

Finance Department

Mission Statement

It is the mission of the Finance Department to account for all municipal resources and to apply such resources in a manner that is most beneficial to the citizens of Rockford.

Primary Functions → There are four primary operating functions within the Finance Department.

- **Administration** → The Administration division is responsible for the management of the financial affairs of the city and the supervision of personnel operations within the Finance Department.
- **Central Services** → The Central Services division is responsible for financial planning, risk management, centralized purchasing, and mail/printing services for the City.
- **Accounting** → The purpose of the Accounting division is to provide financial reporting, payroll processing, accounts payable and receivable, fixed asset reporting, special tax collections, billing, and auditing functions.
- **Revenue** → The purpose of the Revenue Division is to collect various revenues, manage the police and fire pension funds, ensure payment to retirees is processed, and invest idle City funds.

2008 Accomplishments →

- Received the Distinguished Budget Award for the 24th consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 28th consecutive year from the Government Finance Officer's Association.
- Cross training of Finance staff is occurring with rotation in Central Services and in the payment center.
- The water project improvement process is moving forward.
- Recommended and implemented changes to business licenses when the department changed to the annual license and fee ordinance.
- Anticipate changing over to the monthly water billing at the end of 2008 with the first monthly bill coming out in February.
- Munis Self-Service will allow customers to check on their account balances, review payment history, and make payments online.
- Department has worked through the new auditing standards (SAS 104-11, risk standards requiring an understanding of the auditee) as well as GASB Statements 43 and 45 (accounting and reporting for employers for post-employment benefits other than pensions).

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- Completed the 2008 \$12.15 million sale of debt to finance projects. Also arranged \$25 million in interim financing as well as working with the Illinois EPA on securing low cost water financing. The next sale will be in the first quarter of 2009. The department is in the process of securing a new financial advisor.
- Secured a new investment advisor for the Fire Pension.

2009 Goals and Objectives →

- Achieving the Distinguished Budget Presentation Award for the 25th consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 29th consecutive year from the Government Finance Officer's Association.
- Implement applicable GASB statements in order to stay in compliance with Generally Accepted Accounting Practices.
- Turn on monthly water billing at the beginning of 2009 and start online billing for water, building, parking at the beginning of the 2nd quarter.
- Replace parking, false alarm, and metro tax aging in house software.
- With IT, interface Munis and Hansen software.
- Develop maximum use of the new timekeeping system software for multiple purposes including scheduling, Rockstat, etc.
- With Public Works, begin the parking system business plan analysis which includes installing pay stations in decks, signage, fee structuring, etc.
- Perform an ambulance study.
- Recommend and implement changes to business license rates and requirements as well as develop better enforcement measures.
- Continue cross training of Finance staff and process improvements with the Department.
- Issue debt to finance projects as necessary.
- Manage the City's public safety pension plans and the City's investment portfolio.

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Budget Summary

FINANCE DEPARTMENT BUDGET SUMMARY					
APPROPRIATION	2007 <u>ACTUAL</u>	2008 <u>BUDGET</u>	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$2,297,257	\$2,511,871	\$2,546,793	\$2,588,375	\$76,504
CONTRACTUAL	901,212	912,504	914,429	728,630	(183,874)
SUPPLIES	37,445	80,515	70,535	21,905	(58,610)
OTHER	4,565,365	4,149,257	3,961,219	3,880,737	(268,520)
CAPITAL	0	0	0	0	0
ENCUMBRANCE	0	0	0	0	0
TOTAL	<u>\$7,801,279</u>	<u>\$7,654,147</u>	<u>\$7,492,976</u>	<u>\$7,219,647</u>	<u>(\$434,500)</u>
STAFFING REVIEW					
TOTAL	2006 <u>33.00</u>	2007 <u>33.00</u>	2008 <u>34.00</u>	2009 <u>34.00</u>	INCREASE (DECREASE) <u>0.00</u>
FUNDING SOURCE					
	2008 <u>AMOUNT</u>	2008 <u>PERCENTAGE</u>	2009 <u>AMOUNT</u>	2009 <u>PERCENTAGE</u>	
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS	\$231,771	3.0	\$240,913	3.3	
PURCHASE OF SERVICES	1,631,600	21.3	1,628,200	22.6	
FROM OTHER GOVERNMENTS	250,000	3.3	250,000	3.5	
GENERAL REVENUES	<u>5,540,776</u>	<u>75.7</u>	<u>5,100,534</u>	<u>74.1</u>	
TOTAL	<u>\$7,654,147</u>	<u>103.3</u>	<u>\$7,219,647</u>	<u>103.5</u>	

Budget Analysis

The 2009 budget of \$7,219,647 is a decrease of \$434,500 (5.7%) from the previous year. This is a result of the 2008 supplemental increase of \$832,800. Without the supplemental adjustment, the 2009 budget is a \$398,300 increase over 2008. Personnel expenses increased \$76,504 due to a general wage increase and an increase in health insurance benefits (\$68,400). Salaries increased \$90,800 from 2008 while overtime (\$4,700), employee agency wage (\$15,000), merit pay (\$23,000), and salary adjustments (\$50,600) due to the implementation of furlough days decreased.

Contractual services decreased \$183,874. This is due to a supplemental increase in 2008 for building rental (\$37,400) and miscellaneous expenses for Azavar auditing expenses (\$80,000). Without the supplemental adjustments contractual services would be a reduction of \$85,000. Major decreases for 2009 include printing & publication (\$4,800), postage (\$55,000), travel (\$6,000), advertising (\$3,000), service contracts (\$20,900), maintenance-office & furniture (\$6,400), microcomputer (\$4,600), and education (\$22,300). Decreases were made to meet budget restraints.

Supplies decreased \$58,610 for 2009 due to a supplemental increase in 2008 of \$25,000 for the purchase of new laptops. Other decreases include small tools (\$2,000) and office general supply (\$13,000).

Other expenses decreased \$268,520 in 2009 as a result of supplemental appropriation increases for transfer to Human services fund (\$8,500) and transfer to capital projects (\$700,000). Major decreases occurred in miscellaneous expenses (\$160,600) as a result of a \$200,000 nonrecurring expense that was added in 2008 for the Community Collaboration initiative. Debt-services (\$64,000) and building maintenance (\$27,700) also decreased. Increases include transfer-CAP, an \$80,870 transfer to RMAP.

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In 2008, the Finance Department spent \$7,492,976, or 97.9% of its budgeted allocation. In the past several years, 90% to 106% of the budget has been spent.

Capital Equipment

There are no capital items budgeted for 2009 as a result of current economic conditions.

Personnel Review

FINANCE DEPARTMENT				
BENEFITS AND SALARIES		2008	2009	INCREASE/ (DECREASE)
SALARY		<u>BUDGET</u>	<u>BUDGET</u>	
PERMANENT		\$1,703,358	\$1,794,164	\$90,806
TEMPORARY		16,000	0	(16,000)
OVERTIME		4,750	0	(4,750)
MERIT PAY		23,001	0	(23,001)
SALARY ADJUSTMENT		<u>24,854</u>	<u>(25,826)</u>	<u>(50,680)</u>
TOTAL SALARIES		<u>\$1,771,963</u>	<u>\$1,768,338</u>	<u>(\$3,625)</u>
BENEFITS				
ILLINOIS MUNICIPAL RETIREMENT		\$302,806	\$313,903	\$11,097
UNEMPLOYMENT TAX		2,142	2,142	0
WORKER'S COMPENSATION		3,512	4,060	548
HEALTH INSURANCE		400,556	469,040	68,484
RETIREE HEALTH INSURANCE		16,000	16,000	0
LIFE INSURANCE		2,652	2,652	0
PARKING BENEFITS		<u>12,240</u>	<u>12,240</u>	<u>0</u>
TOTAL BENEFITS		<u>\$739,908</u>	<u>\$820,037</u>	<u>\$80,129</u>
TOTAL COMPENSATION		<u>\$2,511,871</u>	<u>\$2,588,375</u>	<u>\$76,504</u>
	POSITION	2008	2009	INCREASE/ (DECREASE)
POSITION TITLE	<u>RANGE</u>	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>	
FINANCE DIRECTOR	E-14	1.00	1.00	0.00
MANAGER	E-11	3.00	3.00	0.00
PRINCIPAL ACCOUNTANT	E-9	1.00	1.00	0.00
FINANCIAL ANALYST	E-8	2.00	2.00	0.00
SENIOR ACCOUNTANT	E-8	3.00	3.00	0.00
ACCOUNTANT	E-7	4.00	4.00	0.00
SENIOR ADMIN. ASSISTANT	E-6	1.00	1.00	0.00
ACCOUNTING TECHNICIAN	E-5	1.00	1.00	0.00
SENIOR ACCOUNT CLERK	A-21	6.00	6.00	0.00
PURCHASING TECHNICIAN	A-23	2.00	2.00	0.00
ACCOUNT CLERK	A-19	<u>10.00</u>	<u>10.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>34.00</u>	<u>34.00</u>	<u>0.00</u>

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Performance Measures

	2006 Actual	2007 Actual	2008 Actual	2009 Estimate
Purchase Orders issued	12,145	12,231	12,400	12,000
Bids/RFP's issued	177	144	188	190
Consecutive Years receiving GFOA Budget Award	22	23	24	25
Consecutive Years receiving GFOA Financial Reporting Award	26	27	28	29
Bond Issues	1	2	1	2
Investment Earnings	3,355,642	5,076,438	3,686,164	3,032,856