

# Department of Finance

## Office of Management and Budget

### Presentation to the Human Relations Commission

Howard Lentz Public Health Center

March 5, 2018

Host: Human Relations Commission

Finance Representatives: Tony Neumaier, Budget Officer

Gene Nolan, Deputy Finance Director

Dustin Owens, Budget Analyst

# Meeting Topics:

- Discuss Charter Requirements
- Discuss general budget timeline (four phases)
- Answer questions from the Human Relations Commission
- Introduce Balancing Act

# Charter Requirements, Section 6:

- Fiscal year is from July 1 through June 30
- Finance Director shall distribute all forms necessary for completion of the operating budget
  - Director of Finance may revise estimates provided; departments are entitled to meet and discuss changes
- When the budget is complete, the Director of Finance shall provide an estimate of the unencumbered fund balance or deficit for the upcoming fiscal year
- When the budget is complete, the Director of Finance shall provide a reasonable estimate of revenues and proposed expenditures for the upcoming fiscal year
- Estimates must include debt service

# Charter Requirements, Section 6:

- Mayor shall review the operating budget submitted by the Director of Finance and may make revisions
- No later than May 1, the Mayor shall submit to Council the operating budget
- Mayor shall make copies available of the budget, budget message with a summary budget published in the daily newspapers
- Budget has to balance

## Charter Requirements, Section 6:

- After approval of the budget ordinance, Council shall hold hearings on both the operating and capital budget
- Council hearings shall be advertised in the local newspapers
- Council shall approve the budget by June 30
- Failure to meet June 30 requirement results in adoption of the Mayors budget

# Budget Timeline:

## Phase 1 – Budget Communication

- OMB meets with departments to start budget process and identify any current or subsequent budget items of interest
- General budget instructions for departments/agencies will follow

# Budget Timeline:

## Phase 2 – Budget Preparation

- OMB provides the budget schedule (operating, revenue, capital) to Metro
- OMB complies budget submissions in Hyperion
- Second budget departmental meetings; with OMB/Director of Finance
  - Discuss budget objectives
  - Prepare for Mayor meetings
  - Review department submissions

# Budget Timeline:

## Phase 3 – Budget Delivery

- March/April – OMB and the Finance Director compile Recommended Budget for the Mayor
  - Departments meet with the Mayor
- APRIL 20 – Planning Commission approves Capital Improvements Budget (CIB) and submits to Council (Charter Requirement)
  - CIB is the basis for the Capital Spending Plan (CSP); filed later
  - CIB is a current year plus five year planning document
  - Director of Finance shall gather CIB four months prior to the end of the current fiscal year
- MAY 1 – Ordinance is filed (Charter Requirement)
- MAY 15 – CIB is filed (Charter Requirement)



# Budget Timeline:

## Phase 4 – Budget Approval

- May/June – Council review of the Mayor’s Recommended Budget
  - Can make categorical changes, but cannot increase/decrease total revenue
- JUNE 30 – Deadline for budget approval (Charter Requirement)
  - Council can approve at any time after they receive the Recommended Budget but must do so by JUNE 30
  - If council doesn’t approve by June 30, the Recommended Budget becomes the Adopted Budget
  - JUNE 30 – File Substitute Budget Ordinance (Charter Requirement)

## Questions from Commission:

### What is your unit authorized to do?

- Article 6 of the Metro Charter defines the specific process for the preparation of the annual budget
  - Fiscal year
  - Who is responsible for completion (Budget Officer/Finance Director/Mayor/Council)
  - Scope of the budget
  - Due dates
  - Reviewed and recommended by the Mayor then submitted to Council
  - Approved by Council

# Questions from Commission:

## What is your unit authorized to do? Continued

- Article 8 of the Metro Charter defines the specific responsibilities for the members of the Department of Finance, specifically
  - Budget Officer
    - Report to the Finance Director
    - Compile, under supervision of the Finance Director, financial data to prepare the budget
    - Examine department/agency performance
    - Look for improvements
    - Report to the Mayor/Finance Director/department heads any improvements
    - Establish financial policies and procedures

## Questions from Commission:

How do you know your mission is achieved (what measures, metrics, or indicators do you employ)? Does it include an equity lens or assessment?

- Performance ties to Chartered responsibilities
- Developing a balanced budget
- Successfully assisting departments with their budget preparation
- Monitoring budget to actual performance during the year and proactively addressing budget issues that may arise
- Meeting Metro Charter and other deadlines for submitting a balanced budget
  - Producing Budget Ordinance, budget books, etc.

## Questions from Commission:

How do you know your mission is achieved (what measures, metrics, or indicators do you employ)? Does it include an equity lens or assessment? Continued

- GFOA (Government Finance Officers Association) Award – Over 25 years
- Policy makers establish policy, measures, metrics, and/or indicators
- Mayor establishes Priorities
  - Education
  - Transit and Infrastructure
  - Affordable Housing and the Homeless
  - Public Safety
  - Community and Economic Development

## Questions from Commission:

How are both the goals and the metrics of success communicated to the public? The budget is clearly a public document, made widely available to constituents. Are balance sheets and performance measures also available?

- Mayors budget message
- Finance Director budget message to council
- Budget books (recommended and adopted), include past and current performance
- Budget Ordinance (recommended and adopted)
- Online budget information (includes high-level performance measures)
- Quarterly performance reports to Council, monthly BAR reports, Open Data Portal, CAFR, Balancing Act (online tool for residents), Revenue Manual

# Sample Budget/Performance Reporting

## 44 Human Relations Commission-At a Glance

<b>Mission</b>	<p>The mission of the Metro Human Relations Commission is to protect and promote the personal dignity of all people by protecting and promoting their safety, health, security, peace, and general welfare. The commission will endeavor to carry out this mission both proactively and reactively by:</p> <ul style="list-style-type: none"> <li>Investigating complaints within the general services district regarding perceived discrimination</li> <li>Reviewing allegations of discriminatory misconduct by metropolitan government employees, including but not limited to employees of the police department, fire department, health department, department of codes administration, public works, metropolitan beer permit board, metropolitan development and housing agency and department of water and sewerage services, and fostering better relations between employees of metropolitan government and the people they seek to serve</li> <li>Lessening and eliminating prejudice and discrimination through educational and awareness-enhancing programs designed to promote tolerance, respect, and the value of diversity</li> <li>Proposing legislation addressing human relations issues in the general services district and enhancing the enforcement of statutes and ordinances that already exist</li> <li>Fostering mutual understanding, tolerance, and respect among all economic, social, religious, ethnic, and other community groups by working with existing educational, religious, governmental, social and community agencies</li> </ul>
----------------	--

Budget Summary	2015-16	2016-17	2017-18
<b>Expenditures and Transfers:</b>			
GSD General Fund	\$ 437,200	\$ 484,100	\$ 505,200
<b>Total Expenditures and Transfers</b>	<b>\$ 437,200</b>	<b>\$ 484,100</b>	<b>\$ 505,200</b>
<b>Revenues and Transfers:</b>			
Program Revenue			
Charges, Commissions, and Fees	\$ 0	\$ 0	\$ 0
Other Governments and Agencies	0	0	0
Other Program Revenue	0	0	0
<b>Total Program Revenue</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Non-program Revenue	0	0	0
Transfers From Other Funds and Units	0	0	0
<b>Total Revenues</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Expenditures Per Capita</b>	<b>\$ 0.65</b>	<b>\$ 0.71</b>	<b>\$ 0.74</b>

<b>Positions</b>	Total Budgeted Positions	4	4	4
------------------	--------------------------	---	---	---

<b>Contacts</b>	Executive Director: Melody Fowler-Green	email: melody.fowler-green@nashville.gov
	404 James Robertson Parkway Suite 130 37219	Phone: 615-880-3374

## Human Relations Commission

### Administrative Line of Business

The purpose of the Administrative Line of Business is to provide support services to the department so they can efficiently and effectively deliver results for customers.

### Non-allocated Financial Transactions

Central adjustments related to internal service fees, pay adjustments, fringe benefits, non-programmatic changes and departmental "to be determined" budget reductions are reported here. These adjustments will be allocated to individual programs by the department in the upcoming fiscal year.

Budget Staffing Summary	2016 Budget	2016 Actuals	2017 Budget	2018 Budget	FY17-FY18 Difference	FY17-FY18 % Change
<b>Budget:</b> GSD General Fund	0	0	18,800	0	-18,800	-100.0%
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,800</b>	<b>\$0</b>	<b>-\$18,800</b>	<b>-100.0%</b>

### Advocacy, Compliance, and Education Line of Business

The purpose of the Advocacy, Compliance, and Education Line of Business is to support the Commissions strategic goals encompassed by the Advocacy, Compliance, and Education program.

### Advocacy, Compliance, and Education Program

The goal of the Advocacy, Compliance, and Education Program is to 1) engage in data-gathering to produce and support evidence-based policy recommendations related to human and civil rights, including in the areas of employment, housing, financial services, commercial transactions, public accommodations, and the provision of city activities and services; 2) to receive and investigate inquiries, allegations, and complaints of perceived discrimination and discriminatory misconduct in the general services area and by metropolitan government employees; and 3) to promote and foster improved human relations through educational programming.

Budget Staffing Summary	2016 Budget	2016 Actuals	2017 Budget	2018 Budget	FY17-FY18 Difference	FY17-FY18 % Change
<b>Budget:</b> GSD General Fund	437,200	437,175	465,300	505,200	39,900	8.6%
<b>Total</b>	<b>\$437,200</b>	<b>\$437,175</b>	<b>\$465,300</b>	<b>\$505,200</b>	<b>\$39,900</b>	<b>8.6%</b>
<b>FTEs:</b> GSD General Fund	4.00	4.00	4.00	4.00	0.00	0.0%
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.0%</b>

## 44 Human Relations Commission-Financial

GSD General Fund						
	FY2015 Budget	FY2015 Actuals	FY2016 Budget	FY2017 Budget	FY16-FY17 Difference	FY16-FY17 % Change
<b>OPERATING EXPENSES:</b>						
PERSONAL SERVICES	271,000	272,852	304,400	328,500	24,100	7.92%
OTHER SERVICES:						
Utilities	0	0	0	0	0	0.00%
Professional & Purchased Services	15,600	2,009	35,600	28,000	(7,600)	-21.35%
Travel, Tuition, and Dues	5,500	5,609	5,500	5,500	0	0.00%
Communications	21,100	14,218	21,100	23,100	2,000	9.48%
Repairs & Maintenance Services	1,300	0	1,300	1,300	0	0.00%
Internal Service Fees	11,100	11,100	19,000	26,300	7,300	38.42%
Other Expenses	47,000	41,965	47,000	52,600	5,600	11.91%
<b>TOTAL OTHER SERVICES</b>	<b>101,600</b>	<b>74,901</b>	<b>129,500</b>	<b>136,800</b>	<b>7,300</b>	<b>5.64%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>372,600</b>	<b>347,753</b>	<b>433,900</b>	<b>465,300</b>	<b>31,400</b>	<b>7.24%</b>
<b>TRANSFERS TO OTHER FUNDS/UNITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL EXPENSES &amp; TRANSFERS</b>	<b>372,600</b>	<b>347,753</b>	<b>433,900</b>	<b>465,300</b>	<b>31,400</b>	<b>7.24%</b>
<b>PROGRAM REVENUE:</b>						
Charges, Commissions, & Fees	0	0	0	0	0	0.00%
Federal (Direct & Pass Through)	0	0	0	0	0	0.00%
State Direct	0	0	0	0	0	0.00%
Other Government Agencies	0	0	0	0	0	0.00%
Other Program Revenue	0	0	0	0	0	0.00%
<b>TOTAL PROGRAM REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>NON-PROGRAM REVENUE:</b>						
Property Taxes	0	0	0	0	0	0.00%
Local Option Sales Tax	0	0	0	0	0	0.00%
Other Tax, Licenses, & Permits	0	0	0	0	0	0.00%
Fines, Forfeits, & Penalties	0	0	0	0	0	0.00%
Compensation From Property	0	0	0	0	0	0.00%
<b>TOTAL NON-PROGRAM REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TRANSFERS FROM OTHER FUNDS/UNITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL REVENUE &amp; TRANSFERS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Expenditures Per Capita</b>	<b>\$0.57</b>	<b>\$0.53</b>	<b>\$0.65</b>	<b>\$0.69</b>	<b>\$0.04</b>	<b>6.15%</b>

## Questions from Commission:

What challenges do you have carrying out your mission for all people in the city (providing equitable and inclusionary access to services and information)?

- Finance Director works with the Mayor and Council
- Make information available online to the public as it becomes final
- Utilize an online tool, Balancing Act for user interaction
- Council has public hearings, can be attend live, watched on channel 3, view archived videos
- OMB does not provide direct other services to the public



## Questions from Commission:

How can MHRC help meet your equity and inclusion goals?

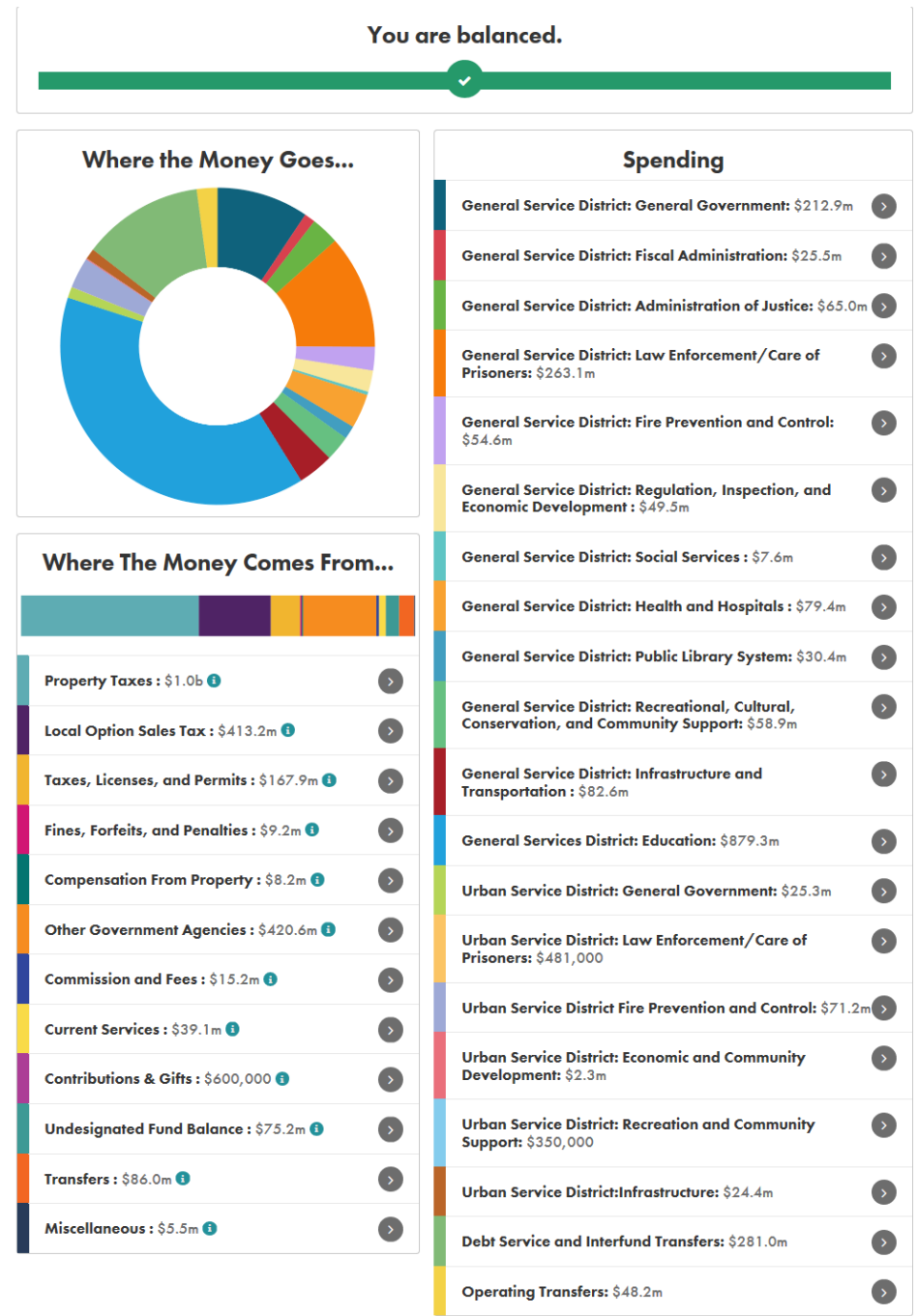
- Policy makers drive overall goal
- OMB prepares budget to meet those goals
- Be aware of where you can engage in the process
- Where do you think you think you can be more included?

## Questions from Commission:

How can citizens learn more/engage/assist?

- Utilize Balancing Act
- Review online publications
- Attend Council meetings, view videos, watch Metro 3, etc.

# Example of Balancing Act



# Balancing Act:

- What is Balancing Act?
  - Balancing Act is an easy and interactive way for residents to learn about our budget and the choices their elected officials face in the budgeting process
  - It allows participants to try allocating funds expressing their priorities and preferences but also requires them to balance spending and revenue
  - Only focuses on the General Fund (i.e., excludes enterprise funds)

# Balancing Act:

- What are the sources of revenue and where does it go?
  - FY 2018 revenue (\$2.2 billion) – the majority of our funds are derived:
    - Property Tax: \$1.0 billion or 45%
    - Local Option Sales Tax: \$413.2 million or 19%
    - Other Government Agencies: \$420.6 million or 19%
  - FY 2018 expenses (\$2.2 billion) – the majority of the funds are spent on:
    - Education: \$879.3 million or 40%
    - Law Enforcement/Care of Prisoners: \$261.1 million or 12%
      - (Police: \$192.7 million; Sheriff: \$70.4 million)
    - Debt Service: \$281 million or 13%

# Balancing Act:

- When can everyone use Balancing Act?
  - When the Mayor's Recommended Budget is filed, Balancing Act will be updated to reflect the ordinance
  - At this time, citizens can move expenses around and demonstrate what they would like the budget to look like
  - The only expenses that cannot be moved (increased/decreased) are debt service and operating transfers
  - Once a citizen creates their own version of the budget, they can submit the information and a budget analyst will be compiling all of the information that is submitted
  - The final adopted budget will be updated as well

# Online Links:

- Department of Finance: <http://www.nashville.gov/Finance.aspx>
- Office of Management and Budget: <http://www.nashville.gov/Finance/Management-and-Budget.aspx>
- Balancing Act: <http://nashville-tn.abalancingact.com/>
- Budget Books: <http://www.nashville.gov/Finance/Management-and-Budget/Citizens-Guide-to-the-Budget/Documents-and-Resources.aspx>
- Comprehensive Annual Financial Report: (CAFR): <http://www.nashville.gov/Finance/Financial-Operations.aspx>
- Open Data Portal: <https://data.nashville.gov/>
- Budget Accountability Reports (BARs): [http://www.nashville.gov/Finance/Management-and-Budget/Reports/Budget-Accountability-Report-\(BAR\).aspx](http://www.nashville.gov/Finance/Management-and-Budget/Reports/Budget-Accountability-Report-(BAR).aspx)
- Quarterly Performance Reports: <http://www.nashville.gov/Finance/Reports.aspx>
- Revenue Manual: <http://www.nashville.gov/Finance/Management-and-Budget/Reports/Revenue-Manual.aspx>
- Links to Metro Videos:  
[https://www.youtube.com/user/MetroGovNashville/videos?disable\\_polymer=1](https://www.youtube.com/user/MetroGovNashville/videos?disable_polymer=1)
- Budget Resolutions: <http://www.nashville.gov/Finance/Management-and-Budget/Citizens-Guide-to-the-Budget/Documents-and-Resources/Ordinances.aspx>

Questions: