information technology, purchasing, office services, real property, risk management, cash management and investment and citywide fleet services. The department also has a citywide call center service division.

Mission

The Finance and Administrative Services Department seeks to provide timely, accurate and relevant financial information to departments, provide innovative business solutions and protect city resources.

Operating Fund Expenditures by Category ($000's)	UNAUDITED ACTUAL FY/09	ORIGINAL BUDGET FY/10	REVISED BUDGET FY/10	ESTIMATED ACTUAL FY/10	APPROVED BUDGET FY/11	APPR 11/ EST ACT 10 CHG
Personnel	18,766	21,366	21,300	19,931	21,259	1,328
Operating	49,266	52,750	52,997	51,844	56,190	4,346
Capital	1,250	1,700	0	52	265	213
Transfers	12,523	9,023	14,791	14,044	8,350	(5,694)
TOTAL	81,805	84,839	89,088	85,871	86,064	193
TOTAL FULL TIME POSITIONS	311	300	300	301	295	(6)

BUDGET HIGHLIGHTS

General Fund

The approved FY/11 General Fund appropriation of $21.3 million is $738 thousand below the FY/10 original budget level.

During the year, DFAS added two positions to the Administrative Hearing Office and one full-time position in citizen services was converted to two part-time positions. For FY11, the budget includes moves of the Office of Management and Budget from the CAO Department and the real property division from the Legal Department. These transfers increase the FTE count by 20 positions. In addition, the Administrative Hearing Office will move to the CAO Department and tourism to Economic Development. With these moves, 12 positions will transfer out of DFAS. A new program is added for the Enterprise Resource Planning (ERP) project. Twelve existing ISD positions will move along with two positions from citizen services which are converted into a Systems Analyst III. Council also added a help Desk Specialist position in ISD. Nine vacant full-time positions and one part-time position are deleted in the department for a savings of $517 thousand. They are as follows: one position in ISD, one position in purchasing, one position in ERP and six full-time and one part-time in citizen services. The cost of labor for the general fund divisions was reduced by $420 thousand. One time funding of $500 thousand is added in the ERP program for professional services, $200 thousand is in the ISD program for virtualization, and $35 thousand and ten thousand is added to professional services in accounting for the fuel rebate audit and the audit of Fund 275, respectively.

The appropriation for property tax administration fees will increase by $36 thousand due to the increase in property tax revenue. One time funding in the FY/11 approved budget includes $90 thousand for State Auditor's fees.

Lodgers' Tax Fund

The appropriation for FY/11 in the Lodgers' Tax Fund is $9.8 million. There is a $400 thousand increase for Lodgers' Tax revenue over the estimated actual revenue in FY/10. Fifty percent of the revenue is identified for promotions and 50% is identified for debt service in FY/11.

Hospitality Fee Fund

The FY/11 appropriation for the Hospitality Fee Fund is $1.96 million and is reflective of an $80 thousand increase in revenue from the FY/10 estimated actual. As in Lodgers', revenue is split 50/50 between promotions and debt service/capital.

Risk Management Fund

The Risk Management Fund is divided between two City departments, DFAS and Human Resources. Workers' compensation, tort and other, safety and the transfer to General Fund reside in DFAS. The FY/11 approved budget increases for the DFAS programs by $33 thousand from the original FY/10 level. Technical adjustments for OEB, RHCA, indirect overhead and other internal service costs combine for an increase of $86 thousand. The cost of labor is reduced by $53 thousand.

Supplies Inventory Management Fund
The approved budget for the Supplies Inventory Management Fund is decreased by $24 thousand dollars from the FY/10 original budget level. Technical adjustments for OEB, RHCA, indirect overhead and other internal service costs combine for a decrease of $14 thousand. The cost of labor is reduced by ten thousand.

Fleet Management Fund
There is an overall decrease for the Fleet Management Fund of $297 thousand below the FY/10 original budget. Anticipated FY/11 fuel costs increase operating expenses by $545 thousand. Other technical adjustments for OEB, RHCA, indirect overhead and other internal service costs combine for a decrease of $81 thousand. The cost of labor is reduced by $56 thousand. Five vacant positions are deleted and operating dollars are reduced by $770 thousand due to the loss of revenue from the Water Authority. A total of one time funding of $65 thousand from fund balance is also added for fencing at Pino Yards and surveillance cameras at the fuel sites.

Communications Management Fund
The Communications Management Fund appropriation is increased by $5.1 million from the FY/10 original budget. This increase is the result of an accounting procedure change so the fund will operate similar to other internal service funds. Estimated revenues and appropriations will increase by $4.9 million to reflect the change. Other technical adjustments for OEB, RHCA, indirect overhead, other internal service costs and funding for early retirement combine for an increase of $294 thousand. The cost of labor is reduced by $37 thousand.

City/County Projects Fund
The City/County Projects Fund proposes an appropriation of $23 thousand for mainframe personnel and a transfer of $32 thousand to the General Fund. This will utilize estimated fund balance and the fund will be closed at the end of FY/11.

Vehicle/Equipment Replacement Fund
There is no proposed appropriation for equipment replacement or vehicles in FY/11.

($000's)	UNAUDITED ACTUAL FY/09	ORIGINAL BUDGET FY/10	REVISED BUDGET FY/10	ESTIMATED ACTUAL FY/10	APPROVED BUDGET FY/11	APPR 11/ EST ACT 10 CHG
PROGRAM STRATEGY SUMMARY BY GOAL:						
GOAL 2: PUBLIC SAFETY						
GENERAL FUND 110						
Administrative Hearing Office	0	969	969	971	0	(971)
TOTAL - GOAL 2	0	969	969	971	0	(971)
GOAL 6: ECONOMIC VITALITY						
GENERAL FUND 110						
Tourism/Convention Center	1,630	1,558	1,558	1,572	0	(1,572)
LODGER'S TAX FUND - 220						
Lodger's Promotion - 220	5,573	5,324	5,324	4,787	4,900	113
Trfr from Fund 220 to Fund 110	145	0	0	0	0	0
Trfr from Fund 220 to Fund 405	5,725	5,324	5,324	4,787	4,900	113
Total Lodger's Tax Fund - 220	11,443	10,648	10,648	9,574	9,800	226
HOSPITALITY FEE FUND - 221						
Lodger's Promotion - 221	1,145	1,071	1,071	964	980	16
Trfr from Fund 221 to Fund 405	841	841	841	841	841	0
Trfr from Fund 221 to Fund 305	304	230	230	123	139	16
Total Hospitality Fee Fund - 221	2,290	2,142	2,142	1,928	1,960	32
TOTAL - GOAL 6	15,363	14,348	14,348	13,074	11,760	(1,314)

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($000's)	UNAUDITED ACTUAL FY/09	ORIGINAL BUDGET FY/10	REVISED BUDGET FY/10	ESTIMATED ACTUAL FY/10	APPROVED BUDGET FY/11	APPR 11/ EST ACT 10 CHG
GOAL 8: GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS						
GENERAL FUND - 110						
Accounting	2,893	2,993	3,011	3,011	2,941	(70)
Citizen Services	3,488	4,080	4,080	3,770	3,590	(180)
Citywide Financial Support Services	658	1,020	1,020	1,020	1,056	36
ERP-E Government	0	0	0	0	1,667	1,667
Information Services	8,719	8,727	8,872	8,286	7,520	(766)
Information Services - CIP	0	0	0	0	0	0
Office of Management and Budget	0	0	0	0	1,294	1,294
Purchasing and Office Services	1,084	1,025	1,025	958	927	(31)
Real Property	0	0	0	0	559	559
Strategic Support	351	333	333	345	423	78
Treasury	1,258	1,320	1,320	1,329	1,310	(19)
Total General Fund - 110	18,451	19,498	19,661	18,719	21,287	2,568
RISK MANAGEMENT FUND 705						
Safety Office / Loss Prevention	1,382	1,725	1,725	1,597	1,761	164
Tort and Other Claims	17,035	18,403	18,398	18,276	18,407	131
Workers' Compensation Claims	8,204	10,894	10,894	10,781	10,868	87
Transfer from Fund 705 to Fund 110	725	777	5,045	5,045	796	(4,249)
Total Risk Management Fund - 705	27,346	31,799	36,062	35,699	31,832	(3,867)
SUPPLIES INVENTORY MANAGEMENT FUND 715						
Materials Management	649	783	780	766	766	0
Transfer from Fund 715 to Fund 110	172	360	360	360	353	(7)
Total Supplies Inventory Management Fund - 715	821	1,143	1,140	1,126	1,119	(7)
FLEET MANAGEMENT FUND 725						
Fleet Management	12,654	12,407	12,368	11,794	12,174	380
Transfer from Fund 725 to Fund 110	411	533	533	533	469	(64)
Total Fleet Management Fund - 725	13,065	12,940	12,901	12,327	12,643	316
COMMUNICATIONS MANAGEMENT FUND 745						
City Communications	1,817	1,957	2,022	1,922	7,048	5,126
Transfer from Fund 745 to Fund 110	257	286	286	286	320	34
Total Communications Management Fund - 745	2,074	2,243	2,308	2,208	7,368	5,160
CITY/COUNTY PROJECTS FUND 285						
City/County Projects	36	0	0	48	23	(25)
Transfer from Fund 285 to Fund 110	82	145	145	145	32	(113)
Total City/County Projects Fund - 285	118	145	145	193	55	(138)
VEHICLE/COMPUTER PROJECT FUND 730						
Vehicle/Computer	1,160	1,700	0	0	0	0
Transfer from Fund 730 to Fund 110	3,506	0	1,500	1,500	0	(1,500)
Total Vehicle/Computer Projects - 730	4,666	1,700	1,500	1,500	0	(1,500)
OPERATING GRANTS FUND - 265						
Total Operating Grants Fund - 265	46	54	54	54	0	(54)
TOTAL - GOAL 8	66,587	69,522	73,771	71,826	74,304	2,478

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($000's)	UNAUDITED ACTUAL FY/09	ORIGINAL BUDGET FY/10	REVISED BUDGET FY/10	ESTIMATED ACTUAL FY/10	APPROVED BUDGET FY/11	APPR 11/ EST ACT 10 CHG
TOTAL APPROPRIATIONS	81,950	84,839	89,088	85,871	86,064	193
Interdepartmental Adjustments	145	0	0	0	0	0
NET APPROPRIATIONS	81,805	84,839	89,088	85,871	86,064	193

REVENUE

There is no significant change in revenue for the General Fund for the department. Significant sources of revenue continue to be from business registrations and record search fees. As stated previously, Lodgers' Tax and Hospitality Fee revenues are estimated to increase by $400 thousand and $80 thousand, respectively.

Department Generated Fees for Services ($000's)	UNAUDITED ACTUAL FY/09	ORIGINAL BUDGET FY/10	ESTIMATED ACTUAL FY/10	APPROVED BUDGET FY/11	APPR 11/ EST ACT 10 CHG
Facilities Concessions	0	0	0	0	0
Business Registration	1,233	1,325	1,235	1,235	0
Records Search Fees	270	325	275	300	25
Office Services	39	45	45	45	0
City County Projects Fund - 285	192	0	29	0	(29)
Lodgers' Tax - 220	10,219	10,763	9,800	10,200	400
Hospitality Fee - 221	2,044	2,153	1,960	2,040	80

PRIOR YEAR ACCOMPLISHMENTS

Accounting Division

- Initiated a CNG Compressed Natural Gas (CNG) fuel rebate contract with an accounting firm that resulted in a $1.2 million dollar IRS rebate to the City's General Fund for alternative fuel usage.
- Worked with Information Services Department and the Enterprise Resource Planning (ERP) team to improve the accuracy and usefulness of the Cognos Labor Distribution reports.
- Assisted with the implementation of an E-Payable program that allows the City to pay vendors by credit card.
- Accounting staff worked with ERP consultants and ISD staff to fix various problems, including inventory, payroll codes, interest allocations, and reconciliations that were not in effect after ERP go live.
- Contracted with and coordinated the services of an independent accounting firm to perform an audit of the City's impact fees for FY06 through FY09.

311/Citizen Contact Center

- Conducted citizen satisfaction survey: 74% extremely satisfied and 23.4% satisfied rating for Customer Service; 71.2% extremely satisfied and 25.3% satisfied rating for Solution/Answer provided; Awareness of 311: 82.5% knew 311 existed.
- Call quality for the year-to-date is 94.6% and 89.22% first call resolution rate.
- Over 241 customer compliments received and delivered to agents
- Call volume increased 19% over last year.
- 90.29% of the calls were answered within 30 seconds or less.
- Expanded 311's ability to assist citizens through social networking sites by establishing access through Twitter and SeeClickFix.com
- Changed service hours from 24/7/365 days per year to Monday to Saturday 6am to 9pm and Sundays from 9am to 6pm on April 23, 2010, resulting in a savings of approximately half a million dollars, through staffing reductions
- Hosted site tours for both internal departments and various out of state municipalities.

ISD

Customer Relationship Management (CRM) Applications

- Link GIS data to CRM data so citizens' service requests can be mapped by location. Assisted departments with GIS layers, data, and applications.

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Business Intelligence/Geographic Information Systems (GIS) Applications

- Implemented a limited Server Virtualization infrastructure to enable the creation of "virtual" servers that reduce the operational costs of supporting many physical servers. Twenty-six servers have been virtualized so far, including adding new servers and eliminating old servers.
- Upgraded and consolidated Oracle databases, eliminating three legacy Sun servers in order to reduce maintenance expenses.

Business Continuity Planning

- Completed server inventory of City facilities
- Identified preliminary back-up sites for over 300 buildings at which City employees work.
- Identified high priority sites that need network connections upgraded to fiber.
- Conducted disaster recovery test during scheduled power outage at City/County Building.
- Identified IT disaster recovery teams and their roles.
- Identified Tier 1 most critical City systems based on input from departments and ISD staff.
- Began work on detailed Exchange disaster recovery plan.

Filenet (Imaging) Applications

- Modified the Filenet web interface to enable users at the District Attorney's Office, Metropolitan Court and District Court to securely view scanned police reports in a timely manner in an effort to streamline the adjudication process.

Infrastructure

- Expanded the Windows Server Update Services to include City servers to proactively push security patches and report patch compliance in an effort to proactively protect the City IT infrastructure.

Sharepoint Applications

- Re-engineered the enterprise-wide Sharepoint infrastructure to stabilize performance, improve recoverability and establish a disaster recovery environment.

Web Applications

- Migrated the following sites to Plone: Emergency Management Office, Mayor's Office, Office of Public Safety, Planning Department, Employee of the Week, Office of Veterans' Affairs, Office of Internal Audit and Investigations, Fire, and Cultural Services.

<u>Treasury</u>

Debt Management

- The City saved approximately $5,400,000 in debt service savings by refunding Airport & Gross Receipt Tax Bonds.
- The City saved approximately $135,000 in interest expense on the Series 2010A Short-Term General Obligation Bonds. This debt service savings will be utilized for future projects. The bonds were sold to the State Treasurer on June 30, 2010 and paid off on July 1, 2010 providing debt service savings for capital projects.
- City has maintained the following bond ratings on debt backed with General Fund Revenues:

  GRT Bonds:
  - Standard & Poors – "AAA"; Moody's – "Aa2"; Fitch – "AA+"

  GO Bonds:
  - Standard & Poors – "AAA"; Moody's – "Aa1"; Fitch – "AA+"

Investment and Treasury Management

- The City/Water Utility Authority pooled investment portfolio (Fund 920) yielded 1.23% for the fiscal year ended June 30, 2010, a spread of 84 basis points over the average benchmark one-year Treasury yield of 0.39% for the same period. The core component, which was actively managed subject to investment policy constraints, yielded 1.78%, contrasted with the average 2-year Treasury note yield of 0.93%. The core component total return for the fiscal year was 1.55%. The liquidity component, managed to optimize yield while maintaining sufficient liquidity to fund daily operations, earned 0.74%, compared with the Fed Funds target rate of 0% to 0.25%.
- The ePayables program to pay participating vendors via credit card for accounts payable invoices was expanded, providing the City with a streamlined payment method offering thousands of dollars in spending rebates from our fiscal agent.
- The City's merchant service program completed initial requirements for compliance with the card industry's Payment Card Industry Data Security Standards (PCI DSS). This is intended to reduce the potential for fraudulent card transactions at the merchant's various card receipt venues.
- The City now accepts the Discover card program at all card receipt venues.

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Risk Management

- Installed Automated Electronic Defibrillators (AED's) and trained staff in their use at all of the Senior Centers and the Convention Center.
- Provided First Aid and CPR training for staffs of Transit, Convention Center, BioPark, and Parks Management.
- Performed 27 ergonomic evaluations of employee work stations.
- Conducted OnRoad Driver Safety training for 250 CDL and van-drivers for the City and Water Authority as part of enhanced training for City Operator Permit (COP) qualification.
- Completed draft revision of the City Operator Permit Policy.
- Employee Health Services Division produced eight programs for Gov 16 on the topic of "Mind, Body, Spirit".

Fleet Management

- Added two new fuel locations to Fuel Focus Automated Fuelling System -- Double Eagle II and Cerro Colorado land fill.
- Trained over 200 city personal on Fleet Focus new information center system.
- Converted both Fleet shop locations to real time labor capture.

Communications

Radio

- Replaced all C3 Maestro Dispatch Consoles in AFD Dispatch as well as the Emergency Operations Center (EOC).
- Replaced three microwave links in the County's public safety radio system infrastructure.
- Assisted County communications with the renovation of their 911 Dispatch Center. This effort included setting up temporary dispatch stations, removing the permanent equipment from its location and reinstalling the equipment when the renovation was complete.
- Completed the draft of the Tactical Interoperable Communications Plan required by the Department of Homeland Security. This document identifies communications equipment and procedures throughout New Mexico.

Network

- Replaced the T1 connection at the Cerro Colorado Landfill with wireless bridges. Increased bandwidth to 54mb to support video at the location.
- Replaced outdated (1997) network switches at the Public Safety Communications Center.
- Completed fiber connections from Treatment Plant to Foothills Substation, Foothill Substation to Plaza Del Sol, Pino Yards to EOC.
- Replaced network switches at the Alvarado Transit Center and APD Crime Lab.
- Updated network at the North Valley Senior Center.
- Converted all autonomous wireless access points on the City's Network to a lightweight image.
- Added external wireless access to all APD substations and other select facilities. These connections allow officers to have City internal access while parked in parking lots at the facilities.

Telephone

- Transitioning to voice over IP (VoIP) installations at the following sites: Sixth Area Command, NM Water Utilities West Side office, East Side Animal Control Reconstruction Project, and Transit.
- Developing and implementing migration plan to VoIP for 1100 lines at 274 sites.
- Executed new rate reduction agreements for all digital services leased from Qwest - increased available bandwidth to City sites without an increase to monthly recurring costs.
- Executed new lower rate plan for 285 Qwest flat rate business lines at $2,000 per month savings.
- Executed new multiyear Verizon wireless cell phone contract with provisions for unlimited text and data services.

PRIORITY OBJECTIVES

GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS: GOVERNMENT IS ETHICAL AND ACCOUNTABLE; EVERY ELEMENT OF GOVERNMENT CONTRIBUTES EFFECTIVELY TO MEETING PUBLIC NEEDS.

- OBJECTIVE 5. Examine maintenance operations for Family & Community Services, Cultural Services, Transit, Parks & Recreation, Aviation and the Department of Municipal Development to determine the most cost-effective and efficient approach to maintaining all City of Albuquerque facilities. Submit a report and recommendations to the Mayor and Council by the end of FY11.

- OBJECTIVE 6. Develop an implementation plan for a new eProcurement system to create a paperless environment with greater accessibility for vendors and online bidding by local businesses. Submit a review and recommendations to the Mayor and City Council by the 2nd quarter, FY11.

- OBJECTIVE 7. Evaluate ERP Implementation to date and recommend plan for success to the Mayor and City Council by the end of 1st quarter FY11.

- OBJECTIVE 8. Using existing technological resources, ISD, Treasury, EHD, and Accounting will work together to implement online payment capability for business registrations, liquor licenses, and environmental health permits in order to improve constituents' ability to make payments to the City and receive required services. Submit a status report to the Mayor and City Council at the end of the 2nd and 4th quarters of FY11.

- OBJECTIVE 9. Develop a plan to change the hours of operation for the 311 Citizen Contact Center from a 24/7 schedule to 6 days a week 6am-8pm or 5 days a week (closed holidays) open 6am-8pm. Submit a report to the Mayor and City Council by the end of 1st quarter FY11.

- OBJECTIVE 10. Evaluate the feasibility of replacing the existing Exchange Environment with a hosted Email solution. Submit a review and recommendations to the Mayor and City Council by the end of 2nd quarter, FY/11.

- OBJECTIVE 11. In support of the transparency (open-government) city website, identity initial setup and ongoing staff resources needed to develop this initiative. Submit a recommendation to the Mayor and City Council by the 1st quarter, FY/11.

- OBJECTIVE 12. Conduct a feasibility study for outsourcing the inventory and provide a report to the Mayor and CAO by the end of FY/11.

- OBJECTIVE 13. Improve the process or recording and reporting OSHA injury statistics in order to educate City government about opportunities for employee safety improvements and reduced costs. Make recommendations to the Mayor and CAO by the end of FY/11.

- OBJECTIVE 15. Utilizing existing staff and available resources, conduct a study to determine the advisability of contracting the internal audit function to an outside vendor. Calculate any cost savings, conduct a risk assessment, and examine Government Finance Officer Association (GFOA) best practices and other governmental best practices as appropriate, including relevant academic studies on this issue. Report the advantages and disadvantages of contracting the internal audit function to a private sector auditing and accounting firm. Report study results and recommendations to the Mayor and City Council by the end of second quarter, FY/11.

- OBJECTIVE 16. Utilizing existing staff and available resources, prepare a set of financial statements reflecting committed funds and fund balance for the Metropolitan Redevelopment Fund (Fund 275) as of June 30, 2010. The financial statements should include line item detail for each revenue source and expenditures and encumbrances. Submit the financial statement to the Mayor and City Council by the end of second quarter, FY/11.