

# **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.

### **2009 Accomplishments** →

- Received the Distinguished Budget 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.
- Successfully transitioned from quarterly to monthly water billing at the beginning of 2009 and started online billing for water, building, and parking at the beginning of April.
- Automated the posting of customers' electronic banking water bill payments to automatically charge a customer's checking or credit card account to pay a water bill.
- Collaborated with Water Customer Service, Distribution, and Rock River Water Reclamation to improve the collection process when water is turned off, and worked with Legal, Police and Landlord Attorney to allow for faster water turn offs on multi-family delinquencies.
- Participated in a work process improvement task force for new construction, new water service and new account set up.
- Provided a training session to water customer service on the City's responsibilities and procedures in online payment processing.
- With IT, interfaced Munis and Hansen software.

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- Developed maximum use of the new timekeeping system software, Novatime, for multiple purposes including scheduling, Rockstat, etc.
- Implemented the Munis General Billing to invoice and track fire alarm monitoring fees and fire relay calls. All invoicing of receivables should be onboard by the end of 2009 to save time and provide more timely access to accurate receivable information.
- Began setting up Metro Tax on Munis.
- Streamlined processes within the Community Development Department which greatly improved the efficiency and accuracy of grant reporting.
- 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.
- 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.
- Completed the Pension Fund audits and actuarial information by June 15th.
- Wrote new military leave policy and procedures.
- Constructed reconciliation of Cafeteria 125 plan with new vendor Eflex.

### **2010 Goals and Objectives →**

- Achieving the Distinguished Budget Presentation 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 Officer's Association.
- Implement applicable GASB statements in order to stay in compliance with Generally Accepted Accounting Practices.
- Replace false alarm and metro tax with in house software.
- Continue working with Public Works on the parking ticket system process improvement plan which includes installing new parking ticket software.
- Perform rate studies for garbage, water, and ambulance.
- Recommend and implement changes to business license rates and requirements as well as develop better enforcement measures.

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- 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.
- Implement the new Illinois Department of Insurance Pension Fund Reporting Package.
- Complete Banking Services RFP and if warranted convert to new bank.
- Implement a single log in to access multiple water accounts with the same owner and make one payment for all the accounts.
- Continue to educate and encourage customers to use the online payment options, install a payment Kiosk that provides 24 hour payment capability for water bills, and look for other ways to reroute lobby traffic during the peak periods.

## Budget Summary

FINANCE DEPARTMENT BUDGET SUMMARY					
APPROPRIATION	2008 ACTUAL	2009 BUDGET	2009 ACTUAL	2010 BUDGET	INCREASE (DECREASE)
PERSONNEL	\$2,546,791	\$2,588,375	\$2,532,562	\$2,452,313	(\$136,062)
CONTRACTUAL	914,430	728,630	1,136,303	998,995	270,365
SUPPLIES	70,525	21,905	20,903	21,905	0
OTHER	3,961,219	3,880,737	3,450,416	3,430,917	(449,820)
CAPITAL	0	0	0	0	0
ENCUMBRANCE	0	0	0	0	0
TOTAL	<u>\$7,492,965</u>	<u>\$7,219,647</u>	<u>\$7,140,184</u>	<u>\$6,904,130</u>	<u>(\$315,517)</u>
STAFFING REVIEW					
TOTAL	2007	2008	2009	2010	INCREASE (DECREASE)
	<u>33.00</u>	<u>34.00</u>	<u>34.00</u>	<u>32.00</u>	<u>(2.00)</u>
FUNDING SOURCE					
	2009 AMOUNT	2009 PERCENTAGE	2010 AMOUNT	2010 PERCENTAGE	
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS	\$240,913	3.3	\$236,608	3.4	
PURCHASE OF SERVICES	1,628,200	21.3	2,153,600	31.2	
FROM OTHER GOVERNMENTS	250,000	3.3	250,000	3.6	
GENERAL REVENUES	<u>5,100,534</u>	<u>75.7</u>	<u>4,263,922</u>	<u>65.4</u>	
TOTAL	<u>\$7,219,647</u>	<u>103.6</u>	<u>\$6,904,130</u>	<u>103.6</u>	

## Budget Analysis

The 2010 budget of \$6,904,130 is a decrease of \$315,517 (4.4%) from the previous year. Personnel expenses decreased \$136,000 due to reductions of the Accounting Principal Accountant

position and an Account Clerk position (\$138,000), health insurance (\$30,000) and retiree health insurance (\$16,000). Increases include the reversal of the 2009 salary adjustment (\$25,000), an increase in IMRF (\$20,000), and parking benefits (\$3,000).

Contractual services increased by \$270,365. This is due to an increase in postage (\$178,000) as a result of switching to monthly water billing, telephone expenses (\$6,000), service contracts

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(\$96,000), building rental (\$13,000), and education (\$5,000). Decreases include printing (\$23,000), risk management (\$700), and auditing (\$4,000).

Other expenses decreased by \$449,820 due to a decrease in miscellaneous expenses (\$95,000). 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 (\$90,000), sales tax rebate (\$229,000), transfer to debt service (\$19,000) and transfer to building maintenance (\$19,000). Increases include transfer to RMAP (\$2,000).

In 2009, the Finance Department spent \$7,140,184, or 98.8% 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 2010 as a result of current economic conditions.

### Personnel Review

<b>FINANCE DEPARTMENT</b>				
<b>BENEFITS AND SALARIES</b>		<b>2009</b>	<b>2010</b>	<b>INCREASE/ (DECREASE)</b>
<b>SALARY</b>		<b><u>BUDGET</u></b>	<b><u>BUDGET</u></b>	
PERMANENT		\$1,794,164	\$1,655,911	(\$138,253)
TEMPORARY		0	0	0
OVERTIME		0	0	0
MERIT PAY		0	0	0
SALARY ADJUSTMENT		<u>(25,826)</u>	<u>0</u>	<u>25,826</u>
<b>TOTAL SALARIES</b>		<b><u>\$1,768,338</u></b>	<b><u>\$1,655,911</u></b>	<b><u>(\$112,427)</u></b>
<b>BENEFITS</b>				
ILLINOIS MUNICIPAL RETIREMENT		\$313,903	\$334,163	\$20,260
UNEMPLOYMENT TAX		2,142	2,016	(126)
WORKER'S COMPENSATION		4,060	3,643	(417)
HEALTH INSURANCE		469,040	438,724	(30,316)
RETIREE HEALTH INSURANCE		16,000	0	(16,000)
LIFE INSURANCE		2,652	2,496	(156)
PARKING BENEFITS		<u>12,240</u>	<u>15,360</u>	<u>3,120</u>
<b>TOTAL BENEFITS</b>		<b><u>\$820,037</u></b>	<b><u>\$796,402</u></b>	<b><u>(\$23,635)</u></b>
<b>TOTAL COMPENSATION</b>		<b><u>\$2,588,375</u></b>	<b><u>\$2,452,313</u></b>	<b><u>(\$136,062)</u></b>
	<b>POSITION</b>	<b>2009</b>	<b>2010</b>	<b>INCREASE/ (DECREASE)</b>
<b>POSITION TITLE</b>	<b><u>RANGE</u></b>	<b><u>EMPLOYEES</u></b>	<b><u>EMPLOYEES</u></b>	
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	0.00	(1.00)
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>9.00</u>	<u>(1.00)</u>
<b>TOTAL PERSONNEL</b>		<b><u>34.00</u></b>	<b><u>32.00</u></b>	<b><u>(2.00)</u></b>

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## Performance Measures

	2007 Actual	2008 Actual	2009 Actual	2010 Projected
Purchase Orders issued	12,231	12,400	11,726	13,000
Bids/RFP's issued	144	188	204	200
Consecutive Years receiving GFOA Budget Award	23	24	25	26
Consecutive Years receiving GFOA Financial Reporting Award	27	28	29	30
Bond Issues	2	1	2	2
Investment Earnings	5,076,438	3,686,164	162,191	1,089,384