

## Orange Paintbrush



*Finance*

# Finance

The Finance Department is comprised of the following divisions: Administration, Accounting & Purchasing, Budget, and Revenue. The former Utility Billing & Meter Reading Division has been moved from the Water and Power Enterprise into the Finance Department Revenue Division to align the division's budget with its current reporting structure.

The Department's primary functions include financial operations and reporting, purchasing, sales tax licensing, sales, use, and retail fee collection, meter reading and customer service and billing operations, accounts payable, financial policy and procedure development, internal and performance auditing, lease and debt financing, long-range financial planning, capital improvements planning, budgeting, government and enterprise accounting, rate and fee setting.

The Department produces the Comprehensive Annual Financial Report (CAFR), the Annual Budget, long-range financial plans, monthly financial reports, and quarterly summary reports. The CAFR is the official statement of the City's financial position containing detailed accounting of revenues, expenditures, and financial condition. The Department coordinates the development of the Capital Program, 10-Year Financial Master Plan and an annual budget.

## Finance Department Summary

	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1st	'17 Budget	'17 Budget / '16 Adopted % Change	'16 FTE	'17 FTE
<b>REVENUE</b>							
<b>General Fund</b>							
TAXES	617,035	425,000	425,000	500,000	17.6%		
INTERGOVERNMENTAL	(6,443)	-	-	-	-		
CHARGES FOR SERVICE	109,766	103,794	103,794	112,624	8.5%		
OTHER	103,785	100,000	100,000	95,000	-5.0%		
ADMINISTRATIVE OVERHEAD	2,998,326	3,102,477	3,102,477	4,199,582	35.4%		
GENERAL FUND SUBSIDY	854,722	1,415,044	1,485,044	1,028,251	-27.3%		
<b>Total Revenue</b>	<b>\$ 4,677,191</b>	<b>\$ 5,146,315</b>	<b>\$ 5,216,315</b>	<b>\$ 5,935,457</b>	<b>15.3%</b>		
<b>EXPENSES BY DIVISION</b>							
<b>General Fund</b>							
ADMINISTRATION	253,085	308,578	303,578	333,528	8.1%	3.00	3.00
ACCOUNTING	1,067,468	1,069,552	1,134,552	1,271,094	18.8%	8.20	10.50
PURCHASING	161,695	204,961	204,961	320,827	56.5%	1.80	2.50
BUDGET	197,804	285,407	285,407	314,101	10.1%	2.00	2.00
REVENUE	2,997,139	3,277,817	3,287,817	3,695,907	12.8%	29.78	29.78
<b>Total Expense</b>	<b>\$ 4,677,191</b>	<b>\$ 5,146,315</b>	<b>\$ 5,216,315</b>	<b>\$ 5,935,457</b>	<b>15.3%</b>	<b>44.78</b>	<b>47.78</b>
<b>EXPENSES BY CATEGORY</b>							
PERSONNEL SERVICES	3,125,228	3,461,341	3,461,341	3,934,867	13.7%		
SUPPLIES	39,788	56,410	56,410	69,775	23.7%		
PURCHASED SERVICES	915,752	1,019,048	1,089,048	1,244,747	22.1%		
ADMINISTRATIVE OVERHEAD	596,423	609,516	609,516	686,068	12.6%		
<b>Total Expense</b>	<b>\$ 4,677,191</b>	<b>\$ 5,146,315</b>	<b>\$ 5,216,315</b>	<b>\$ 5,935,457</b>	<b>15.3%</b>		

# Administration

The Finance Administration Division coordinates the financial support services provided by the Finance Department, and develops financial planning tools to guide resource allocation decisions.

Outcome	Performance Measure	2015 Actual	2016 Revised	2017 Projected
<b>Public Outreach (GP 17 &amp; 18)</b>				
Information transparency.	% of reports posted on the website the same day they are released.	99%	99%	99%
	% policies and procedures posted within one day of approval.	100%	100%	100%
<b>Fiscal Responsibility (GP 15)</b>				
Ensure integrity of financial processes and systems to protect City assets, including City employees.	% of positive compliance audit results / findings.	95%	95%	95%
<b>Operational Efficiency (GP 11f &amp; 17)</b>				
Reduce document production costs.	Cost to produce CAFR per book.	\$28	\$23	\$30
	Cost to produce Budget per book.	\$95	\$115	\$115
<b>Sustainable Results (GP 15)</b>				
Accurate, current, accessible employee policies and regulations.	% of employee respondents that indicate information easy to find.	100%	100%	100%
<b>Superior Customer Service (GP 16 &amp; 18)</b>				
Compliance Audit findings deemed accurate and fair, recommendations deemed reasonable.	% of respondents rate findings and recommendations as reasonable.	100%	100%	100%

<b>DIVISION</b>	<b>DEPARTMENT</b>
Administration	Finance

	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1st	'17 Budget
<b>REVENUE</b>				
INTERGOVERNMENTAL	(473)	-	-	-
ADMINISTRATIVE OVERHEAD	783,847	895,465	895,465	1,823,396
GENERAL FUND SUBSIDY	(530,289)	(586,887)	(591,887)	(1,489,868)
<b>Total Revenue</b>	<b>\$ 253,085</b>	<b>\$ 308,578</b>	<b>\$ 303,578</b>	<b>\$ 333,528</b>

### EXPENSE BY Division/Program

ADMINISTRATION	\$ 253,085	\$ 308,578	\$ 303,578	\$ 333,528
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### EXPENSE BY CATEGORY

PERSONNEL SERVICES	200,727	239,249	239,249	262,346
SUPPLIES	2,148	6,650	6,650	6,650
PURCHASED SERVICES	21,685	33,098	28,098	33,654
ADMINISTRATIVE OVERHEAD	28,525	29,581	29,581	30,878
<b>Total Expense</b>	<b>\$ 253,085</b>	<b>\$ 308,578</b>	<b>\$ 303,578</b>	<b>\$ 333,528</b>

<b>FTE</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
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**CHANGES COMPARED TO PRIOR YEAR ADOPTED**

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16,698 Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.

8,252 Core Changes

6,399 Personnel Services

556 Purchased Services

1,297 Administrative Overhead

**\$ 24,950 TOTAL CHANGE**

**OTHER INFORMATION**

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- Unfunded Supplements

- There are no unfunded supplements in this division.

- Equipment Replacement

- No equipment is scheduled for replacement in this division.

- Capital Projects

- There are no capital projects anticipated for this division.

# Accounting

Accounting is responsible for the disbursement of City funds and for providing accurate, timely and informative financial information to a variety of users. This Division prepares the Comprehensive Annual Financial Report (CAFR) and has been awarded the “Certificate of Achievement for Excellence in Financial Reporting” by the Government Finance Officers Association every year since 1980.

Outcome	Performance Measure	2015 Actual	2016 Revised	2017 Projected
<b>Public Outreach (GP 17 &amp; 18)</b>				
Winning GFOA award for Outstanding CAFR Report.	Received GFOA Award.	Yes	Yes	Yes
Winning GFOA award for Outstanding PAFR Report.	Received GFOA Award	Yes	Yes	Yes
<b>Fiscal Responsibility (GP 15)</b>				
Ensure that financial transactions are accurately recorded and reported.	Average length of time reconciling item remain on the cash reconciliations.	30 days	30 days	30 days
Increase department utilization of purchasing cards to increase rebate.	% increase of rebate	25%	-6%	15%
<b>Operational Efficiency (11f &amp; 17)</b>				
Increase payroll time efficiency by reducing interim checks	Number of interim checks processed	21	17	15
Reduce Accounts Payable processing cost	Number of vendors using EFT/wires	210	199	200

<b>DIVISION</b>	<b>DEPARTMENT</b>
Accounting	Finance

	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1st	'17 Budget
<b>REVENUE</b>				
INTERGOVERNMENTAL	(6,071)	-	-	-
CHARGES FOR SERVICE	629	1,014	1,014	1,014
GENERAL FUND SUBSIDY	1,072,910	1,068,538	1,133,538	1,270,080
<b>Total Revenue</b>	<b>\$ 1,067,468</b>	<b>\$ 1,069,552</b>	<b>\$ 1,134,552</b>	<b>\$ 1,271,094</b>
<b>EXPENSE BY Division/Program</b>				
<b>General Fund</b>				
ACCOUNTING	<b>\$ 1,067,468</b>	<b>\$ 1,069,552</b>	<b>\$ 1,134,552</b>	<b>\$ 1,271,094</b>
<b>EXPENSE BY CATEGORY</b>				
PERSONNEL SERVICES	777,575	784,433	784,433	976,632
SUPPLIES	16,016	13,800	13,800	18,800
PURCHASED SERVICES	138,277	136,455	201,455	138,507
ADMINISTRATIVE OVERHEAD	135,600	134,864	134,864	137,155
<b>Total Expense</b>	<b>\$ 1,067,468</b>	<b>\$ 1,069,552</b>	<b>\$ 1,134,552</b>	<b>\$ 1,271,094</b>
<b>FTE</b>	<b>9.20</b>	<b>8.20</b>	<b>9.20</b>	<b>10.50</b>

**CHANGES COMPARED TO PRIOR YEAR ADOPTED**

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82,392 Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.

31,358 Core Changes

27,015 Personnel Services

2,052 Purchased Services

2,291 Administrative Overhead

87,792 Funded Supplements

87,792 1.0 FTE Accountant

**\$ 201,542 TOTAL CHANGE**

**OTHER INFORMATION**

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- Unfunded Supplements

- There are unfunded supplements for this division.

- Equipment Replacement

- No equipment is scheduled for replacement in this division.

- Capital Projects

- There are no capital projects anticipated for this division.

# Purchasing

Purchasing uses professional, effective, efficient, and flexible practices to manage the City's procurement of goods and services and ensure compliance with City and state laws.

<b>DIVISION</b>	<b>DEPARTMENT</b>
Purchasing	Finance

	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1st	'17 Budget
<b>REVENUE</b>				
GENERAL FUND SUBSIDY	161,695	204,961	204,961	320,827
<b>Total Revenue</b>	<b>\$ 161,695</b>	<b>\$ 204,961</b>	<b>\$ 204,961</b>	<b>\$ 320,827</b>

## EXPENSE BY Division/Program

<b>General Fund</b>				
PURCHASING	<b>\$ 161,695</b>	<b>\$ 204,961</b>	<b>\$ 204,961</b>	<b>\$ 320,827</b>

## EXPENSE BY CATEGORY

PERSONNEL SERVICES	97,114	121,787	121,787	182,102
SUPPLIES	1,818	2,200	2,200	7,200
PURCHASED SERVICES	1,917	7,090	7,090	7,148
ADMINISTRATIVE OVERHEAD	60,846	73,884	73,884	124,377
<b>Total Expense</b>	<b>\$ 161,695</b>	<b>\$ 204,961</b>	<b>\$ 204,961</b>	<b>\$ 320,827</b>

<b>FTE</b>	<b>1.80</b>	<b>1.80</b>	<b>1.50</b>	<b>2.50</b>
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**CHANGES COMPARED TO PRIOR YEAR ADOPTED**

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50,493	Increase in administrative overhead for costs allocated by City Attorney's Office based on the allocation methodology.
7,385	Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.
(12,455)	<u>Core Changes</u>
	(12,513) Personnel Services
	58 Purchased Services
70,443	<u>Funded Supplements</u>
	70,443 Purchasing Technician
<b>\$ 115,866</b>	<b>TOTAL CHANGE</b>

**OTHER INFORMATION**

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- Unfunded Supplements
  - There are unfunded supplements for this division.
  
- Equipment Replacement
  - No equipment is scheduled for replacement in this division.
  
- Capital Projects
  - There are no capital projects anticipated for this division.

# Budget

The Budget Division prepares and administers the City’s annual operating budget and capital plan; forecasts and monitors the City’s expenditures and revenues; forecasts the 5–year operating and capital plans; and provides financial data, support and analysis to other City departments. In addition, this Division participates in policy analysis and formation and ensures City compliance with federal and state legislation that affect the budget. The Division has received the “Distinguished Budget Presentation Award” from the Government Finance Officers Association every year since 1985.

Outcome	Performance Measure	2015 Actual	2016 Revised	2017 Projected
<b>Public Outreach (GP 17 &amp; 18)</b>				
City priorities communicated to the public.	Received the GFOA Distinguished Budget Presentation Award.	Yes	Yes	Yes
<b>Fiscal Responsibility (GP 15)</b>				
Council and public have confidence in budget projections.	Adopted budget revenue and expense within 5% of actual revenue and expense.	109.9% / 113.1%	95.0% / 95.0%	95.0% / 95.0%
Capital budget within available resources.	Impact fee reserves remain positive in near term.	Yes	Yes	Yes
Program and service growth within available resources.	Unrestricted reserves at least 15% of fund expenditures.	26.5%	27.6%	39.5%
<b>Sustainable Results (GP 15)</b>				
Current year budget problems identified early and corrective action implemented proactively.	Expenditure forecasts for current year expenses on 4-month data within 5% of actual expenses.	95%	95%	95%

<b>DIVISION</b>	<b>DEPARTMENT</b>
Budget	Finance

	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1 <sup>st</sup>	'17 Budget
<b>REVENUE</b>				
GENERAL FUND SUBSIDY	197,804	285,407	285,407	314,101
<b>Total Revenue</b>	<b>\$ 197,804</b>	<b>\$ 285,407</b>	<b>\$ 285,407</b>	<b>\$ 314,101</b>

### EXPENSE BY Division/Program

<b>General Fund</b>				
BUDGET	\$ 197,804	\$ 285,407	\$ 285,407	\$ 314,101

### EXPENSE BY CATEGORY

PERSONNEL SERVICES	113,186	192,873	192,873	205,412
SUPPLIES	387	1,550	1,550	1,250
PURCHASED SERVICES	10,270	18,004	18,004	18,451
ADMINISTRATIVE OVERHEAD	73,961	72,980	72,980	88,988
<b>Total Expense</b>	<b>\$ 197,804</b>	<b>\$ 285,407</b>	<b>\$ 285,407</b>	<b>\$ 314,101</b>

<b>FTE</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
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**CHANGES COMPARED TO PRIOR YEAR ADOPTED**

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7,637	Increase in administrative overhead for costs allocated by City Clerk's Office based on the allocation methodology.
8,111	Increase in administrative overhead for costs allocated by City Attorney's Office based on the allocation methodology.
4,159	Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.
8,787	<u>Core Changes</u>
8,380	Personnel Services
(300)	Supplies
447	Purchased Services
260	Administrative Overhead

**\$ 28,694 TOTAL CHANGE**

**OTHER INFORMATION**

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- Unfunded Supplements
  - There are no unfunded supplements in this division.
  
- Equipment Replacement
  - No equipment is scheduled for replacement in this division.
  
- Capital Projects
  - There are no capital projects anticipated for this division.

# Revenue

The Revenue Division is comprised of five programs: 1) Revenue; handles Sales & Use Tax and Treasury, which entails banking and investments of the city's operating fund reserve balances, and coordination of borrowing money for capital projects and equipment when necessary. 2) Fee Collections; handles the Centerra Fee Collection program based on the Collection Agreement with the Public Improvement and Retail Sales Fee boards. 3) Utility Billing – Billing; assigns services and meters to new construction accounts, handles the processing of regular and final utility statements, processes payments for all utilities provided by the City, prepares deposits for all City departments and processes petty cash reimbursements. 4) Utility Billing – Customer Service; handles set-up and termination of all electric, water, wastewater, stormwater, solid waste, and street maintenance customers. Changes to active accounts, telephone payments and collections of past due accounts are performed by the Customer Service staff. 5) Meter Reading; handles the reading of all electric and water meters monthly, connecting and disconnecting services daily, maintaining the City's Free Porch Light system, as well as monitoring for the meter divisions of the City's Water and Power Department.

## Revenue and Fee Collection

Outcome	Performance Measure	2015 Actual	2016 Revised	2017 Projected
<b>Public Outreach (GP 17 &amp; 18)</b>				
Citizens feel informed and that they understand City's cash and investments.	# of attendees at quarterly Sales Tax and Construction Use Tax seminars.	13	0	10
<b>Fiscal Responsibility (GP 15)</b>				
Maximize the availability of earned revenue.	# of Sales Tax Audits completed.	76	63	80
	# of Construction Use Tax Audits completed.	66	58	64
	Average % of delinquent Sales Tax accounts per month.	5.4%	5.2%	4.8%
	Audit assessments to collection on assessments.	87%	83%	85%
	Annual amount of audit revenue assessed.	\$494,008	\$370,000	450,000
<b>Operational Efficiency (11f &amp; 17)</b>				
1Maximize productivity through technology.	Productivity hours saved through technology innovations.	10	10	0
	# of audit hours per auditor.	390	648	639
Encourage development of staff and customers	Training hours for employees.	238	396	338
	# of customers trained.	212	302	331

## Customer Service, Billing and Meter Reading

Outcome	Performance Measure	2015 Actual	2016 Revised	2017 Projected
<b>Public Outreach (GP 17 &amp; 18)</b>				
Manage the utility bill assistance program, Help-A-Neighbor-In-Distress (HAND).	Qualified applying families receive assistance.	252	250	250
<b>Fiscal Responsibility (GP 15)</b>				
Maintain timely and accurate revenue flow to utilities.	\$ billed annually. (electric, water & sewer)	77,585,520	86,933,530	88,672,200
	# of bills mailed annually.	451,983	470,323	479,729
	\$ collected annually. (all services billed)	91,331,908	100,843,080	102,859,941
<b>Operational Efficiency (GP 11f &amp; 17)</b>				
Implement cost effective solutions to save man-hour time and money.	Projects/hours.	1/620	2/600	1/100
	% of total payments processed electronically.	81%	82%	83%
<b>Superior Customer Service (GP 16 &amp; 18)</b>				
Provide quality customer service.	Positive customer survey results.	95%	90%	93%

**DIVISION****DEPARTMENT**

Revenue

Finance

	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1 <sup>st</sup>	'17 Budget
<b>REVENUE</b>				
INTERGOVERNMENTAL	101	-	-	-
TAXES	617,035	425,000	425,000	500,000
CHARGES FOR SERVICE	109,137	102,780	102,780	111,610
OTHER	103,785	100,000	100,000	95,000
ADMINISTRATIVE OVERHEAD	2,214,479	2,207,012	2,207,012	2,376,186
GENERAL FUND SUBSIDY	(47,398)	443,025	453,025	613,111
<b>Total Revenue</b>	<b>\$ 2,997,038</b>	<b>\$ 3,277,817</b>	<b>\$ 3,287,817</b>	<b>\$ 3,695,907</b>
<b>EXPENSE BY Division/Program</b>				
<b>General Fund</b>				
REVENUE				
GENERAL OPERATIONS	526,482	616,677	625,677	652,708
FEE COLLECTIONS	85,355	106,513	106,513	100,351
UTILITY BILLING	970,449	994,119	994,119	1,142,363
UB - CUSTOMER SERVICE	671,672	748,219	749,219	797,168
UB - METER READING	743,181	812,289	812,289	1,003,317
<b>Total Expense</b>	<b>\$ 2,997,139</b>	<b>\$ 3,277,817</b>	<b>\$ 3,287,817</b>	<b>\$ 3,695,907</b>
<b>EXPENSE BY CATEGORY</b>				
PERSONNEL SERVICES	1,936,626	2,122,999	2,122,999	2,308,375
SUPPLIES	19,419	32,210	32,210	35,875
PURCHASED SERVICES	743,603	824,401	834,401	1,046,987
ADMINISTRATIVE OVERHEAD	297,491	298,207	298,207	304,670
<b>Total Expense</b>	<b>\$ 2,997,139</b>	<b>\$ 3,277,817</b>	<b>\$ 3,287,817</b>	<b>\$ 3,695,907</b>
<b>FTE</b>	<b>29.78</b>	<b>29.78</b>	<b>29.77</b>	<b>29.78</b>

**CHANGES COMPARED TO PRIOR YEAR ADOPTED**

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180,540 Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.

111,000 Increase in purchased services for credit card fees.

26,550 Core Changes

4,836 Personnel Services

3,665 Supplies

11,586 Purchased Services

6,463 Administrative Overhead

100,000 Funded Supplements

100,000 Outsourcing Delinquent Utility Account  
Disconnect/Reconnect

**\$ 418,090 TOTAL CHANGE**

**OTHER INFORMATION**

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- Unfunded Supplements

- There are no unfunded supplements in this division.

- Equipment Replacement

- No equipment is scheduled for replacement in this division.

- Capital Projects

- There are no capital projects anticipated for this division.