

Function:
General Government

Department:
Finance

Activity:
Finance and Records

GENERAL INFORMATION

The Finance department is responsible for managing all financial operations of the City of Muscatine. The primary function of the department is to maintain the City's financial records in accordance with generally accepted governmental accounting principles and to prepare the necessary financial data for the City Council, boards and commissions, City Administrator and department heads. The Finance Director oversees all Finance activities as well as the Information Technology and Parking divisions. Separate budgets are prepared for Information Technology and Parking.

CURRENT TRENDS AND ISSUES

The revised estimate for 2011/2012 is \$3,000 higher than the original budget due to a change from single to family health insurance coverage for one employee.

The 2012/2013 budget is 2.6% (\$13,100) higher than the 2011/2012 budget. This includes an increase of \$17,800 in personal services costs (which again includes the change in employee health insurance coverage) and \$4,000 for the bi-annual GASB 34 actuarial update. These increases have been offset in part since there is no city election in 2012/2013. The 2012/2013 capital projects budget includes an allocation of \$140,000 for replacement of the City's financial software.

GOAL STATEMENT

Finance - To provide a financial information system which provides City Council, commissions, boards, and staff with pertinent and necessary information in order to make informed decisions.

Records - To provide the City with an accurate and complete set of records which includes all proceedings and actions of the City Council, and to provide an orderly retrieval process for requested information.

Purchasing - To provide a purchasing program for all departments in the City in order to effectively search the marketplace for quality purchases at the lowest possible costs; and to assure that such materials and equipment will assist in performing the activities of the City in an efficient manner.

PERFORMANCE MEASURES

	Actual 2008/2009	Actual 2009/2010	Actual 2010/2011	Estimated 2011/2012	Estimated 2012/2013
Finance:					
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Submit Application	Submit Application
GFOA Budget Award	Yes	Yes	Yes	Yes	Submit Application
City Vendors Checks Issued	5,334	5,478	5,305	5,500	5,500
Housing Programs Checks Issued	2,440	2,423	2,581	2,600	2,600
Payroll Checks Issued	3,909	3,515	3,801	3,750	3,750
Payroll Direct Deposit Transactions	4,999	5,307	5,444	5,500	5,500
Accounts Payable Transactions	22,742	23,481	24,652	24,700	24,700
City Receipt Transactions	8,283	7,779	8,137	8,200	8,200
Housing Receipt Transactions	2,094	1,892	2,039	2,050	2,050
Interest Earned	\$557,630	\$197,976	\$78,516	\$77,000	\$75,000
Records:					
Public Documents Recorded	315	370	379	375	375
Council Minutes Prepared	48	46	47	46	46
Notices Published	48	39	35	40	40
Purchasing:					
Purchase Orders Processed	2,103	2,164	2,245	2,250	2,250

RECENT ACCOMPLISHMENTS

The City received GFOA's Distinguished Budget Presentation Award for the 2011/2012 Budget. This was the 27th consecutive year the City received this award. The City was awarded its 21st consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2011.

The Finance Director participated in and prepared financial information for the Chamber Committee appointed to study and evaluate the landfill deficit of over \$2.5 million as of the end for the 2009/2010 fiscal year. Recommendations of the Committee were implemented in October of 2010 which are projected to assist in substantially decreasing this deficit over the upcoming years. In September of 2011, Finance staff prepared and presented reports to the Committee and Council of actual progress in reducing this deficit as of the end of the 2010/2011 fiscal year (\$412,000 deficit reduction). This plan will continue to be monitored as part of the current and upcoming budgets.

During the past year Finance staff also established administrative procedures for the Automatic Traffic Enforcement system including selection of a collection agent for unpaid fines. Monitoring of collection procedures continues.

The research and preliminary evaluation of new financial software is underway. The Finance Director spoke with various software vendors at the GFOA National Conference as well as the State IMFOA conference. These vendors included those that focused on much larger governmental entities, smaller governments, various other regions of the country, or mid-sized cities similar to the City of Muscatine. One on-site and one web-based demonstration have been presented to a committee consisting of the Finance Director, Accountant, IT Manager, and HR Manager. Price quotations have been received from both of these vendors. More in-depth review of each of these systems will be made before a formal recommendation is made.

The Finance department also successfully completed the transition to Public Financial Management (PFM), the City's new financial consultant, to assist the City with future capital project financing. One of the most significant projects is the upcoming West Hill Sewer Separation project. This project is mandated by a Consent Order with the U.S. Environmental Protection Agency and has a preliminary cost estimate exceeding \$50 million. This project is planned to be done in ten phases beginning in 2012. Based on the project work and financing schedule, the City will be requesting a four-year extension to the current 2024 Consent Order deadline.

The Finance Director continued as the City's Point of Contact for the FEMA projects from the 2008 flood and windstorm events. The required documentation for all projects has been submitted. Finance staff continues to respond to the requests for additional information or documentation for the official close-out of the last several projects which include the Pearl City Station bulkhead improvements, riverfront slope and concrete work, and the harbor dredging.

OBJECTIVES TO BE ACCOMPLISHED IN 2011/2012

- * To continue to submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA).
- * To continue to submit the City's comprehensive annual financial report for consideration for the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- * To continue to implement Governmental Accounting Standards Board (GASB) Statements as they become effective. Statements 57 which will be effective for the year ended June 30, 2012 should have no impact on the City. Statements 60-64 will be effective for the year ending June 30, 2013. Impacts from these Statements have not yet been determined.
- * To continue to monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. **(City Council Long-term Goal)**
- * To assist in prioritizing and determine funding sources for capital projects identified in the Five Year Capital Improvement Plan including financing for the West Hill Sewer Separate project and the request for extension to the E.P.A. Consent Order deadline **(City Council High Priority)**
- * To complete the evaluation for a new financial software system and begin implementation. Once a software system is selected and approved, implementation is expected to take up to twelve months. Implementation will include business process reviews for all of the current finance department processes including general ledger, accounts payable, accounts receivable, payroll, purchase orders, budgeting, and human resources functions.

- * As part of the business process review for the financial software conversion, look for “Lean” initiatives in all Finance processes while maintaining necessary accounting internal controls. **(Management Agenda High Priority)**

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	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013	Percent Change
Expenditure Summary						
Personal Services	\$ 351,392	\$ 372,954	\$ 396,400	\$ 399,400	\$ 414,200	4.49%
Commodities	9,084	10,799	12,300	12,300	12,300	0.00%
Contractual Services	79,912	80,511	89,900	89,900	88,200	-1.89%
Capital Outlay	-	-	3,000	3,000	-	
Debt Service	-	-	-	-	-	
Total Expenditures	\$ 440,388	\$ 464,264	\$ 501,600	\$ 504,600	\$ 514,700	2.61%
Funding Sources						
Licenses and Permits	\$ 47,485	\$ 43,535	\$ 49,300	\$ 43,600	\$ 43,600	-11.56%
Housing Accounting Fees	38,600	49,600	51,100	51,100	52,600	2.94%
General Revenues	354,303	371,129	401,200	409,900	418,500	4.31%
Total Funding Sources	\$ 440,388	\$ 464,264	\$ 501,600	\$ 504,600	\$ 514,700	2.61%

Personnel Schedule						
	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013	Budget Amount 2012/2013
Full Time Positions/Position Allocations:						
Finance Director	0.90	0.90	0.90	0.90	0.90	
Accounting Supervisor	-	-	-	-	1.00	
Accountant	1.00	1.00	1.00	1.00	-	
Senior Account Clerk	2.00	2.00	2.00	2.00	2.00	
Account Clerk	1.00	1.00	1.00	1.00	1.00	
Finance Secretary/ Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.25	0.25	0.25	0.25	0.25	
Total Full Time	5.65	5.65	5.65	5.65	5.65	\$ 290,400
Employee Benefits						123,800
Total Personal Services						\$ 414,200