

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 25, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 41: FINANCIAL MANAGEMENT ACTIVITY IN ITS

This memorandum is in response to Councilman Krupicka's inquiry into why the Financial Management Activity in Information Technology Services Department is increasing in the FY 2010 Proposed Budget. The increase in budget for the ITS Financial Management Activity from FY 2009 to FY 2010 primarily reflects a re-allocation of existing resources. Of the total \$72,920 increase, \$61,329, or 84%, is due to an increase in personnel costs in this activity. These costs reflect re-allocations of time among three full-time staff members, which sum to an increase of .7 FTEs for this activity. The rationale for re-allocation of each of these positions is given below.

- An Account Clerk III position has been associated closely with the Telecom team, and is primarily responsible for reconciliation and preparation of the City's telephone bills. In FY 2009, half of this position was allocated to Financial Management. In FY 2010, .95 of this FTE has been allocated to Financial Management – an increase of .45 FTE - to reflect that this position is concerned more with the fiscal and financial aspects of the City's telecommunications program than with the technical support of the system, and therefore is better represented as a Financial Management activity than a Telecom activity.
- Additionally, 0.15 FTE of one telecommunications specialist was re-allocated to the Financial Management activity to better reflect his role in the management of the telecommunications billing process. Lastly, one Help Desk position was also re-allocated by .10 FTE to the activity to reflect the Help Desk's increasing role in procurement and processing of IT purchases for the City. Neither of these positions had any portion of their time allocated to the Financial Management activity in FY 2009, and therefore represent the remaining .25 FTE increase for this activity.

The remaining \$11,591, or 16%, is the result of further refinements in the ITS MFRI structure. In FY 2010, ITS reduced the number of activities by five, streamlining the MFRI structure of the Department. However, this action meant that costs that had been distributed across 19 activities were now being allocated across only 14, resulting in an increase in costs such as office supplies and rent for office space.