



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Wayne County  
Michigan**

For the Fiscal Year Beginning

**October 1, 2014**

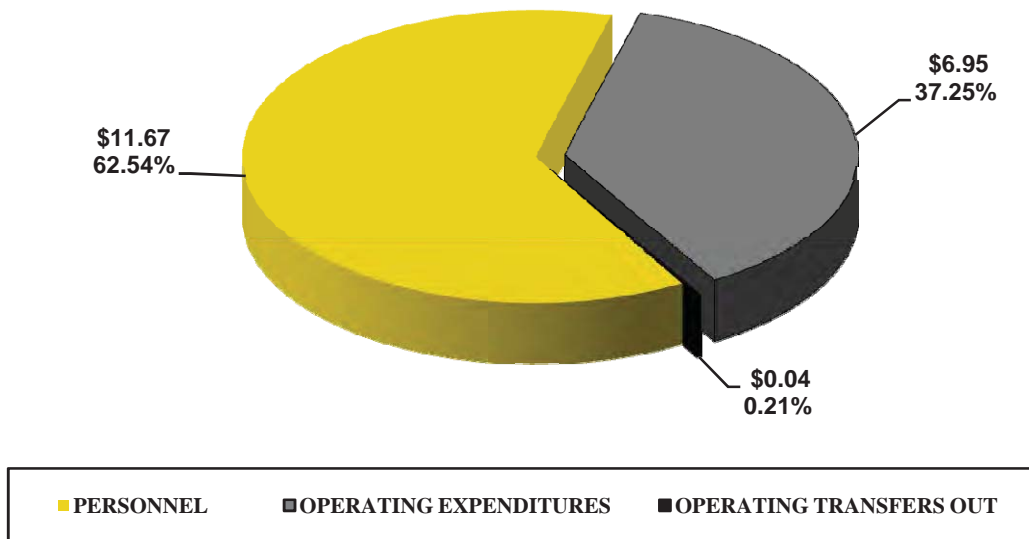
Executive Director

*Wayne County received three awards from the Government Finance Officers Association Awards (GFOA) for high standards in financial reporting and budget compilation. Each award is an annual award and applied for separately. Such awards are as follows:*

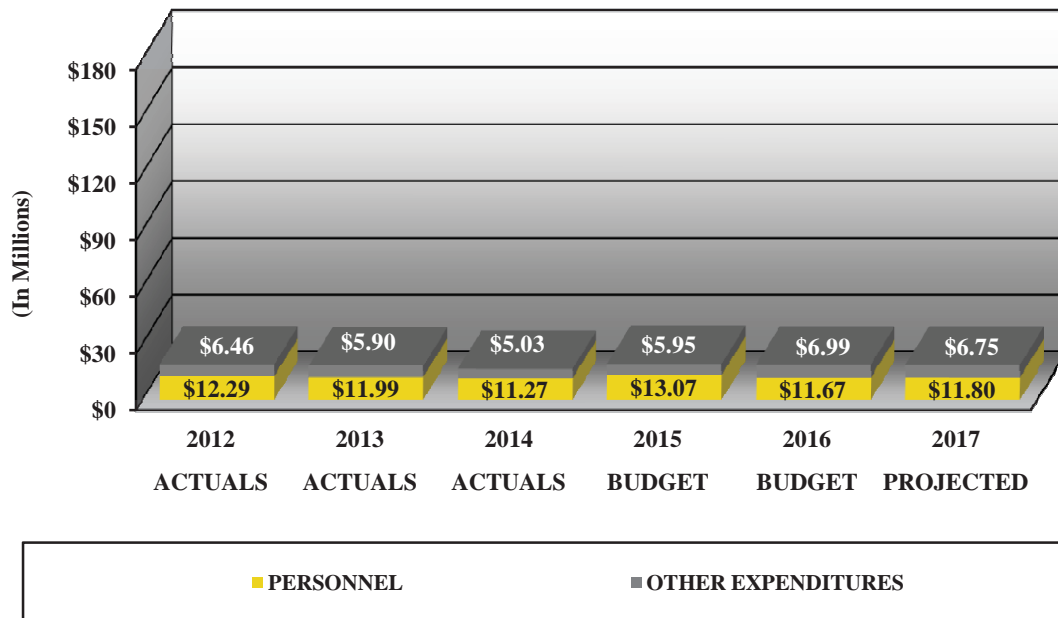
- *Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2014 for the twentieth consecutive year.*
- *Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended September 30, 2014. Award has been received for sixteen of the last nineteen years.*
- *Outstanding Achievement in Popular Annual Financial Reporting for the year ended September 30, 2014. Award has been received for fourteen of the last seventeen years.*

# WAYNE COUNTY DEPARTMENT OF MANAGEMENT AND BUDGET

## EXPENDITURE ANALYSIS FISCAL YEAR 2015-2016 In Millions



## EXPENDITURE TREND ANALYSIS FISCAL YEARS 2011-2012 THROUGH 2016-2017





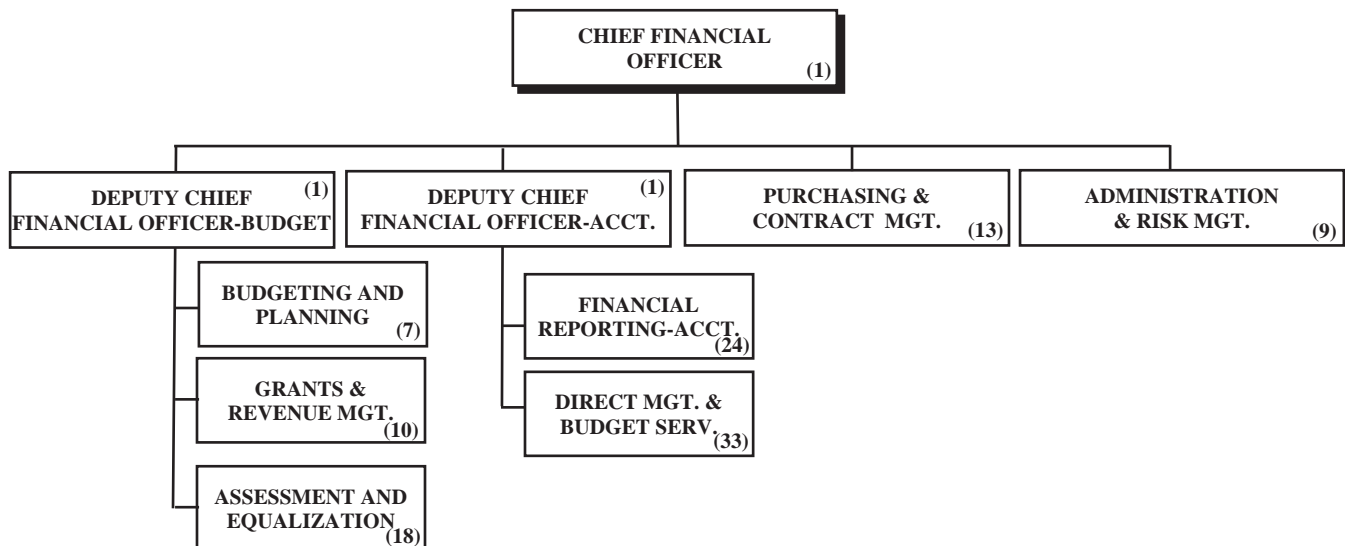
## DEPARTMENT OF MANAGEMENT AND BUDGET

### MISSION

The Mission of the Department of Management and Budget is to provide financial services, information and asset protection to elected policymakers, county departments, program administrators and the public, so they can have the information they need to make decisions and achieve their desired results.

<b>BUDGET SUMMARY ALL FUNDS</b>				
	<b>FY 2013-2014 Budget</b>	<b>FY 2014-2015 Budget</b>	<b>FY 2015-2016 Budget</b>	<b>FY 2016-2017 Projected Budget</b>
<b>Total Departmental Expenditures</b>	<b>\$18,617,220</b>	<b>\$19,019,154</b>	<b>\$18,659,089</b>	<b>\$18,552,934</b>
<b>Departmental Revenue</b>				
Local Grants and Contracts	450,000	450,000	100,000	100,000
Interest Income	0	0	1,500	1,500
Charges, Fees, and Fines	15,815,587	16,303,382	16,200,898	16,096,935
<b>Total Revenues</b>	<b>\$16,265,587</b>	<b>\$16,753,382</b>	<b>\$16,302,398</b>	<b>\$16,198,435</b>
<b>General Fund General Purpose</b>	<b>\$2,351,633</b>	<b>\$2,265,772</b>	<b>\$2,356,691</b>	<b>\$2,354,499</b>
<b>Total Budgeted Positions</b>	<b>120</b>	<b>115</b>	<b>117</b>	<b>117</b>
Contact: <b>Tony Saunders</b> , Chief Financial and Restructuring Officer 500 Griswold St. • Detroit, MI 48226 • Phone: (313) 224-0420				

Note: Prior years have been restated as a result of the reorganization.





## DEPARTMENT OF MANAGEMENT AND BUDGET

### MAJOR ACTIVITIES AND DESCRIPTIONS

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#### **DIVISION OF ADMINISTRATION AND RISK MANAGEMENT:**

The Administration Division provides support services to the operating divisions of the Department of Management and Budget and assists the Chief Financial Officer (CFO) in coordinating those operations. The Division establishes, maintains and executes County fiscal policies and procedures; oversees departmental personnel and grievance issues; departmental technology and reporting matters relating to financial applications data, systems, integration, management, and control; Freedom of Information Act (FOIA) responses; County-wide building lease matters and with the assistance of Corporation Counsel, the resolution of lessor/lessee compliance matters; County-wide debt activity including issuance and related compliance (in conjunction with the Divisions of Budgeting and Planning and Financial Reporting), financial advisor and bond counsel contract management, and administrative assistance to other debt issuing departments and agencies as needed; electronic contract and document approval processes; the County credit card; gasoline cards; mailroom and stockroom; and petty cash authorization and usage. The Division also serves as liaison with the County Commission, Commission's Fiscal Analysts, and the Legislative Auditor General regarding budgetary and fiscal issues.

#### **DIVISION OF ASSESSMENT AND EQUALIZATION:**

The Assessment and Equalization Division's major responsibility is the compilation and reporting of assessment and tax related data pertaining to each city and township within the County for the purpose of equalization of assessments and the analysis of property tax rates, as required by the General Property Tax Law and other related statutes. The Division also serves to advise the Wayne County Commission in regard to the equalization of assessments and the apportionment of property taxes. Additionally, this Division provides assistance to Wayne County communities regarding the valuation, assessment and audit of property, as well as assistance in assessment and tax roll preparation, including the maintenance of a coordinated mapping system, tax billing and other related services.

#### **DIVISION OF BUDGETING AND PLANNING:**

The Division of Budgeting and Planning consists of three units – Budget Development and Maintenance, Strategic Planning and Forecasting (policy improvements consistent with performance based objectives, and strategic business plan philosophies), and Analysis and Reporting (effective use and integration of technology in budget development). The Budgeting and Planning Division's primary responsibility is to prepare a comprehensive budget for the County and for

recommendation to the County Executive. The Division monitors departmental spending in accordance with allotment schedules, ensures that appropriations are not exceeded, and enforces the budget policies of the County.

#### **DIVISION OF FINANCIAL REPORTING:**

The Financial Reporting Division consists of the accounting, cash management and accounts payable, and payroll units. These three units perform the critical accounting, financial reporting, vendor disbursement, payroll, and employee parking functions for the County. These functions specifically include the processing of general ledger transactions; the design and monitoring of an internal control structure to ensure County assets are protected; the compilation and issuance of internal and external financial statements and reports that are in compliance with statutory requirements and in conformity with generally accepted accounting principles; the timely payment to vendors of verified obligations and services and related year end reporting coordinating cash planning with the Office of the County Treasurer and assuring that all financial reporting for cash and investments conform to generally accepted accounting principles; biweekly payrolls and required withholdings in accordance with collective bargaining agreements and regulatory requirements; and the evaluation of parking needs for employees and visitors. The Division provides monthly interim financial statements and the year-end Comprehensive Annual Financial Report (CAFR) and the Popular Annual Financial Report (PAFR).

#### **DIVISION OF GRANTS AND REVENUE MGT:**

The Division of Grants and Revenue Management oversees the County's pre- and post-award administration of all grants, collaborative agreements and contracts; monitors compliance with all federal and state grantor regulations and requirements; maintains historical files on grants and contracts, creates specialized internal and external reports, assists with the County's administration of its cost allocation plans, conducts program reviews as required by the Home Rule Charter, and coordinates the Federal Single Audit. The division provides assistance to departments and Elected officials departments for audits and reviews performed by the county and Legislative Auditor General.

#### **DIVISION OF DIRECT MANAGEMENT AND BUDGET SERVICES:**

This division provides on-site financial support activities such as accounting, accounts receivable billings and collections, purchasing support, budget development and oversight, assistance with accounts payable and preparation of financial statements. In addition, this division is responsible for preparation and submission of reports to a myriad of internal and third party users.



## DEPARTMENT OF MANAGEMENT AND BUDGET

### *FISCAL YEAR 2014-2015 ACCOMPLISHMENTS AND HIGHLIGHTS*

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The Financial Reporting Division issues monthly financial reports that are available to management within 15 days of month-end. This Division also issued the 2014 Comprehensive Annual Financial Report within the State's requirement.

The Assessment and Equalization Division, for the first time ever, performed a sales and appraisal study for equalization of all classes of property on the City of Detroit, fulfilling a State Tax Commission directive to review market data and assessments within the City, in order to evaluate equity within property assessment, considered a major force behind tax delinquency issues within the County. The Division also partnered with the Wayne County Register of Deeds to implement new software and customizations to existing applications to allow for electronic importing of property sale and deed data, dramatically reducing data entry time, substantially mitigating chances for human error, and improving timely access to public records to enhance property assessment by expanding the pool of usable data.

Direct Management & Budget Services: The Health, Veterans and Community Wellness (HVCW) finance unit enhanced the reimbursement process with the State of Michigan Child Care Division creating a faster turnaround time, thus improving cash flow and expenditure transparency. In addition, the unit in conjunction with HVCW (Juvenile and Youth Service Division) and the Department of Technology (DOT) developed a meal reconciliation database system that would assist in accurate meal ordering, thus greatly reducing meal overages for our Juvenile Detention Facility.

The Budgeting and Planning Division received the Distinguished Budget Presentation Award from the GFOA for the twenty first consecutive year.

The Financial Reporting Division received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the fifteenth year. In addition, they have received the GFOA's Award for Outstanding Achievement in Popular Financial Reporting for the fourteenth year.

The Purchasing & Contract Management Division implemented a policy to email all purchase orders and blanket orders to vendors and departments instead of printing and mailing hard copies. This new policy supports the County's current paperless initiative with a large reduction in the amount of paper used day to day.

The Accounts Payable and Cash Management units continue to work with vendors to migrate certain vendor payments to electronic funds transfer.

With a sharp deterioration of the 2011 Global marketplace and the US operating performance, The Risk Management Division held to only a 4.6% increased cost of insurance policy renewal premiums over the prior year, while reducing the Insurance Broker and Advisory Services fee by 50% and was able to add enhancements to certain coverage provisions. The 2011 deteriorating conditions were driven primarily by high catastrophic related losses (tornados, flooding, Hurricane Irene, wild fires), low investment yields, diminishing reserves and a weak macroeconomic environment. Additionally, the Division's subrogation efforts have increased steadily to a 98% collection.

The department is spearheading the development of a long-term financial plan for the County. A long-term financial plan is a critical component of any government's strategy for effectively managing its resources in both robust and lean economic environments. The plan includes economic and environmental analyses, critical issues, financial strategy and financial policy review, forecasts, and planning and budget linkages. The County has engaged the Government Finance Officers Association (GFOA) to assist in the development of the plan.

The department, in conjunction with the Department of Technology, is assessing the day-to-day procurement, financial reporting, budgetary, position management and eGovernment operations of the County. The goal of this Project Transformation Initiative is to streamline these processes through re-engineering, implementation of technology, and data consolidation, thereby increasing the County's fiscal responsiveness to operational and economic challenges and to its service delivery needs.

DPS Finance unit spent hundreds of hours during 2013 working with the Department of Technology to automate numerous daily, weekly, monthly and yearly processes.

Among the processes completed was the Road fund monthly billing to the Michigan Department of Transportation. This billing enabled the Road fund to receive cash in less than a week after submission, thereby increasing not only the Road fund's cash position but the County's as whole as well.



## DEPARTMENT OF MANAGEMENT AND BUDGET

### ***FISCAL YEAR 2014-2015 ACCOMPLISHMENTS AND HIGHLIGHTS***

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It is anticipated that DOT will complete all projects in the first quarter of 2014. Once completed, there will be some tweaking of the processes to insure that other members of the DPS Finance management team can understand and execute them.

Lastly, DPS Finance submitted and received approval for a reorganizational plan that incorporated some succession planning. One key position has been filled, another should be filled in January and a reclassification request has been submitted to PHR for review and approval. Once the key positions have been filled, training in those positions can be accelerated.

### ***NEW INITIATIVES FOR FISCAL YEAR 2015-2016***

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The Assessment and Equalization Division anticipates further refinements to the processes involved in county equalization, having recently streamlined in operations to de-emphasize the assessing function and focus more sharply upon the core, statutorily-mandated function of equalization. Among the refinements will be the review and audit of all tax exemption and special acts-related tax certificates to ensure compliance with legislative requirements for filing, public hearings, district determinations, and certificate administration. The Division also anticipates further collaboration with the City of Detroit to partner to share resources and reduce redundant business operations within similarly-aligned agencies. The Division will also move toward complete modernization of all computer hardware and network servers, with the goal to improve efficiency, enhance automated processes, and avoid computer performance degradation and possible crashes that slow workflow and create the necessity for costly overtime and place attainment of reporting deadlines in jeopardy.

The Grants & Revenue Management Division will develop policies required in accordance with Federal regulations stipulated in 2 CFR200. Assist departmental grants managers in developing specific policies for grant programs.

The Department continues to review and refinance all debt obligations which will result in both long term and short term savings. In addition, the Department reviewed and refined the internal service chargeback process to provide a more viable distribution of costs. This is an ongoing review; therefore, there will be other refinements to the chargeback model.

The Purchasing & Contract Management Division, in conjunction with several other departments is currently reviewing the entire P2P (Purchase to Pay) process. High level goals include an increase in spend visibility, process improvements, contract compliance and consolidation, ease of use, and communication between Wayne County and its supply base. This project is ongoing and will extend into 2016 and beyond.

Direct Management & Budget Services; DPS Finance's biggest initiative for the future will be to continue to automate, streamline and document all processes and to work on succession planning.





**DEPARTMENT OF MANAGEMENT AND BUDGET**  
**Financial Report**

	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Projected Budget
<b>00101 General Fund</b>				
<b>201 Management And Budget</b>				
<b>Revenues</b>				
Local Grants and Contracts	450,000	450,000	100,000	100,000
Charges, Fees, and Fines	41,400	41,400	41,400	41,400
<b>Total Revenues</b>	<b>\$491,400</b>	<b>\$491,400</b>	<b>\$141,400</b>	<b>\$141,400</b>
<b>Expenditures</b>				
Personnel	1,022,070	1,108,847	1,059,924	1,067,805
Fringe Benefits	519,260	562,051	402,914	419,906
Pension	417,103	431,601	280,271	295,636
Materials and Supplies	50,500	50,500	47,700	47,700
Services and Contractual Serv	485,499	277,694	353,253	344,548
Travel	30,800	30,800	23,600	23,804
Operating Expenses	53,765	55,752	52,357	52,472
Rentals	179,136	161,928	161,928	161,928
Non Capital Assets	76,399	77,999	116,144	82,100
Operating Transfers Out	8,500	0	0	0
<b>Total Expenditures</b>	<b>\$2,843,032</b>	<b>\$2,757,172</b>	<b>\$2,498,091</b>	<b>\$2,495,899</b>
<b>00101 General Fund</b>				
<b>202 M&amp;B Support Services</b>				
<b>Revenues</b>				
Charges, Fees, and Fines	15,774,187	16,261,982	16,159,498	16,055,535
Interest Income	0	0	1,500	1,500
<b>Total Revenues</b>	<b>\$15,774,187</b>	<b>\$16,261,982</b>	<b>\$16,160,998</b>	<b>\$16,057,035</b>
<b>Expenditures</b>				
Personnel	5,608,740	5,746,895	5,998,524	5,948,628
Fringe Benefits	2,935,005	3,001,527	2,361,929	2,432,402
Pension	2,236,024	2,215,672	1,567,675	1,636,934
Materials and Supplies	153,460	133,502	120,265	120,260
Services and Contractual Serv	3,155,772	3,415,974	4,198,137	4,081,132
Travel	63,899	49,202	59,035	59,033
Operating Expenses	1,010,222	1,040,594	1,249,423	1,247,786
Rentals	529,222	537,856	412,404	524,559
Other Charges	14,968	7,560	117,631	4,800
Capital	2,000	2,000	2,000	1,000
Non Capital Assets	3,501	47,700	32,975	501
Operating Transfers Out	61,375	63,500	41,000	0
<b>Total Expenditures</b>	<b>\$15,774,188</b>	<b>\$16,261,982</b>	<b>\$16,160,998</b>	<b>\$16,057,035</b>
<b>TOTAL DEPARTMENTAL REVENUES</b>	<b>\$16,265,587</b>	<b>\$16,753,382</b>	<b>\$16,302,398</b>	<b>\$16,198,435</b>
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	<b>\$18,617,220</b>	<b>\$19,019,154</b>	<b>\$18,659,089</b>	<b>\$18,552,934</b>



**DEPARTMENT OF MANAGEMENT AND BUDGET**

**Summary of Positions**

	<b>FY 2013-2014 Budget</b>	<b>FY 2014-2015 Budget</b>	<b>FY 2015-2016 Budget</b>	<b>FY 2016-2017 Projected Budget</b>
<b>101 GENERAL FUND</b>				
<b>201 MGT&amp;BUD-ASSESS &amp; EQUALIZATION</b>				
ELECTED AND EXECUTIVE	2	2	2	2
SUPERVISORY AND PROFESSIONAL	3	5	6	6
SUPPORT STAFF	13	12	10	10
<b>TOTAL POSITIONS</b>	<b>18</b>	<b>19</b>	<b>18</b>	<b>18</b>
<b>101 GENERAL FUND</b>				
<b>202 MGT&amp;BUD-CENTRAL SERVICES</b>				
ELECTED AND EXECUTIVE	20	20	20	20
SUPERVISORY AND PROFESSIONAL	64	59	62	62
SUPPORT STAFF	18	17	17	17
<b>TOTAL POSITIONS</b>	<b>102</b>	<b>96</b>	<b>99</b>	<b>99</b>
<b>TOTAL DEPARTMENTAL POSITIONS</b>	<b>120</b>	<b>115</b>	<b>117</b>	<b>117</b>





DEPARTMENT OF MANAGEMENT AND BUDGET

BUDGET CHANGE AND HIGHLIGHTS FY 2015-2016

Increase / (Decrease) from 2014-2015 Adopted Budget		Description of Change
REVENUES		
Local Grants and Contracts	(350,000)	Loss in contributions from local communities.
Charges, Fees, and Fines	(102,484)	Decrease in Chargeback revenues due to decreases in Health care and Long Term Disability expenses and Management & Budget operating budgets.
Interest Income	1,500	
<b><u>TOTAL REVENUES</u></b>	<b><u>\$(450,984)</u></b>	
EXPENDITURES		
Personnel	202,706	Increase is related to additional staffing.
Fringe Benefits	(798,735)	Based on published fringe rates.
Pension	(799,327)	Based on published fringe rates.
Materials and Supplies	(16,037)	Decrease in office and printing supplies, postage.
Services and Contractual Services	857,722	Increase in chargeback's and contractual services.
Travel	2,633	Increase related to travel for conferences and parking.
Operating Expenses	205,434	Increase in Equipment Repair & Maintenance and Insurance & Bonds.
Rentals	(125,452)	Decrease of building rent expenses and equipment rental.
Other Charges	110,071	Increase to miscellaneous operating.
Non Capital Assets	23,420	Increase in computer equipment.
Operating Transfers Out	(22,500)	Decrease to debt service related to bonds.
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>\$(360,065)</u></b>	



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