

CITY OF APPLETON 2020 BUDGET

FINANCE DEPARTMENT

Finance Director: Anthony D. Saucerman, CPA

Deputy Finance Director: Jeri A. Ohman, CPA

CITY OF APPLETON 2020 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 2019 EVENTS

Worked with the Human Resource Department and consultant in completing a GASB 75 OPEB study for the 2018 audit; completed the 2018 audit with an unqualified audit opinion on the financial statements and no audit findings

Began the 2020 budget process

Conducted quote process for Citywide custodial supplies, resulting in no cost increase and locking in prices for an additional year

Worked with the Human Resource department in updating the City Travel Policy

Worked with other City departments and developers in finalizing the development agreements for Gabriel Lofts, Fore Development LLC, and 320 E College LLC

Worked with other City departments in developing an intermunicipal agreement to provide water and wastewater services to the Town of Clayton and amending the agreement for water and wastewater services to the Cherryvale area of the Village of Little Chute

Worked with parking staff to switch to an online suspension reporting system to be more efficient and timely with the Department of Transportation

ERP system implementation – continued work on the payroll and human resources modules, currently slated to go live as of the first payroll of October, and the property tax collection and cashiering modules, scheduled for early December

Primary Concentration for Remainder of Year:

Complete the 2020 budget

Complete the issuance of 2019 capital projects funding bonds

Complete the conversion of payroll, property tax collection, and cashiering processes from legacy systems to the Tyler Munis ERP system

Relocate first floor customer service staff while still providing quality customer service during the remodeling of the customer service area

Begin planning for the upgrade of the Tyler Munis ERP system to the most recent version of the software

CITY OF APPLETON 2020 BUDGET FINANCE DEPARTMENT

MAJOR 2020 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

Begin upgrade of ERP system to current release version and begin implementation of work order and fixed assets systems

Continue to work with outside departments on the new ERP system and implement efficiency measures to streamline various accounting functions throughout the City

DEPARTMENT BUDGET SUMMARY							
Unit	Title	Actual		Budget			% Change *
		2017	2018	Adopted 2019	Amended 2019	2020	
Program Revenues		\$ 4,052	\$ 4,172	\$ 4,000	\$ 4,000	\$ 4,000	0.00%
Program Expenses							
11510	Administration	169,302	165,939	170,353	170,353	166,681	-2.16%
11520	Billing & Collection Svc	98,704	93,629	93,985	93,985	93,908	-0.08%
11530	Support Services	620,664	574,773	623,206	623,206	632,245	1.45%
TOTAL		\$ 888,670	\$ 834,341	\$ 887,544	\$ 887,544	\$ 892,834	0.60%
Expenses Comprised Of:							
Personnel		774,302	726,759	760,609	760,609	770,519	1.30%
Administrative Expense		16,394	14,611	16,715	16,715	14,680	-12.17%
Supplies & Materials		27,631	22,755	27,495	27,495	25,890	-5.84%
Purchased Services		70,343	70,216	82,725	82,725	81,745	-1.18%
Full Time Equivalent Staff:							
Personnel allocated to programs		8.85	8.20	8.20	8.20	8.20	

**CITY OF APPLETON 2020 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:

The measures below related to staff training and updating manuals are lower for 2018 and the first half of 2019 as a result of the transition to the new ERP software. These measures are improving as staff continue to gain fluency in the new system and we expect them to attain targeted levels soon.

PERFORMANCE INDICATORS

	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Target 2019</u>	<u>Projected 2019</u>	<u>Target 2020</u>
Client Benefits/Impacts					
Trained staff					
% of staff adequately trained	91%	90%	100%	90%	100%
Strategic Outcomes					
Improved program performance					
# of recommendations implemented	3	3	5	5	5
Work Process Outputs					
Training conducted					
Hours of training per employee	27	30	20	30	20
Procedures manuals updated					
% of manuals rated current	89%	84%	95%	85%	95%

**CITY OF APPLETON 2020 BUDGET
FINANCE DEPARTMENT**

Administration

Business Unit 11510

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2017	2018	Adopted 2019	Amended 2019	2020
Revenues					
480100 General Charges for Service	\$ 4,159	\$ 3,603	\$ 4,000	\$ 4,000	\$ 4,000
501000 Miscellaneous Revenue	-	49	-	-	-
508500 Cash Short or Over	(107)	520	-	-	-
Total Revenue	\$ 4,052	\$ 4,172	\$ 4,000	\$ 4,000	\$ 4,000
Expenditures					
610100 Regular Salaries	\$ 113,217	\$ 116,675	\$ 115,224	\$ 115,224	\$ 116,243
610500 Overtime Wages	-	119	-	-	-
615000 Fringes	36,498	32,372	33,809	33,809	34,073
620100 Training/Conferences	6,196	4,762	6,500	6,500	6,500
620400 Tuition Fees	4,593	4,677	5,095	5,095	1,800
620600 Parking Permits	675	672	440	440	500
630100 Office Supplies	960	1,395	2,000	2,000	2,000
630300 Memberships & Licenses	3,314	1,295	3,300	3,300	2,000
630400 Postage~Freight	236	250	230	230	230
630500 Awards & Recognition	197	187	210	210	210
630700 Food & Provisions	-	12	-	-	-
632001 City Copy Charges	824	813	800	800	800
632002 Outside Printing	920	377	920	920	500
641200 Advertising	-	1,329	565	565	565
641307 Telephone	1,672	1,004	1,260	1,260	1,260
Total Expense	\$ 169,302	\$ 165,939	\$ 170,353	\$ 170,353	\$ 166,681

DETAILED SUMMARY OF 2020 PROPOSED EXPENDITURES > \$15,000

None

**CITY OF APPLETON 2020 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.
- Improve cash receipting speed and accuracy with formalized procedures and improved systems.
- Continue the expansion of debit, credit card and internet payment options when financially feasible
- Provide a favorable impression of the City by maintaining a working knowledge of all City departments and keeping the internal general information guide updated in order 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:

The increase in City copy charges reflects the increased cost of color toner for the new color printer/copier. The ability to print in color has become necessary in order to efficiently present and interpret certain spreadsheets, graphs, charts and maps.

PERFORMANCE INDICATORS

	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Target 2019</u>	<u>Projected 2019</u>	<u>Target 2020</u>
Client Benefits/Impacts					
Accurate, understandable statements					
Billing adjustments required	755	785	900	800	800
Strategic Outcomes					
Asset safeguarding					
Receivables/Receivables Aging					
% current	64%	65%	65%	65%	65%
Service turnoffs	59	13	50	20	20
Work Process Outputs					
Financial transaction processing					
Receipts posted	205,653	199,722	210,000	200,000	200,000
Automated receipts, % of total	21.0%	24.0%	20.0%	25.0%	25.0%
Information response					
% staff trained in customer svc.	100%	90%	100%	100%	100%

CITY OF APPLETON 2020 BUDGET

FINANCE DEPARTMENT

Billing & Collection Services

Business Unit 11520

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2017	2018	Adopted 2019	Amended 2019	2020
Expenditures					
610100 Regular Salaries	\$ 45,783	\$ 45,629	\$ 49,381	\$ 49,381	\$ 48,128
610500 Overtime Wages	573	221	500	500	500
615000 Fringes	30,241	27,395	24,414	24,414	22,850
620600 Parking Permits	1,630	1,620	1,440	1,440	1,680
630400 Postage~Freight	13,843	13,305	13,350	13,350	13,350
632001 City Copy Charges	3,376	3,387	3,600	3,600	4,600
641100 Temporary Help	2,929	2,072	1,000	1,000	2,500
641800 Equip Repairs & Maint	319	-	300	300	300
643100 Interpreter Services	10	-	-	-	-
Total Expense	<u>\$ 98,704</u>	<u>\$ 93,629</u>	<u>\$ 93,985</u>	<u>\$ 93,985</u>	<u>\$ 93,908</u>

DETAILED SUMMARY OF 2020 PROPOSED EXPENDITURES > \$15,000

None

**CITY OF APPLETON 2020 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
- 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:

- 2019 accounting fees included the cost of an actuarial study for the post employment benefits fund, which is required every other year. The next study will be performed in 2021.
- The percent of months closed within 10 days (below) has declined due to the transition to the new ERP system but is expected to improve in the second half of the year as the new system is integrated into the department's workflow.

PERFORMANCE INDICATORS

	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Target 2019</u>	<u>Projected 2019</u>	<u>Target 2020</u>
Client Benefits/Impacts					
Accurate and timely financial statements					
% months closed within 10 work days	92%	83%	92%	50%	92%
# of items received after cutoff	36	30	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	244	235	250	250	250
Avg. # of A/P checks issued monthly	525	508	550	500	500

CITY OF APPLETON 2020 BUDGET

FINANCE DEPARTMENT

Support Services

Business Unit 11530

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2017	2018	Adopted 2019	Amended 2019	2020
Expenditures					
610100 Regular Salaries	\$ 381,324	\$ 351,370	\$ 379,123	\$ 379,123	\$ 390,983
610500 Overtime Wages	4,326	10,547	3,000	3,000	3,000
615000 Fringes	162,340	142,431	155,158	155,158	154,742
620600 Parking Permits	3,300	2,880	3,240	3,240	4,200
631603 Other Misc. Supplies	375	90	500	500	200
632002 Outside Printing	3,586	1,644	2,585	2,585	2,000
640100 Accounting/Audit Fees	14,890	15,153	19,080	19,080	15,900
640300 Bank Service Fees	46,162	48,280	57,000	57,000	57,000
641200 Advertising	1,488	1,864	700	700	1,400
641800 Equip Repairs & Maint	2,219	-	2,220	2,220	2,220
659900 Other Contracts/Obligation	654	514	600	600	600
Total Expense	\$ 620,664	\$ 574,773	\$ 623,206	\$ 623,206	\$ 632,245

DETAILED SUMMARY OF 2020 PROPOSED EXPENDITURES > \$15,000

Accounting/Audit

Annual financial audit	\$ 15,900
	<u>\$ 15,900</u>

Bank Services

Banking fees	\$ 21,000
Investment fees	36,000
	<u>\$ 57,000</u>

**CITY OF APPLETON 2020 BUDGET
FINANCE DEPARTMENT**

	2017 <u>ACTUAL</u>	2018 <u>ACTUAL</u>	2019 <u>YTD ACTUAL</u>	2019 <u>ORIG BUD</u>	2019 <u>REVISED BUD</u>	2020 <u>BUDGET</u>
Program Revenues						
480100 General Charges for Service	4,159	3,603	720	(4,000)	(4,000)	(4,000)
501000 Miscellaneous Revenue	-	49	-	-	-	-
508500 Cash Short or Over	(107)	520	(20)	-	-	-
TOTAL PROGRAM REVENUES	4,052	4,172	700	(4,000)	(4,000)	(4,000)
Personnel						
610100 Regular Salaries	479,450	467,733	162,899	543,728	543,728	555,354
610500 Overtime Wages	4,899	10,888	7,347	3,500	3,500	3,500
610800 Part-Time Wages	-	426	-	-	-	-
611400 Sick Pay	-	-	-	-	-	-
611500 Vacation Pay	60,874	45,514	11,383	-	-	-
615000 Fringes	229,079	202,198	59,400	213,381	213,381	211,665
TOTAL PERSONNEL	774,302	726,759	241,029	760,609	760,609	770,519
Training~Travel						
620100 Training/Conferences	6,196	4,762	1,372	6,500	6,500	6,500
620400 Tuition Fees	4,593	4,677	613	5,095	5,095	1,800
620600 Parking Permits	5,605	5,172	5,400	5,120	5,120	6,380
TOTAL TRAINING / TRAVEL	16,394	14,611	7,385	16,715	16,715	14,680
Supplies						
630100 Office Supplies	960	1,395	561	2,000	2,000	2,000
630300 Memberships & Licenses	3,314	1,295	695	3,300	3,300	2,000
630400 Postage\Freight	14,079	13,555	836	13,580	13,580	13,580
630500 Awards & Recognition	197	187	42	210	210	210
630700 Food & Provisions	-	12	-	-	-	-
631603 Other Misc. Supplies	375	90	-	500	500	200
632001 City Copy Charges	4,200	4,200	579	4,400	4,400	5,400
632002 Outside Printing	4,506	2,021	1,351	3,505	3,505	2,500
TOTAL SUPPLIES	27,631	22,755	4,064	27,495	27,495	25,890
Purchased Services						
640100 Accounting/Audit Fees	14,890	15,153	46,900	19,080	19,080	15,900
640300 Bank Service Fees	46,162	48,280	10,286	57,000	57,000	57,000
641100 Temporary Help	2,929	2,072	1,806	1,000	1,000	2,500
641200 Advertising	1,488	3,193	201	1,265	1,265	1,965
641307 Telephone	1,672	1,004	389	1,260	1,260	1,260
641800 Equip Repairs & Maint	2,538	-	-	2,520	2,520	2,520
643100 Interpreter Services	10	-	-	-	-	-
659900 Other Contracts/Obligation	654	514	-	600	600	600
TOTAL PURCHASED SVCS	70,343	70,216	59,582	82,725	82,725	81,745
TOTAL EXPENSE	888,670	834,341	312,060	887,544	887,544	892,834