

FINANCE DEPARTMENT

Goals & Objectives

Receive the Government Finance Officers Association (GFOA) Certificate of Compliance and Distinguished Budget Award for the annual financial report and budget.

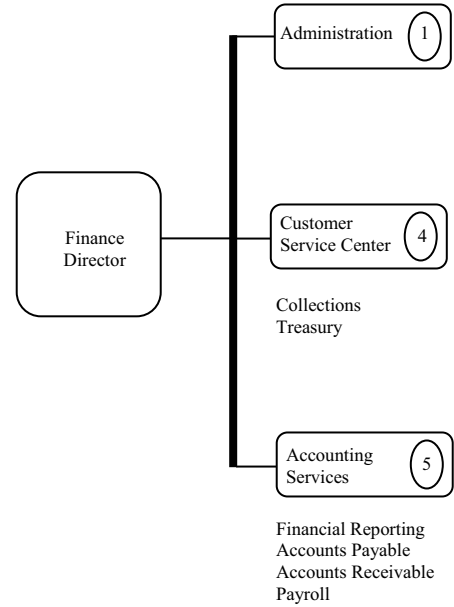
Address auditor's management letter comments and other annual internal control suggestions.

Monitor banking services to maximize investment income and improve efficiency.

Continue to improve processing efficiency utilizing electronic transmission of financial data.

Monitor centralized billing and collection systems to maximize revenue.

Increase the emphasis on customer service to meet the expectation of city residents.



Analysis:

The Finance Department provides centralized financial services for all city departments. These services include financial reporting, cash management, budgeting, accounts payable, accounts receivable, payroll, and revenue collection. City financial systems provide data to ensure accountability to the public for the use of tax dollars and other revenue. Department activities are organized into three cost centers: Administration, Customer Service and Accounting Services. The Finance Director is responsible for the work of 9 full time employees.

Rock Island has historically provided outstanding financial accountability. The city is a long-time recipient of the Government Finance Officers Association (GFOA) awards for its annual financial report and budget documents. The first Certificate of Achievement for Excellence in Financial Reporting award was received for the March 31, 1979 financial report and the first Distinguished Budget Presentation Award was received for the 1988/89 budget. Continuing this tradition is a top priority.

The Finance Department continues to focus on customer service. The availability of a bi-lingual Fiscal Technician to assist in providing customer service is an asset to the Finance Department as well as the City of Rock Island. The Finance Department underwent a reorganization during this past fiscal year with the transformation of the administrative assistant position into that of a budget coordinator position and the addition of supervisory positions in the Accounting Services and Customer Service cost centers. This reorganization has narrowed the span of control, reduced the personnel administration responsibilities of the finance director, and more clearly defined the roles of the employees in the department resulting in improved operation.

The financial software project presented significant workload challenges during fiscal 2009. This work will continue into fiscal 2010. Major software enhancements include the financial, human resources and utility billing systems. The auditing efforts will continue to be a focus. Work loads have increased this year as the annual registration and inspection fees from the rental inspection program, Sunset Marina fees, special assessments, and various other billings are moved into the utility billing system. Efforts will continue to increase the volume of electronic transmissions of financial information to enhance services and improve efficiency.

The increase in Services is due to the addition of the cost for outsourcing payroll checks and an increase in banking service costs. Supplies have increased by \$560 due to slight increases in general office supplies, food for meetings, and miscellaneous office equipment. The reduction in Transfers is due to the shifting of the Martin Luther King Center landscaping costs to TIF and a reduction in the transfer to the Park & Rec Department for landscaping. The contingency is set by city financial policy at 1% of budgeted expenditures and is based on a total general fund budget of \$31,689,406.

It is the mission of the Finance Department to professionally and ethically serve the public and other city departments by providing accurate and timely financial services.

Staffing:	Actual 2005/06	Actual 2006/07	Actual 2007/08	Budget 2008/09	Estimated 2008/09	Proposed 2009/10	Diff. (fte)
(1) Finance Director	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Asst to Finance Dir	1.00	1.00	1.00	1.00	1.00	0.00	(1.00)
(1) Budget Coordinator	0.00	0.00	0.00	0.00	0.00	1.00	1.00
City Auditor	1.00	1.00	1.00	1.00	1.00	0.00	(1.00)
(1) Auditor / Project Mgr	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Accountant	1.00	1.00	1.00	1.00	1.00	0.00	(1.00)
(1) Accounting Sup	0.00	0.00	0.00	0.00	0.00	1.00	1.00
(3) Fiscal Technician	3.00	3.00	3.00	3.00	3.00	3.00	0.00
(1) Customer Svc Sup	0.00	0.00	0.00	0.00	0.00	1.00	1.00
(2) Customer Svc Rep	3.00	3.00	3.00	3.00	3.00	2.00	(1.00)
Intern	0.00	0.00	0.00	0.00	0.25	0.00	0.00
(10) Total Staffing (fte)	10.00	10.00	10.00	10.00	10.25	10.00	0.00
Expense:							% Var
Personnel	581,842	591,440	617,786	675,818	675,818	722,054	7%
Supplies	6,387	6,228	4,688	5,510	5,510	6,070	10%
Services	190,572	218,627	261,610	233,697	220,217	273,424	17%
Other	24,686	45,607	20,558	29,985	29,985	32,433	8%
Programs	-	-	-	-	-	-	---
Capital	-	-	-	-	-	-	---
Debt service	-	-	-	-	-	-	---
Transfers	889,790	523,168	552,689	99,893	99,893	71,500	-28%
Contingency	964	765	2,513	305,000	305,000	321,710	5%
Total Department	1,694,241	1,385,835	1,459,844	1,349,903	1,336,423	1,427,191	6%
Expense by Fund:							
General Fund	1,694,291	1,385,835	1,459,844	1,349,903	1,336,423	1,427,191	6%
Debt Service	(50)	-	-	-	-	-	---
Total Expense	1,694,241	1,385,835	1,459,844	1,349,903	1,336,423	1,427,191	6%

Finance Administration

Program Description:

Finance Administration develops, implements and reviews the financial policies of the City. Direction is provided to all departments to assure compliance with applicable local, state and federal regulations. The Finance Director's percentage of time spent on personnel administration has been reduced with the addition of the accounting supervisor and customer service supervisor positions.

Program Objectives:

- Continue focus on fiscal management.
- Keep Administrations costs below 50% of Finance Operating Budget.
- Keep Finance Department costs below 5% of the total City Budget.

Service Indicators:	Actual 2006/07	Actual 2007/08	Estimated 2008/09	Proposed 2009/10
Demand:				
1. Authorized personnel	10	10	10	10
2. Total Finance operating budget	1,385,835	1,459,844	1,336,423	1,427,191
3. Total City budget	76,261,031	82,876,118	93,714,019	106,729,193
Workload:				
1. % time on personnel administration	15%	15%	15%	5%
2. % time on fiscal management	70%	70%	70%	70%
3. % time on liaison and coordination	15%	15%	15%	25%
Productivity:				
1. Cost of personnel administration	\$ 26,109	\$ 26,085	\$ 30,229	\$ 6,926
2. Cost of fiscal management	\$ 121,841	\$ 121,732	\$ 141,070	\$ 96,968
3. Cost of liaison and coordination	\$ 26,109	\$ 26,085	\$ 30,229	\$ 34,632
Effectiveness:				
1. Cost of operations per capita	\$ 18.85	\$ 18.68	\$ 15.69	\$ 14.17
2. Cost of Admin as a % of Finance	54.0%	50.8%	46.6%	39.4%
3. Cost of Finance as a % of total city	1.8%	1.8%	1.4%	1.3%

Analysis:

The focus of Finance Administration is to monitor city-wide revenues and expenses to provide financial information for management and elected officials, preparation of the Comprehensive Annual Financial Report and completion of the annual budget. Personnel is down due to the reorganization of the Finance Department, which moved one employee from Finance Administration to Accounting. Supplies has increased due to all Finance Department office supplies, small office equipment, and food now being consolidated in this one cost center. Services is also being increased due to postage and stationary being combined under Finance Administration. Other has increased due to the addition of the cost of the Rock Island County Expedite Fees in this cost center. Transfers is down due to the shifting of the Martin Luther King Center landscaping costs to TIF and a reduction in the transfer to the Park & Rec Department for landscaping.

Staffing:	Actual 2005/06	Actual 2006/07	Actual 2007/08	Budget 2008/09	Estimated 2008/09	Proposed 2009/10	Diff. (fte)
(1) Finance Director	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Asst to Finance Dir	1.00	1.00	1.00	1.00	1.00	0.00	(1.00)
Intern	0.00	0.00	0.00	0.00	0.25	0.00	0.00
(1) Total Staffing (fte)	2.00	2.00	2.00	2.00	2.25	1.00	(1.00)
Expense:							% Var
Personnel	163,095	174,059	173,903	201,529	201,529	138,526	-31%
Supplies	931	1,407	2,516	1,600	1,600	5,780	261%
Services	10,229	27,107	11,587	13,633	13,633	18,483	36%
Other	721	22,304	468	845	845	7,728	815%
Programs	-	-	-	-	-	-	---
Capital	-	-	-	-	-	-	---
Debt service	-	-	-	-	-	-	---
Transfers	889,790	523,168	553,689	99,893	99,893	71,500	-28%
Contingency	-	28	54	305,000	305,000	320,310	5%
Total Cost Center	1,064,766	748,073	742,217	622,500	622,500	562,327	-10%
Expense by Fund:							
General Fund	1,064,816	748,073	741,217	622,500	622,500	562,327	-10%
Debt service	(50)	-	-	-	-	-	---
Total Expense	1,064,766	748,073	741,217	622,500	622,500	562,327	-10%

Customer Service Center

Program Description:

The Customer Service Center provides a centralized point of accountability for all revenues collected by the city and billings for all services provided by the city. Receipts include water, sewer and stormwater bills, special assessments, licenses, permits, taxes, court fines, fees, marina fees, state and federal grants, parking tickets, etc. The Customer Service Center also provides reception and information services for all City departments. The goals of the Customer Service Center continue to emphasize improved customer service through courteous, fair, accurate and timely collection and financial services.

Program Objectives:

- Minimize errors on cash over/short.
- Keep shut-offs vs delinquent notifications below 30%.

Service Indicators:	Actual 2006/07	Actual 2007/08	Estimated 2008/09	Proposed 2009/10
Demand:				
1. Water/Sewer invoices	69,984	68,914	69,000	69,000
2. Parking Tickets/Permits issued	20,009	15,085	12,907	12,000
3. Miscellaneous invoices	7,140	6,628	6,078	6,000
Workload:				
1. Water/Sewer receipts	70,023	73,136	71,665	71,000
2. Miscellaneous receipts	39,547	25,007	17,628	18,000
Productivity:				
1. Cost per receipt	\$ 2.18	\$ 2.55	\$ 3.04	\$ 3.39
Effectiveness:				
1. Shut-offs vs delinquent notifications	725/1259	1603/5812	1704/6240	1650/6000
2. Cash Over (Short)	\$ 100	\$ 54	\$ 136	\$ 100

Analysis:

As part of the Finance Department reorganization, staffing in the Customer Service Center has changed with the elimination of one Customer Service Representative position and the addition of a new position called the Accounts Receivable and Customer Service Supervisor. The total number of employees in this cost center has remained the same. The increase in personnel reflects rising salary, health insurance, and merit costs as well as the new position in this cost center. Supplies has decreased due to the moving of office supplies, paper, and office equipments costs to the Finance Administration cost center. Other is down due to the elimination of the utilities (lien) release cost from this area. Contingency is new as the potential bad debt is now being budgeted for.

Staffing:	Actual 2005/06	Actual 2006/07	Actual 2007/08	Budget 2008/09	Estimated 2008/09	Proposed 2009/10	Diff. (fte)
(1) Customer Svc Sup	0.00	0.00	0.00	0.00	0.00	1.00	1.00
(1) Fiscal Technician	1.00	1.00	1.00	1.00	1.00	1.00	0.00
(2) Customer Svc Rep	3.00	3.00	3.00	3.00	3.00	2.00	(1.00)
(4) Total Staffing (fte)	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Expense:							% Var
Personnel	230,053	175,017	182,264	203,981	203,981	233,635	15%
Supplies	2,415	2,305	1,136	2,410	2,410	200	-92%
Services	52,453	60,497	64,321	63,206	63,206	66,766	6%
Other	270	-	-	1,530	1,530	150	-90%
Programs	-	-	-	-	-	-	---
Capital	-	-	-	-	-	-	---
Debt service	-	-	-	-	-	-	---
Transfers	-	-	-	-	-	-	---
Contingency	964	737	2,459	-	-	1,400	NEW
Total Cost Center	286,155	238,556	250,180	271,127	271,127	302,151	11%
Expense by Fund:							
General Fund	286,155	238,556	250,180	271,127	271,127	302,151	11%
Total Expense	286,155	238,556	250,180	271,127	271,127	302,151	11%

Accounting Services

Program Description:

Accounting Services provides financial services to other departments. These services include payroll, accounts payable, budgeting, and financial management information. Goals continue to emphasize accurate and timely service to departments and monitoring agencies.

Program Objectives:

- Continue to prepare the annual budget and financial report in compliance with Government Finance Officers Association (GFOA) standards.
- Continue to monitor banking services to maximize investment income and improve banking efficiency.
- Continue to improve processing efficiency through electronic transmission of financial data.
- Address auditors' management letter comments and other internal control suggestions.

Service Indicators:	Actual 2006/07	Actual 2007/08	Estimated 2008/09	Proposed 2009/10
Demand:				
1. Number of accounts maintained	15,549	15,813	28,093	28,050
2. Number of payrolled employees	651	649	651	653
3. \$ available for investment	22,219,937	24,042,035	29,437,770	27,518,152
4. Number of water/sewer invoices	69,984	68,914	69,000	69,000
Workload:				
1. Number of payroll checks issued	16,999	16,291	16,708	16,500
2. Number of claims checks issued	10,007	9,015	9,047	9,500
3. Number of cash transactions	139,854	98,143	89,293	89,000
4. Number of water/sewer invoices	69,984	68,914	69,000	69,000
Productivity:				
1. Cost per account maintained	\$ 6.35	\$ 7.41	\$ 3.94	\$ 5.02
2. Cost per payroll check	\$ 1.63	\$ 2.01	\$ 1.86	\$ 2.39
3. Cost per claims check	\$ 3.16	\$ 4.16	\$ 3.92	\$ 4.74
4. Cost per water/sewer account	\$ 3.38	\$ 4.08	\$ 3.85	\$ 4.89
Effectiveness:				
1. Auditor's adjusting entries	38	71	50	50
2. Auditor's comments implemented	10 of 15	12 of 14	1 of 4	8 of 11
3. % Return on investment	6.72%	7.65%	5.78%	3.92%
4. Budget Award received	yes	yes	yes	yes
5. CAFR Award received	yes	yes	yes	yes

Analysis:

Emphasis will continue to be placed on auditing certain revenues and implementation of the financial and human resources software. Audit adjustments continue to be reduced as software and processing issues are resolved. Personnel costs are up due to the Finance Department reorganization which included adding the Budget Coordinator position to this cost center. The City Auditor and Accountant positions have also been redefined with the City Auditor now taking on the responsibility of project manager for the new accounting software and the Accounting Supervisor assuming responsibility for the two Fiscal Technicians. Supplies are down due to moving the cost of office supplies to the Finance Administration cost center. Services has increased with the cost of outsourcing payroll checks and an increase in banking service costs.

Staffing:	Actual 2005/06	Actual 2006/07	Actual 2007/08	Budget 2008/09	Estimated 2008/09	Proposed 2009/10	Diff. (fte)
City Auditor	1.00	1.00	1.00	1.00	1.00	0.00	(1.00)
(1) Auditor / Project Mgr	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Accountant	1.00	1.00	1.00	1.00	1.00	0.00	(1.00)
(1) Accounting Sup	0.00	0.00	0.00	0.00	0.00	1.00	1.00
(2) Fiscal Technician	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Budget/Coll Supv	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(1) Budget Coordinator	0.00	0.00	0.00	0.00	0.00	1.00	1.00
(5) Total Staffing (fte)	4.00	4.00	4.00	4.00	4.00	5.00	1.00
Expense:							% Var
Personnel	188,694	242,364	261,619	270,308	270,308	349,893	29%
Supplies	3,041	2,516	1,036	1,500	1,500	90	-94%
Services	127,890	131,023	185,702	156,858	143,378	188,175	20%
Other	23,695	23,303	20,090	27,610	27,610	24,555	-11%
Programs	-	-	-	-	-	-	---
Capital	-	-	-	-	-	-	---
Debt service	-	-	-	-	-	-	---
Transfers	-	-	-	-	-	-	---
Contingency	-	-	-	-	-	-	---
Total Cost Center	343,320	399,206	468,447	456,276	442,796	562,713	23%
Expense by Fund:							
General Fund	343,320	399,206	468,447	456,276	442,796	562,713	23%
Total Expense	343,320	399,206	468,447	456,276	442,796	562,713	23%