

# **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.

## **2010 Accomplishments** →

- Received the Distinguished Budget Award for the 26th consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 30th consecutive year from the Government Finance Officers' Association.
- Provided a training session to Water Customer Service on the City's responsibilities and procedures in online payment processing.
- Completed transition to NOVATime timekeeping system for Finance, IT, Human Resources, Public Works and Mayor's Office.
- Implemented Munis General Billing to invoice and track fire alarm monitoring fees and fire relay calls. All invoicing of receivables should be complete by the end of 2010 to save time and provide more timely access to accurate receivable information.
- Implemented MUNIS General Billing to invoice parking and other miscellaneous receivables.
- Began working with Public Works on the parking ticket system process improvement plan which includes installing new parking ticket software.
- Recommend and implement changes to business license rates and requirements as well as develop better enforcement measures.

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- Continued cross training of Finance staff and process improvements within the Department.
- Issued debt to finance projects as necessary.
- Managed the City's public safety pension plans and the City's investment portfolio.
- Completed the Pension Fund audits and actuarial information by June 15th.
- Implemented a new five day notice process prior to water turn offs.
- Set up unemployment and deferred compensation accounts to submit files electronically.
- Provided purchasing training to all appropriate City staff.
- Completed first City-wide copier rental bid, to better control costs and management of overall printing activity. Estimated savings from the new contract are approximately \$120,000.
- Completed first request for proposals for insurance broker services and successfully transitioned to a new broker.
- Began reporting on budget performance at Rockstat meetings.

### **2011 Goals and Objectives →**

- Achieving the Distinguished Budget Presentation Award for the 27th consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 31st consecutive year from the Government Finance Officer's Association.
- Implement applicable GASB statements in order to stay in compliance with Generally Accepted Accounting Practices.
- Continue working with Public Works on the parking ticket system process improvement plan which includes installing new parking ticket software.
- Convert Business Licenses to a new system platform.
- Continue cross training of Finance staff and process improvements with the Department.
- Issue debt to finance projects as necessary.
- Install a payment kiosk that provides 24-hour payment capability for water bills and look for other ways to reroute lobby traffic during peak periods.
- Implement a single log in to access multiple billing accounts with the same owner and make one payment for all accounts.

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- Complete 2010 Pension Fund Audit and transmit the audited information to the Actuary by April 30<sup>th</sup>
- Bring the rest of Community Development, Police, Fire, and Human Services Departments, and the Library on to the NOVATime timekeeping system.
- Implement a system which converts accounts payable originally paid by check to electronic card payments through PNC Bank.

## Budget Summary

FINANCE DEPARTMENT BUDGET SUMMARY					
APPROPRIATION	2009 ACTUAL	2010 BUDGET	2010 ACTUAL	2011 BUDGET	INCREASE (DECREASE)
PERSONNEL	\$2,532,562	\$2,502,313	\$2,583,360	\$2,489,406	(\$12,907)
CONTRACTUAL	1,136,303	1,060,995	1,097,760	1,048,080	(12,915)
SUPPLIES	20,903	21,905	20,341	25,869	3,964
OTHER	3,450,416	3,354,917	2,423,525	4,506,367	1,151,450
CAPITAL	0	0	0	0	0
ENCUMBRANCE	0	0	0	0	0
TOTAL	<u>\$7,140,184</u>	<u>\$6,940,130</u>	<u>\$6,124,986</u>	<u>\$8,069,722</u>	<u>\$1,129,592</u>
<b>STAFFING REVIEW</b>					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	INCREASE (DECREASE)
TOTAL	<u>34.00</u>	<u>34.00</u>	<u>32.00</u>	<u>32.00</u>	<u>0.00</u>
<b>FUNDING SOURCE</b>					
		2010 AMOUNT	2010 PERCENTAGE	2011 AMOUNT	2011 PERCENTAGE
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS		\$236,608	3.4	\$240,843	3.5
PURCHASE OF SERVICES		2,153,600	31.0	2,149,800	31.0
FROM OTHER GOVERNMENTS		250,000	3.6	250,000	3.6
GENERAL REVENUES		<u>4,299,922</u>	<u>65.6</u>	<u>5,429,079</u>	<u>65.5</u>
TOTAL		<u>\$6,940,130</u>	<u>100.0</u>	<u>\$8,069,722</u>	<u>100.0</u>

## Budget Analysis

The 2011 budget of \$8,069,722 is an increase of \$1,129,592 (16.3%) from the previous year. Personnel expenses decreased \$12,900 due to changes in salaries (\$7,000) and reversal of the 2010 salary adjustment (\$43,600). Increases include rate increases for IMRF (\$3,100), unemployment (\$3,700), health insurance (\$29,000) and retiree health insurance (\$1,600).

Contractual services decreased by \$12,915. This is due to decreases in postage related to monthly water billing (\$58,100), telephone (\$7,500), credit card collection expenses (\$18,000), building rental (\$11,800) and auditing (\$4,800). The decreases are offset by an increase in service contracts (\$41,900), miscellaneous expenses (\$40,800) related to banking fees increase for monthly water billing, advertising (\$2,000) and minimal increases in dues, subscriptions and microcomputer expenses.

Supplies increased by \$3,964 due to an increase in general office supplies. Other expenses increased by \$1,151,450 due to an increase in transfer to RMAP (\$2,500), sales tax rebate (\$17,500), transfer to Human Services (\$70,000) and an increase to CIP transfers to reflect the

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planned 2010 transfer, which did not occur in 2010 (\$1,200,000). Decreases that offset the increase in other expenses include a decrease in miscellaneous expenses (\$78,700). This includes Winnebago County Animal Control, Sister Cities, and a reimbursement for real estate taxes on property disconnected from Edgebrook-Bradley Heights Fire Protection District and annexed to the City of Rockford during the year 2007. Other decreases include development expenses (\$50,000) and transfer to debt service (\$15,000).

Of the 32 staff assigned to Finance Department, 20.9 are direct reimbursements.

In 2010, the Finance Department spent \$6,124,986, or 88.3% of its budgeted allocation. In the past several years, 88% to 106% of the budget has been spent.

## Capital Equipment

There are no capital items budgeted for 2011.

## Personnel Review

<b>FINANCE DEPARTMENT</b>				
<b>BENEFITS AND SALARIES</b>		<b>2010</b>	<b>2011</b>	<b>INCREASE/ (DECREASE)</b>
<b>SALARY</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>(DECREASE)</b>
PERMANENT		\$1,655,911	\$1,648,651	(\$7,260)
SALARY ADJUSTMENT		43,630	0	(43,630)
<b>TOTAL SALARIES</b>		<b>\$1,699,541</b>	<b>\$1,648,651</b>	<b>(\$50,890)</b>
<b>BENEFITS</b>				
ILLINOIS MUNICIPAL RETIREMENT		\$334,163	\$337,315	\$3,152
UNEMPLOYMENT TAX		2,016	5,760	3,744
WORKER'S COMPENSATION		3,643	3,790	147
HEALTH INSURANCE		438,724	468,000	29,276
RETIREE HEALTH INSURANCE		6,370	8,034	1,664
LIFE INSURANCE		2,496	2,496	0
PARKING BENEFITS		15,360	15,360	0
<b>TOTAL BENEFITS</b>		<b>\$802,772</b>	<b>\$840,755</b>	<b>\$37,983</b>
<b>TOTAL COMPENSATION</b>		<b>\$2,502,313</b>	<b>\$2,489,406</b>	<b>(\$12,907)</b>
	<b>POSITION</b>	<b>2010</b>	<b>2011</b>	<b>INCREASE/ (DECREASE)</b>
<b>POSITION TITLE</b>	<b>RANGE</b>	<b>EMPLOYEES</b>	<b>EMPLOYEES</b>	<b>(DECREASE)</b>
FINANCE DIRECTOR	E-14	1.00	1.00	0.00
MANAGER	E-11	3.00	3.00	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	9.00	9.00	0.00
<b>TOTAL PERSONNEL</b>		<b>32.00</b>	<b>32.00</b>	<b>0.00</b>

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## Performance Measures

	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Purchase Orders issued	12,400	11,726	10,606	10,800
Bids/RFP's issued	188	204	141	160
Consecutive Years receiving GFOA Budget Award	24	25	26	27
Consecutive Years receiving GFOA Financial Reporting Award	28	29	30	31
Bond Issues	2	1	1	0
Investment Earnings	3,686,164	478,887	764,272	1,176,000