

CITY OF APPLETON 2019 BUDGET

FINANCE DEPARTMENT

Finance Director: Anthony D. Saucerman, CPA

Deputy Finance Director: Jeri A. Ohman, CPA

CITY OF APPLETON 2019 BUDGET FINANCE DEPARTMENT

MISSION STATEMENT

For the benefit of all City departments, the Common Council, and the Mayor, in order to assist them in meeting program delivery objectives, assure compliance with government policies, and safeguard the assets of the City, we will provide financial management, billing, and collection services.

DISCUSSION OF SIGNIFICANT 2018 EVENTS

Worked with City's financial consultant and bond counsel to develop a financing plan through the Redevelopment Authority to issue bonds to finance the Fox Cities Exhibition Center; the bonding transaction was completed on May 1, 2018

Participated in interviews and aided in the selection of a developer for a mixed-use library facility

Recruited, interviewed and hired a new Deputy Finance Director

Made the final payment on the outstanding bonds for the Fox Cities Performing Arts Center and worked with escrow agent and bond counsel to ensure all excess proceeds were distributed according to established intergovernmental agreements

Completed and filed the State hotel room tax report

Worked with City consultant to perform arbitrage calculations for all outstanding Stormwater bond issues

Completed and filed the annual State TID Reports

Completed the 2017 audit with an unqualified audit opinion on the financial statements and no audit findings

Completed State Financial Report Form B

Began the 2019 budget process

Continued the ERP system implementation for general ledger, accounts receivable, general cash receipting, and accounts payable. Began implementation for the payroll and human resources phase.

Added customer numbers to utility billing accounts for Aquahawk (on-line customer water monitoring system) following privacy rules

Trained new Customer Service Accounting Supervisor

Increased purchasing card transaction volume to achieve an annual rebate of \$83,781, an increase of 20% over 2017

Changed purchasing card provider to US Bank for a projected future rebate increase of an additional 20%.

Major objectives for 2018:

Complete the 2019 budget

Complete the issuance of G.O. note and Water and Wastewater bond issues

Convert the City's general ledger, accounts receivable and accounts payable packages from JD Edwards to Tyler Munis

CITY OF APPLETON 2019 BUDGET FINANCE DEPARTMENT

MAJOR 2019 OBJECTIVES

Accurately record financial transactions and provide centralized accounting services to City departments in order to verify their public purpose and compliance with the various sections of the ordinances and budget

Provide knowledgeable, courteous customer service to all individuals who contact the department with questions and/or concerns. Continue to coordinate changes to the customer service area on the first floor insuring adequate training and staff involvement. Proactively offer solutions to challenges that arise keeping customer service the primary focus

Maintain a sound bond rating in the financial community assuring taxpayers that the City is well managed by using prudent financial management practices and maintaining a sound fiscal condition

Continue development of electronic payment options for City services in conjunction with new ERP system

Continue performance based budgeting incorporating continuous improvements and provide education and support for departments

Train staff and continue to focus on technology improvements that will allow the department to meet the demands of a growing City as efficiently as possible

Promote a department working environment conducive to employee productivity, growth and retention

Provide opportunities for staff to cross-train in various positions in the department

Improve communication of budget procedures, monitoring of budget to actual results for the current year and education of future implications for the City

Continue to work with the Community Development Specialist to ensure compliance with grant covenants and single audit requirements

Explore options for a new financial advisor to aid City with upcoming projects

Complete transition to new ERP system and payroll systems and begin implementation of other modules

Train outside departments on new ERP system and implement efficiency measures to streamline accounts payable and accounts receivable processing

DEPARTMENT BUDGET SUMMARY

Unit	Title	Actual		Budget			% Change *
		2016	2017	Adopted 2018	Amended 2018	2019	
Program Revenues		\$ 3,843	\$ 4,052	\$ 4,000	\$ 4,000	\$ 4,000	0.00%
Program Expenses							
11510	Administration	166,230	169,302	157,663	157,663	170,353	8.05%
11520	Billing & Collection Svc	89,001	98,704	106,185	106,185	93,985	-11.49%
11530	Support Services	587,544	620,664	627,804	627,804	623,206	-0.73%
TOTAL		\$ 842,775	\$ 888,670	\$ 891,652	\$ 891,652	\$ 887,544	-0.46%
Expenses Comprised Of:							
	Personnel	730,709	774,302	765,857	765,857	760,609	-0.69%
	Administrative Expense	29,740	34,944	35,805	35,805	35,805	0.00%
	Supplies & Materials	6,429	9,081	9,185	9,185	8,405	-8.49%
	Purchased Services	72,324	66,133	77,145	77,145	78,945	2.33%
	Utilities	1,237	1,672	1,260	1,260	1,260	0.00%
	Repair & Maintenance	2,336	2,538	2,400	2,400	2,520	5.00%
	Capital Expenditures	-	-	-	-	-	N/A
Full Time Equivalent Staff:							
	Personnel allocated to programs	8.85	8.20	8.20	8.20	8.20	

**CITY OF APPLETON 2019 BUDGET
FINANCE DEPARTMENT**

Administration

Business Unit 11510

PROGRAM MISSION

We will provide training and supervision to the Finance Department in order to provide for the overall direction, coordination and support of the activities of Finance staff.

PROGRAM NARRATIVE

Link to City Strategic Plan:

Implements Key Strategies # 3: "Recognize and grow everyone's talents" and # 4: "Continually assess trends affecting the community and proactively respond".

Objectives:

- Provide cost-effective administrative management to support the activities of the Finance Department
- Provide education and training opportunities for our employees to promote personal and professional growth and development
- Initiate systematic changes by examining existing procedures and technological needs
- Provide support to department staff and ensure staff performance is evaluated accurately and fairly

Major changes in Revenue, Expenditures, or Programs:

No major changes.

PERFORMANCE INDICATORS

	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Target 2018</u>	<u>Projected 2018</u>	<u>Target 2019</u>
Client Benefits/Impacts					
Trained staff					
% of staff adequately trained	88%	91%	100%	100%	100%
Strategic Outcomes					
Improved program performance					
# of recommendations implemented	4	3	5	5	5
Work Process Outputs					
Training conducted					
Hours of training per employee	28	27	20	20	20
Procedures manuals updated					
% of manuals rated current	85%	89%	95%	90%	95%

**CITY OF APPLETON 2019 BUDGET
FINANCE DEPARTMENT**

Administration

Business Unit 11510

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2016	2017	Adopted 2018	Amended 2018	2019
Revenues					
4801 Charges for Serv.- Nontax	\$ 3,807	\$ 4,159	\$ 4,000	\$ 4,000	\$ 4,000
5010 Misc Revenue - Nontax	-	-	-	-	-
5085 Cash Short or Over	36	(107)	-	-	-
Total Revenue	\$ 3,843	\$ 4,052	\$ 4,000	\$ 4,000	\$ 4,000
Expenditures					
6101 Regular Salaries	\$ 116,225	\$ 113,218	\$ 103,593	\$ 103,593	\$ 115,224
6150 Fringes	34,395	36,498	32,940	32,940	33,809
6201 Training\Conferences	4,850	6,195	6,500	6,500	6,500
6204 Tuition Fees	3,088	4,593	6,325	6,325	5,095
6206 Parking Permits	577	675	500	500	440
6301 Office Supplies	1,241	960	2,000	2,000	2,000
6303 Memberships & Licenses	2,190	3,314	2,000	2,000	3,300
6304 Postage\Freight	228	236	230	230	230
6305 Awards & Recognition	170	197	210	210	210
6307 Food & Provisions	38	-	-	-	-
6320 Printing & Reproduction	1,429	1,744	1,540	1,540	1,720
6412 Advertising	562	-	565	565	565
6413 Utilities	1,237	1,672	1,260	1,260	1,260
Total Expense	\$ 166,230	\$ 169,302	\$ 157,663	\$ 157,663	\$ 170,353

DETAILED SUMMARY OF 2019 PROPOSED EXPENDITURES > \$15,000

None

**CITY OF APPLETON 2019 BUDGET
FINANCE DEPARTMENT**

Billing & Collection Services

Business Unit 11520

PROGRAM MISSION

For the benefit of all City departments and various other government entities, in order to collect all revenues authorized by policy in support of program delivery objectives, we will provide centralized billing, collection, and information services.

PROGRAM NARRATIVE

Link to City Strategic Plan:

Implements Key Strategies # 2: "Encourage active community participation and involvement" and # 4: "Continually assess trends affecting the community and proactively respond".

Objectives:

Provide an efficient, centralized collection location for convenient payment of all City-generated billings via mail, drive through, night deposit, or walk-ins by:

- Improving cash receipting speed and accuracy with formalized procedures and improved systems
- Investigating debit, credit card and internet payment options when financially feasible

Provide a favorable impression of the City since we are a primary contact for the general public by:

- Maintaining a working knowledge of all City departments
- Updating the internal general information guide used to direct and inform customers

Provide professional and courteous service

Maintain parking ticket records and issue reminder and state suspension notices to ensure the proper amount is collected

Major changes in Revenue, Expenditures, or Programs:

No major changes.

PERFORMANCE INDICATORS

	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Target 2018</u>	<u>Projected 2018</u>	<u>Target 2019</u>
Client Benefits/Impacts					
Accurate, understandable statements					
Billing adjustments required	923	755	900	800	900
Strategic Outcomes					
Asset safeguarding					
Receivables/Receivables Aging					
% current	65%	64%	65%	65%	65%
Service turnoffs	124	59	50	50	50
Work Process Outputs					
Financial transaction processing					
Receipts posted	197,346	205,653	210,000	210,000	210,000
Automated receipts, % of total	20.0%	21.0%	20.0%	20.0%	20.0%
Information response					
% staff trained in customer svc.	100%	100%	100%	100%	100%

CITY OF APPLETON 2019 BUDGET

FINANCE DEPARTMENT

Billing & Collection Services

Business Unit 11520

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2016	2017	Adopted 2018	Amended 2018	2019
Expenditures					
6101 Regular Salaries	\$ 44,090	\$ 45,783	\$ 59,714	\$ 59,714	\$ 49,381
6105 Overtime	157	573	500	500	500
6150 Fringes	24,542	30,241	25,131	25,131	24,414
6206 Parking Permits	1,476	1,630	1,440	1,440	1,440
6304 Postage\Freight	13,252	13,843	13,300	13,300	13,350
6320 Printing & Reproduction	4,428	3,376	4,800	4,800	3,600
6411 Temporary Help	875	2,929	1,000	1,000	1,000
6418 Equip Repairs & Maint	181	319	300	300	300
6431 Interpreter Services	-	10	-	-	-
Total Expense	<u>\$ 89,001</u>	<u>\$ 98,704</u>	<u>\$ 106,185</u>	<u>\$ 106,185</u>	<u>\$ 93,985</u>

DETAILED SUMMARY OF 2019 PROPOSED EXPENDITURES > \$15,000

None

**CITY OF APPLETON 2019 BUDGET
FINANCE DEPARTMENT**

Support Services

Business Unit 11530

PROGRAM MISSION

We will provide financial services and support to all City departments in order to assist them in meeting program delivery objectives, assure compliance with government policies, and safeguard the assets of the City.

PROGRAM NARRATIVE

Link to City Strategic Plan:

Implements Key Strategies # 1: "Responsibly deliver excellent services" and # 4: "Continually assess trends affecting the community and proactively respond".

Objectives:

- Serve as the collection point for all payroll data and process the City's payroll and complete related reports to ensure compliance with the City personnel policy and government regulations
- Produce timely payments to employees and vendors to maintain a high level of credibility
- Continue to expand the use of credit card payments to suppliers in order to maximize annual rebates and streamline the vendor payment process
- Account for real and personal property taxes in a timely and efficient manner
- Provide administration of the City's accounts receivable and collection functions (NSF, collection agency, special assessments)
- Provide accurate service invoices for the City and produce reminder notices for delinquent accounts
- Provide financial reporting and coordinate the annual City audit
- Actively identify and pursue local and regional cooperative purchasing opportunities
- Provide departmental assistance in evaluating the financial implications of projects

Major changes in Revenue, Expenditures, or Programs:

Accounting fees include the cost of an actuarial study for the post employment benefits fund, which is required every other year. The last study was performed in 2017.

PERFORMANCE INDICATORS

	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Target 2018</u>	<u>Projected 2018</u>	<u>Target 2019</u>
Client Benefits/Impacts					
Accurate and timely financial statements					
% months closed within 10 work days	75%	92%	92%	92%	92%
# of items received after cutoff	27	36	10	10	10
Strategic Outcomes					
Financial integrity of programs maintained					
# of auditor's compliance issues	0	0	0	0	0
Asset/resource safeguarding					
G.O. Bond rating	Aa1	Aa1	Aa1	Aa1	Aa1
Work Process Outputs					
Financial transaction processing					
Avg. # journal entries made monthly	278	244	300	250	250
Avg. # of A/P checks issued monthly	566	525	600	550	550

CITY OF APPLETON 2019 BUDGET

FINANCE DEPARTMENT

Support Services

Business Unit 11530

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2016	2017	Adopted 2018	Amended 2018	2019
Expenditures					
6101 Regular Salaries	\$ 363,179	\$ 381,323	\$ 381,253	\$ 381,253	\$ 379,123
6105 Overtime	2,436	4,326	3,000	3,000	3,000
6150 Fringes	145,685	162,340	159,726	159,726	155,158
6206 Parking Permits	2,730	3,300	3,300	3,300	3,240
6316 Miscellaneous Supplies	107	375	500	500	500
6320 Printing & Reproduction	365	3,586	2,345	2,345	2,585
6401 Accounting/Audit	14,733	14,890	17,280	17,280	19,080
6403 Bank Services	54,053	46,163	57,000	57,000	57,000
6412 Advertising	1,646	1,488	700	700	700
6418 Equip Repairs & Maint	2,155	2,219	2,100	2,100	2,220
6599 Other Contracts/Obligations	455	654	600	600	600
Total Expense	\$ 587,544	\$ 620,664	\$ 627,804	\$ 627,804	\$ 623,206

DETAILED SUMMARY OF 2019 PROPOSED EXPENDITURES > \$15,000

Accounting/Audit

Annual financial audit	\$ 15,580
OPEB actuarial study	3,500
	<u>\$ 19,080</u>

Bank Services

Banking fees	\$ 31,000
Investment fees	26,000
	<u>\$ 57,000</u>