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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

BUSINESS INTEGRITY COMMISSION

May 29, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- **Expense:** The Business Integrity Commission's (BIC) Fiscal 2014 Executive Budget is \$7.15 million, which is \$25,000 more than the \$7.12 million in the Fiscal 2013 Adopted Budget.
- **Revenue:** BIC is a revenue-generating agency. Between Fiscal 2009 and Fiscal 2013, BIC generated, on average, \$5.5 million in revenue. Roughly 60 percent comes from licenses, permits and franchises, which are mainly trade waste and market license and registration fees. Additionally, BIC generates revenue through fines and forfeitures, which are roughly 30 percent and include violations for infractions like unlicensed and unregistered activity, failure to meet reporting requirements and illegal dumping.
- **New Needs:**
 - Consolidated Database Licenses: \$135,000 in Fiscal 2014 and in the out years.
 - Project Manager-Database Consolidation: 1 new headcount for \$125,000 in Fiscal 2014.

FINANCE DIVISION

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BUSINESS INTEGRITY COMMISSION OVERVIEW

This report provides an overview of the Business Integrity Commission's (BIC) Fiscal 2014 Expense and Revenue Budgets and a review of the significant initiatives in the Executive Budget. Appendices 1-2 report the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget. For additional information on the Department's Budget and its various programs, please refer to the Business Integrity Commission's Preliminary Fiscal 2014 Report available at the Council's website.

FINANCIAL SUMMARY					
<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Exec. Plan	2014 Exec. Plan	*Difference 2013 - 2014
Budget by Program Area					
Personal Services	\$4,956	\$5,075	\$5,128	\$5,200	\$125
Other Than Personal Services	1,838	2,044	2,270	1,945	(100)
TOTAL	\$6,794	\$7,119	\$7,398	\$7,145	\$25
Funding					
City Funds	N/A	\$7,119	\$7,167	\$7,145	\$25
State	N/A	0	75	0	0
Federal - Other	N/A	0	157	0	0
TOTAL	N/A	\$7,119	\$7,398	\$7,145	\$25
Positions					
Full-Time Positions - Civilian	71	80	81	81	1
TOTAL	71	80	81	81	1

*The difference between the Fiscal 2013 Adopted and Fiscal 2014 Executive Budget.

NEW IN THE EXECUTIVE BUDGET

The Business Integrity Commission's (BIC) Fiscal 2014 Executive Budget is \$7.15 million, which is \$25,000 more than the \$7.12 million in the Fiscal 2013 Adopted Budget.

NEW NEEDS:

Consolidated Database Licenses. BIC is creating a new integrated, cloud-based IT system that will cost \$135,000 in Fiscal 2014 and in the outyears. BIC has been doing the build out since the Fall and will begin roll out this Summer to the entire agency. The Department is using a Salesforce CRM platform, which is a subscription service. Each subscription is approximately \$1,700 per year and includes service/system, maintenance, applications, and upgrades. This cloud system will consolidate the 25 plus independent databases BIC currently have for their work processes into an integrated case management system that will improve data management, customer experience, processing and the overall operational performance of the agency. BIC anticipates this to be a cost neutral project, with ongoing costs offset by increased revenue from license and registration fees.

Project Manager – Database Consolidation. BIC will hire a Chief Program Officer to oversee the design and build out of the database consolidation system. The Department will use \$125,000 in Fiscal 2014 to ensure that BIC has full oversight and project management over the entire lifecycle of the database build out (procurement, scoping, testing, implementation, training).

REVENUE SUMMARY

Business Integrity Commission Revenue and Expense Summary							
REVENUE (Dollars in thousands)	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Adopted	2014 Executive	Difference 2013-2014*
Licenses, Permits, and Franchises	\$1,881	\$3,619	\$4,799	\$4,144	\$3,756	\$3,895	\$139
Charges for Services	134	280	356	521	688	577	(111)
Fines and Forfeitures	918	1,569	1,659	1,126	1,813	1,883	70
Federal Grants	11	17	8	55	157	0	(157)
State Grants	0	0	0	0	75	0	(75)
TOTAL	\$2,943	\$5,486	\$6,823	\$5,846	\$6,489	\$6,356	(\$133)
EXPENSE							
TOTAL	\$6,272	\$6,930	\$6,851	\$6,764	\$7,119	\$7,145	\$25

**The difference between the Fiscal 2013 Adopted and Fiscal 2014 Executive Budget.*

BIC is a revenue-generating agency. Between Fiscal 2009 and Fiscal 2013, BIC generated, on average, \$5.5 million in revenue and had an expense budget of \$6.8 million. The agency will generate \$3.8 million (59 percent of the total) in the Fiscal 2013 Adopted Budget and \$3.9 million (61 percent of the total) in the Fiscal 2014 Executive Budget from licenses, permits and franchises, which are mainly trade waste and market license and registration fees. Additionally, BIC generates revenue through fines and forfeitures, which are 28 percent of the revenues collected in the Fiscal 2013 Adopted Budget and 30 percent in the Fiscal 2014 Executive Budget. Fines include violations for infractions like unlicensed and unregistered activity, failure to meet reporting requirements, and illegal dumping.

APPENDIX 1: BUDGET ACTIONS IN THE EXECUTIVE PLAN

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Fiscal 2014 Prelim Plan	\$7,166	\$231	\$7,397	\$6,973	\$0	\$6,973
New Needs						
Consolidated Database Licenses	\$0		\$0	\$135		\$135
Project Manager- Database Consolidation			0	125		125
TOTAL New Needs	\$0	\$0	\$0	\$260	\$0	\$260
Other Adjustments						
Lease Adjustment		\$0	\$0	(\$88)		(\$88)
TOTAL Other Adjustments	\$0	\$0	\$0	(\$88)	\$0	(\$88)
TOTAL All Changes	\$0	\$0	\$0	\$172	\$0	\$172
Agency Budget as of the Fiscal 2014 Exec Plan	\$7,166	\$231	\$7,397	\$7,145	\$0	\$7,145

APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, PRELIMINARY, AND EXECUTIVE PLANS

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Fiscal 2013 Adopted Plan	\$7,119	\$0	\$7,119	\$7,119	\$0	\$7,119
Program to Eliminate the Gap (PEGs)						
Lease Savings	\$0		\$0	(\$172)		(\$172)
PS Accrual Savings	(73)		(73)	-		-
TOTAL PEGs	(\$73)	\$0	(\$73)	(\$172)	\$0	(\$172)
New Needs						
Consolidated Database Licenses	\$0		\$0	\$135		\$135
Lease Renewal Increase	0		0	25		25
Project Manager- Database Consolidation	115		115	125		125
TOTAL New Needs	\$115	\$0	\$115	\$285	\$0	\$285
Other Adjustments						
BIC Asset Foreclosure Funds	\$0	\$150	\$150	\$0		\$0
PS Accruals PEG	5	-	5			0
Federal OT Reimbursement		6	6			0
SARA Grant FY 2013		75	75			0
Lease Adjustment		-	0	(88)		(88)
TOTAL Other Adjustments	\$5	\$232	\$237	(\$88)	\$0	(\$88)
TOTAL All Changes	\$47	\$232	\$279	\$25	\$0	\$25
Agency Budget as of the Fiscal 2014 Exec Plan	\$7,166	\$231	\$7,398	\$7,145	\$0	\$7,145