

CITY OF APPLETON 2017 BUDGET

FINANCE DEPARTMENT

Finance Director: Anthony D. Saucerman, CPA

Deputy Finance Director: Stephanie R. Rogers, CPA

CITY OF APPLETON 2017 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 2016 EVENTS

Completed 2015 financial audit receiving an unqualified audit opinion

Began the 2017 City budget development process

Earned a rebate of \$46,438 for the contract year ended 2/29/16 from the City's procurement card program, an increase of approximately \$7,600 from the prior year reflecting continuing efforts to maximize the City's use of procurement cards

Continued to work with the IT Department on Water Utility customer billing and with DPW on the ongoing installation and testing of new meters; meter installation in all properties is expected to be completed in 2017

Issued \$24.19 million of Water Utility and \$3.5 million of Stormwater Utility Revenue Bonds, and \$19.625 million of General Obligation Notes for 2016 capital projects and to refund prior revenue issues

Completed transitioning credit card receipts to a new third party provider and began accepting credit card payments in all parking ramps and on-line for utility invoices, in addition to real estate taxes and parking citations

Continued to work with the IT Department on the Enterprise Resource Planning (ERP) project. This project will replace all of the department's I-Series-based automated systems with ERP solutions. This project includes the replacement of the following Finance Department systems: general ledger, accounts payable, accounts receivable, payroll, budgeting, purchasing, property tax billing, special assessment billing, parking ticket, utility billing, and cash receipting.

Primary Concentration for Remainder of Year:

Complete the 2017 City budget process culminating with the adoption of the budget by Council in November

Continue work on the ERP project with the goal of beginning installation of the Enterprise Resource Planning (ERP) system software by October, 2016

Transition grants administration to the City's Community Development Specialist from contracted grants administration firm and work collaboratively with our non-profit agencies to maximize the services they provide to the community

Continue to work with the Community Development Director, City Attorney, Public Works Director, Mayor and Council in analyzing the financial aspects of development projects throughout the City

Continue to work with the Department of Public Works and the Information Technology Department to ensure customers are billed accurately and timely during the installation of the new Sensus water meters

Work with consultant, financial advisor and City staff in developing and implementing a financing plan for the new exhibition center

Issue RFP for annual audit services and award contract

Issue RFP for investment and banking services and award contract by June, 2017

CITY OF APPLETON 2017 BUDGET

FINANCE DEPARTMENT

MAJOR 2017 OBJECTIVES

Maintain a sound credit 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

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

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

Develop a plan to address long-term funding issues in the CEA Replacement Fund as well as other long-term capital planning

Begin testing and implementation of new ERP system

Award investment and banking services contract

DEPARTMENT BUDGET SUMMARY

Unit	Title	Actual		Budget			% Change *
		2014	2015	Adopted 2016	Amended 2016	2017	
	Program Revenues	\$ 4,235	\$ 3,761	\$ 4,100	\$ 4,100	\$ 4,000	-2.44%
	Program Expenses						
11510	Administration	177,503	155,825	145,148	145,148	154,166	6.21%
11520	Billing & Collection Svc	92,386	71,542	99,888	102,197	103,293	3.41%
11530	Support Services	491,919	581,553	602,796	610,887	613,766	1.82%
	TOTAL	\$ 761,808	\$ 808,920	\$ 847,832	\$ 858,232	\$ 871,225	2.76%
Expenses Comprised Of:							
	Personnel	653,634	688,166	719,647	730,047	737,320	2.46%
	Administrative Expense	25,876	28,222	28,705	28,705	36,875	28.46%
	Supplies & Materials	6,763	7,575	9,870	9,870	9,870	0.00%
	Purchased Services	72,313	81,458	86,050	86,050	83,500	-2.96%
	Utilities	1,190	1,226	1,260	1,260	1,260	0.00%
	Repair & Maintenance	2,032	2,273	2,300	2,300	2,400	4.35%
	Capital Expenditures	-	-	-	-	-	N/A
Full Time Equivalent Staff:							
	Personnel allocated to programs	8.85	8.85	8.20	8.20	8.20	

CITY OF APPLETON 2017 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 2017 budget adds tuition reimbursement per City policy for 3 staff members in pursuit of accounting degrees.

PERFORMANCE INDICATORS

	Actual 2014	Actual 2015	Target 2016	Projected 2016	Target 2017
Client Benefits/Impacts					
Trained staff					
% of staff adequately trained	66%	89%	100%	100%	100%
Strategic Outcomes					
Improved program performance					
# of recommendations implemented	5	4	10	5	10
Work Process Outputs					
Training conducted					
Hours of training per employee	22	14	20	20	20
Procedures manuals updated					
% of manuals rated current	67%	74%	85%	81%	85%

CITY OF APPLETON 2017 BUDGET

FINANCE DEPARTMENT

Administration

Business Unit 11510

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2014	2015	Adopted 2016	Amended 2016	2017
Revenues					
4705 General Interest	\$ 6	\$ -	\$ -	\$ -	\$ -
4801 Charges for Serv.- Nontax	4,172	4,340	4,000	4,000	4,000
5010 Misc Revenue - Nontax	60	15	100	100	-
5085 Cash Short or Over	(3)	(594)	-	-	-
Total Revenue	<u>\$ 4,235</u>	<u>\$ 3,761</u>	<u>\$ 4,100</u>	<u>\$ 4,100</u>	<u>\$ 4,000</u>
Expenditures					
6101 Regular Salaries	\$ 136,088	\$ 110,781	\$ 100,726	\$ 100,726	\$ 101,016
6150 Fringes	29,586	30,820	29,691	29,691	31,185
6201 Training\Conferences	3,978	6,134	6,500	6,500	6,500
6204 Tuition Fees	-	-	-	-	7,200
6206 Parking Permits	83	414	466	466	500
6301 Office Supplies	1,958	1,740	2,000	2,000	2,000
6303 Memberships & Licenses	1,880	2,616	2,700	2,700	2,700
6304 Postage\Freight	232	220	225	225	225
6305 Awards & Recognition	177	144	210	210	210
6320 Printing & Reproduction	1,792	1,168	1,370	1,370	1,370
6412 Advertising	539	562	-	-	-
6413 Utilities	1,190	1,226	1,260	1,260	1,260
Total Expense	<u>\$ 177,503</u>	<u>\$ 155,825</u>	<u>\$ 145,148</u>	<u>\$ 145,148</u>	<u>\$ 154,166</u>

DETAILED SUMMARY OF 2017 PROPOSED EXPENDITURES > \$15,000

None

CITY OF APPLETON 2017 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

	Actual 2014	Actual 2015	Target 2016	Projected 2016	Target 2017
Client Benefits/Impacts					
Accurate, understandable statements					
Billing adjustments required	1,030	760	1,100	800	900
Strategic Outcomes					
Asset safeguarding					
Receivables/Receivables Aging					
% current	63%	62%	60%	62%	60%
Service turnoffs	15	58	20	60	40
Work Process Outputs					
Financial transaction processing					
Receipts posted	204,650	207,133	210,000	210,000	210,000
Automated receipts, % of total	19.0%	19.0%	20.0%	20.0%	20.0%
Information response					
% staff trained in customer svc.	89%	99%	100%	100%	100%

**CITY OF APPLETON 2017 BUDGET
FINANCE DEPARTMENT**

Billing & Collection Services

Business Unit 11520

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2014	2015	Adopted 2016	Amended 2016	2017
Expenditures					
6101 Regular Salaries	\$ 54,095	\$ 33,035	\$ 58,567	\$ 60,876	\$ 58,102
6105 Overtime	217	221	1,000	1,000	1,000
6150 Fringes	20,271	18,482	21,019	21,019	23,601
6206 Parking Permits	1,152	1,240	1,152	1,152	1,440
6301 Office Supplies	-	279	-	-	-
6304 Postage\Freight	12,797	12,782	12,800	12,800	12,800
6320 Printing & Reproduction	3,709	4,389	5,000	5,000	5,000
6328 Miscellaneous Equipment	145	-	-	-	-
6411 Temporary Help	-	933	-	-	1,000
6418 Equip Repairs & Maint	-	181	300	300	300
6431 Interpreter Services	-	-	50	50	50
Total Expense	<u>\$ 92,386</u>	<u>\$ 71,542</u>	<u>\$ 99,888</u>	<u>\$ 102,197</u>	<u>\$ 103,293</u>

DETAILED SUMMARY OF 2017 PROPOSED EXPENDITURES > \$15,000

None

CITY OF APPLETON 2017 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:

No major changes.

PERFORMANCE INDICATORS

	Actual 2014	Actual 2015	Target 2016	Projected 2016	Target 2017
Client Benefits/Impacts					
Accurate and timely financial statements					
% months closed within 10 work days	92%	50%	92%	67%	92%
# of items received after cutoff	25	63	10	30	10
Strategic Outcomes					
Financial integrity of programs maintained					
# of auditor's compliance issues	1	0	0	0	0
Asset/resource safeguarding					
Bond rating	Aa1	Aa1	Aa1	Aa1	Aa1
Work Process Outputs					
Financial transaction processing					
Avg. # journal entries made monthly	306	289	400	300	300
Avg. # of A/P checks issued monthly	682	623	675	600	600

CITY OF APPLETON 2017 BUDGET
FINANCE DEPARTMENT

Support Services

Business Unit 11530

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2014	2015	Adopted 2016	Amended 2016	2017
Expenditures					
6101 Regular Salaries	\$ 305,750	\$ 365,546	\$ 373,925	\$ 382,016	\$ 370,959
6105 Overtime	1,984	5,657	1,500	1,500	1,500
6150 Fringes	105,641	123,625	133,219	133,219	149,957
6201 Training\Conferences	835	-	-	-	-
6206 Parking Permits	2,785	2,652	2,652	2,652	3,300
6316 Miscellaneous Supplies	217	132	500	500	500
6320 Printing & Reproduction	901	1,888	3,000	3,000	3,000
6401 Accounting/Audit	13,273	21,836	26,000	26,000	24,000
6403 Bank Services	55,507	56,888	57,000	57,000	57,000
6412 Advertising	1,953	687	1,980	1,980	700
6418 Equip Repairs & Maint	2,032	2,092	2,000	2,000	2,100
6599 Other Contracts/Obligations	1,041	550	1,020	1,020	750
Total Expense	\$ 491,919	\$ 581,553	\$ 602,796	\$ 610,887	\$ 613,766

DETAILED SUMMARY OF 2017 PROPOSED EXPENDITURES > \$15,000

Accounting/Audit

Annual financial audit	\$ 20,500
OPEB actuarial study	3,500
	<u>\$ 24,000</u>

Bank Services

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