


## MEMORANDUM

Date: July 27, 2011  
From: Greg C. Gaskins, Chief Financial Officer   
To: Ruffin Hall, Budget & Evaluation KBE  
Subject: Finance FY12-13 Final Strategic Operating Plan

Finance is pleased to submit its FY2012-13 Final Strategic Operating Plan (SOP). The details relating to Finance's SOP are either attached or may be found in the budget system. Should any elements of our FY12-13 Final SOP prompt questions, we would be pleased to discuss the document in greater detail with you or your staff.

### Attachments

cc: Justin Amos  
Finance Leadership Team

**FY12 & FY13**

**FINAL**

**STRATEGIC OPERATING PLAN**

**July 27, 2011**

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**FINANCE KEY BUSINESS UNIT**

**Greg C. Gaskins, CFO**

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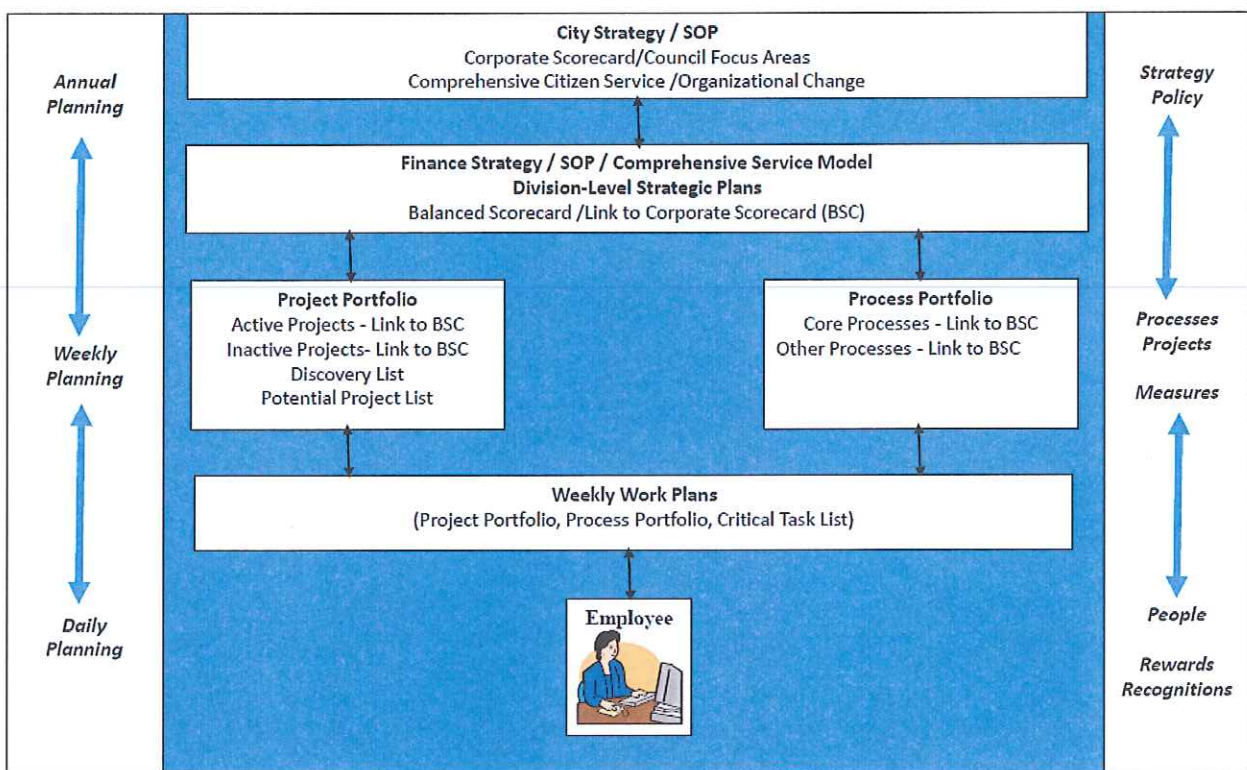
# INTRODUCTION

The Chief Financial Officer (CFO) extends ongoing as well as situation-specific policy support to the City Manager, and serves as the main point of contact for all finance-related matters across the organization. The CFO provides leadership to the Finance Key Business Unit to ensure that all departmental activities and services are in alignment with, and in full support of, the City Council and City Manager’s policies. In delivering these services, Finance is committed to enabling the work of its customers while observing the significant compliance requirements that are prescribed by both federal and state general statutes concerning the care of public moneys and maintenance of records.

The Finance Key Business Unit is in the process of retooling its internal policies and processes to respond to the City Manager’s directive for organizational change. Finance is changing how we communicate, how we use and share resources, how we define success, how we lead in the organization and how we lead in the community. A new comprehensive service model has been implemented to ensure the changes that the department is making are in keeping with the City Manager’s organizational change initiative and address the dynamic needs of the community.

As reflected in the diagram below, **alignment** with corporate objectives continues to be central to Finance’s management strategy. Finance considers strategic planning to be a continuous process that must be effectively linked to implementation in order to be successful. Using the premise that all work can be classified as a project or a process, the alignment and linkage concept is a tool that helps employees understand their role in implementing corporate strategy. From a strategic planning perspective, the alignment and linkage concept helps identify strategic issues and ensures that only processes and projects which align with corporate strategy are selected for implementation. From an implementation perspective, the alignment and linkage concept helps ensure that processes and projects are effectively planned and managed.

*Alignment and Linkage Diagram:*





## INTRODUCTION - continued

As in previous years, continuous improvement is a key management strategy that is reflected throughout Finance’s SOP. Although strong performance has been delivered and significant achievements have been realized in the past, Finance is committed to continuously looking for ways to move to the next level. Finance’s FY12-13 SOP has been designed to serve as the road map for moving to the next level. While various strategic alignment components are considered in the planning process, Finance focuses on the following areas:

- **Strategy.** Complete alignment involves planning from the top-down and from the bottom-up and it translates to making decisions that ensure the services provided and the products offered enable the work of and meet or exceed the needs of the customer. A key element of complete alignment involves the Finance Leadership Team (LT) meeting semi-annually with the City Manager to discuss his Finance-related objectives and expectations. Complete alignment is further perpetuated by the Finance LT as it meets regularly to track and monitor its progress toward City objectives. In addition, complete alignment includes bottom-up planning meetings with front-line employees who identify opportunities for enhanced service delivery as well as issues that need to be addressed so that these can be properly prioritized and implemented as part of the process management and project management methodology.
- **People.** Finance must have a sufficient number of personnel and they must have the competencies, resources, training and strengths needed for the successful execution of processes and projects. Skills and attitudes must support goals; activities must be prioritized; goals must be realistic and attainable; and roles and responsibilities must be clearly defined. Finance recruitment and retention efforts will reflect the importance of diversity, and the development of a skilled and diverse work-force.
- **Process.** In order to ensure alignment, Finance must have a thoroughly documented inventory of its processes and fully understand the customers’ needs as well as the products or services delivered. With respect to its core processes, a systematic process management approach is utilized that captures key metrics for use in process improvement activities.
- **Project.** In order to ensure alignment, Finance must identify, evaluate, prioritize, and pursue projects that provide needed products to customers or improve essential processes. A systematic project management methodology is used to ensure successful project implementations and to facilitate continuous improvement.
- **Rewards and Recognition.** Rewards and incentives must be tied to the achievement of key targets, and PRDs and merit increases must reflect successful achievement of goals.
- **Measures.** In order to improve the quality of service delivery, project and process measures must be a part of daily operations, metrics must be captured and analyzed, and the appropriate actions must be taken. Finance strives to use logical measures that are “SMART”: Specific, Measurable, Actionable, Relevant and Timely.

A summary of the budget and positions requested for FY12-13 is provided below.

FUND	FY12 AMOUNT	FY12 POSITIONS	FY13 AMOUNT	FY13 POSITIONS
<b>General Fund</b>	<b>\$9,567,490.16</b>	<b>81</b>	<b>\$9,729,603.91</b>	<b>81</b>
<b>Risk Management Fund</b>	<b>\$3,001,091.39</b>	<b>27</b>	<b>\$3,018,110.64</b>	<b>27</b>
<b>Total</b>	<b>\$12,568,581.55</b>	<b>108</b>	<b>\$12,747,714.55</b>	<b>108</b>

## VISION

In looking to the future, Finance sees a City that **must** continue to support:

- A corporate approach to collectively addressing the needs of customers
- A strong, well-balanced and diversified business environment
- A vibrant center city that fosters the growth of its business and residential components
- Strong neighborhoods that attract and retain a diversified population
- Great government, i.e., one that:
  - Is ethical in appearance and in fact
  - Meets needs
  - Solves problems
  - Is forward looking
  - Is efficient
  - Is effective
  - Provides value in the services it delivers to its customers

Although first articulated more than a decade ago, Finance’s vision remains completely valid and applicable today:

### **“Quality employees providing quality service”**

While the vision of the Finance Department remains unchanged, its policies and procedures are being modified to respond to the City Manager’s directive for organizational change in order to effectively match the pace and address the complexity of the community we serve. Finance is retooling its service models and corporate policies to ensure its processes and policies align with the corporate approach. Finance will focus on providing comprehensive citizen service in a collaborative manner to deliver responsive solutions that meet customers’ expectations for current and future service.

Finance employees are committed to working in direct support of, and in complete alignment with, the City’s corporate objectives. Diversity is a strength that will be leveraged to help us achieve alignment. A major goal of our SOP is to ensure that the actual work done by our employees aligns with the corporate strategy. In doing so, our employees will continue to contribute positively and measurably to the elements listed above.



## MISSION STATEMENT

Over the past year, Finance has worked closely with the City Manager to revamp its strategic plan to focus on a corporate approach to achieving comprehensive citizen service. Achievement of Finance's vision is best understood by examining the "what, who, when and why" of the Finance Strategic Plan. The Finance Strategic Plan links the City Manager's directive for organizational change to the Finance Mission: "Empower, train and support Finance employees to provide ever-improving services to the public and other employees by listening to the voices of customers, processes and employees."

**WHAT:** The Finance Strategic Plan is a long-term, flexible management strategy that will guide the Finance Key Business Unit to significant improvements in service delivery by focusing on both **processes** and on **projects**.

- When focused on "**process**," the strategy begins by identifying what we do and who our customers are. The strategy then calls for Finance to interact extensively with new and existing customers to ensure that their needs are being met and to confirm that Finance is enabling their efforts. As part of this process, Finance determines if new products and processes are needed. Processes are evaluated on an ongoing basis to determine if they should be improved or eliminated.
- When focused on "**projects**," the strategy prompts the initiation of those that support the Finance Strategic Operating Plan. Detailed project plans are developed to ensure successful implementation and to leverage resources. Projects that will provide enhanced products or improve processes or enable the work of customers and that are in alignment with the Finance Strategic Operating Plan are pursued. As important, those projects that fail the alignment test are not pursued.

**WHO:** The Finance Strategic Plan has been designed – and has been implemented - as a management strategy that will provide a roadmap for use by all levels within the Finance organization. Full implementation of the strategic plan will concurrently benefit our external and internal customers by providing Finance personnel with the tools they need to provide comprehensive customer service from a corporate perspective.

**WHEN:** The Finance Strategic Plan is in place and functioning. As a flexible and dynamic management strategy, it will continue to evolve over time in response to changes in the City's strategy, vision and corporate objectives. At all times, however, the Finance Strategic Plan will be in complete alignment with and in full support of the City's corporate vision and mission.

**WHY:** As discussed in the "Introduction," while the delivery of the services provided by Finance has been the subject of frequent reviews over the years, it is strongly believed that a more focused and corporate approach is essential if Finance is to move to the next level. The Finance Strategic Plan has been developed to provide unity of effort as we strive to enhance the quality of services we provide.

## KEY ISSUES AND CHALLENGES

- **Risk Loss Fund.** Funding needs for the Risk Loss Fund continue to outweigh funds available. This will remain a key issue while the culture change is progressing until we reach a point where safety becomes an inherent part of the job for all KBUs. Clear statements made by the City Manager that this is an important and necessary changes have helped KBUs initiate this transition. The Executive Level Risk Task Force is using this momentum to develop new goals and policies that are aimed at reducing payouts to the loss fund. Although these policies are helping to reduce claims, it will likely be several years before actuaries recommend reduced funding needs in correspondence with the City's current efforts in loss reduction.
- **Lack of Capacity for a Capital Program.** Weak economic conditions and increased funding needs have resulted in a reduction in fiscal security. Once all bonds are issued from the November 2010 referendum, there will be no funding capacity for new capital projects. Trying to stretch the thin resources that are currently supporting CATS operations and capital while protecting against risk to City property taxpayers remains an issue of prime concern. Rating agencies require that municipalities plan for future capital needs; the lack of an adequate capital plan could jeopardize the City's AAA rating in future years. Furthermore, rating agencies are in transition in the wake of the financial crisis. This period of change has led to some unpredictability in how they will react to the existing City financials and capital program. It is difficult to know whether the agencies will continue to view the City in the same manner even with the same variables and financial performance. This creates an even greater need for the City to meet, and even exceed, our financial, legal, contractual and programmatic obligations.
- **Creating a New Credit Entity.** In FY2012, the City will be issuing the first Customer Facility Charge (CFC) based revenue bonds for Charlotte-Douglas International Airport. These bonds will be used to finance a portion of a new parking deck adjacent to the Airport for rental car operations. The debt will be secured and repaid from a daily surcharge applied to rental cars which was originally imposed in 2007. The CFC debt entity will likely carry a lower rating than general Airport revenue bonds due to the added market risk associated with the rental car business. The City's otherwise outstanding credit and debt management will offset some of the risk penalty. The new parking deck is a part of a major overhaul of the entrance to the Airport and will eventually incorporate a wider access road and expanded terminal and baggage facility.
- **Enterprise Resource Planning (ERP) Project.** Finance continues to be actively involved in the ERP project; including diligent work to ensure that the common model approach is sustained throughout the RFP process to minimize future costs associated with maintaining the new system. As the vendor selection process continues to develop, the ERP Project will require increasing time commitments from staff involved with the project. Supporting ERP while continuing the day-to-day operations of the Finance Department will continue to be an escalating issue. Full implementation of the ERP system will take several years, and will require staff to be removed from their previous job duties to work solely on the ERP implementation process.
- **City Revenue.** The current economic environment has produced some of the weakest revenue conditions for municipal governments in recent memory. Meticulous financial management has limited the City's exposure relative to its peers, but slow economic growth will continue to threaten key municipal revenue streams into the foreseeable future. Structural changes in the



economy, potential revenue cuts from both the state and federal government and reduced returns on investment have all negatively impacted the City's revenue. Uncertainties in the market have increased the difficulty of both accurately projecting future revenue and identifying potential sources of additional revenue. Finance will continue to collaborate with Budget and Evaluation, the City Manager's Office and statewide organizations to identify and address issues as they emerge during this period of receding revenue.

- **Completion of Major Financings.** The ongoing process of pursuing and successfully accomplishing major financings in support of the City's capital program will continue to be a major priority for the Finance Department.
- **Continued Utility Management System (UMS) Support of 311/Utilities Transition and Optimization.** The UMS Team has played a significant role in the development and implementation of the "40 Point Customer Service Improvement Plan," as directed by the City Manager. Many plan improvements have been made, and others are in the development and implementation process to improve customer service by fully shifting customer-facing activities and related resources from the Utility Billing Center to 311. Ongoing UMS support will require a sustained commitment from Finance to achieve the short and long-term success of this project.
- **Medicare Section 111 Reporting.** Medicare Section 111 reporting is a very time intensive process. Failure to properly report could result in very substantial regulatory fines. In January of 2012 Medicare reporting will be further complicated as payments for property/casualty claims will also have to be reported. In order to ensure that future fines associated with Medicare Section 111 are not incurred, a Reporting Coordinator position may need to be added to the Risk Management Division.
- **Emphasizing Safety with Production of Services.** The recently established Risk Task Force has successfully produced several of its desired results, but it has not been able to shift the organizational perception that the production of services is more important than safety. This perception issue can be closely correlated with rising charges to the risk loss fund. Costs incurred by the risk loss fund continue to exceed annual KBU budget contributions to the fund. The organization needs to begin thinking of ways to safely produce services to preserve the City's human and financial resources.
- **Impactful Risk Management Goals.** While the risk task force has produced some desired results, production of services is a goal that far outweighs safety within our organization and can be clearly tied to a good number of losses. The organization needs to find a way to get production and safety at least on an equal footing to production; even though safety should have a higher priority than production.
- **Workers' Compensation.** The current workers' compensation laws and promulgated administrative processes are difficult to manage and are seemingly counterproductive to the original intent of the law. Workers' compensation costs continue to rise, yet little work is being done by the Department of Labor to reform this broken program. The State legislature did pass reforms this year that are considered to be somewhat significant, but it will take almost 10 years to assess the effect on costs. The system remains extremely expensive and continues to be a major cost for the City.
- **Utilization of New CVOC Facility.** In April 2011 the new Charlotte Vehicle Operations Center (CVOC) administration building opened. Despite having upgraded facilities, this

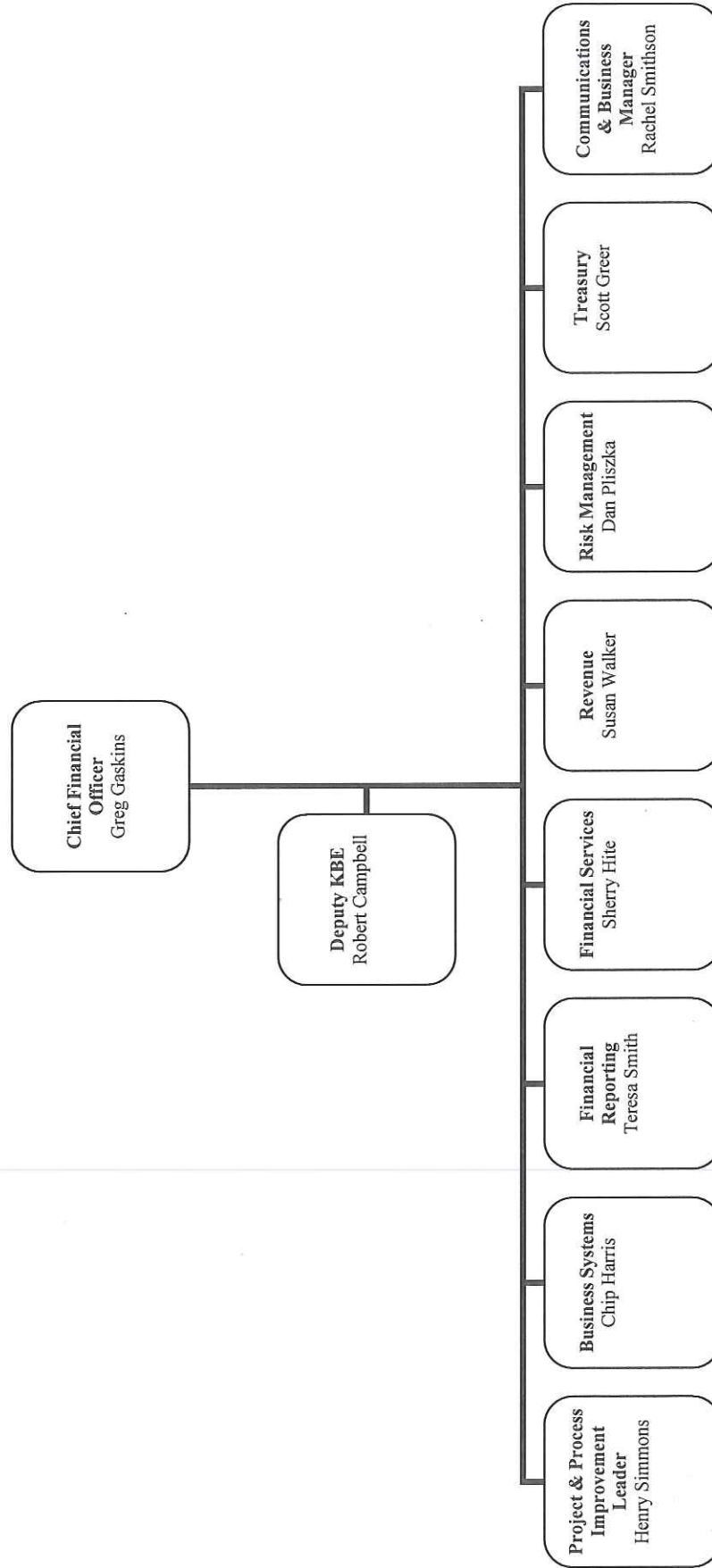


excellent resource continues to be underutilized. With the number of vehicle accidents on the rise across the organization, CVOC should be better used to improve the skills of employees that operate City vehicles.

- **MPC/Clarity Transition.** BSD has continued support of the Clarity budgeting software implementation. Much work was required to provide financial data to the Clarity vendor to accurately load and update this data in the Clarity system. There have been some challenges, but issues have been resolved through close collaboration with BSS/IT. It is likely that such issues will continue to surface as phase one utilization is stabilized and additional Clarity phases/functionality are rolled out in the future. Because resolution of such issues tends to be very time-sensitive, this will likely result in resource contentions with existing operations and ERP.
- **Post-Issuance Compliance for Debt Issues.** Changes derived from IRS audits and greater scrutiny by rating agencies, underwriters and banks resulting from the financial crisis have required Treasury to revise and update processes for issuing and managing debt after issuance.
- **Conversion from Wachovia to Wells Fargo.** The final conversion of the City's depository bank is planned to be completed by the end of calendar year 2011. The conversion will require Finance to make system and process changes that are currently unknown. The Treasury Division is in constant communication with Wells Fargo to remain apprised on any new developments related to the conversion process.
- **Resources for the Business Systems Division.** With growing demands on the Business Systems Division, the ability to deliver desired results in a timely manner continues to be an issue. Important projects have been continually delayed because other high priority and high visibility projects have taken precedence.
- **New Governmental Accounting Board Requirements.** Each year the Governmental Accounting Standards Board (GASB) issues new financial standards and financial reporting requirements that greatly increase the complexity of remaining in full compliance. Financial Reporting is currently preparing for the implementation of two new statements: GASBS 60: Accounting and Financial Reporting for Service Concession Arrangements (FY2013) and GASBS 61: The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34 (FY2013). Two other statements will be implemented with the FY2011 CAFR, which is prepared during FY2012, these include: GASBS 54: Fund Balance Reporting and Governmental Fund Type Definitions; and GASBS 59: Financial Instruments Omnibus. Successful implementation of these standards is required in order to receive an unqualified opinion from the external auditors. Additional statements are in exposure draft status; Financial Reporting intends to review and provide comments on these statements in order to influence the issued standard.
- **CAFR Preparation Efficiencies.** The City's Comprehensive Annual Financial Report (CAFR) is a legal requirement and a vital component of the City's AAA credit rating. Preparing the annual financial statements requires cooperation and assistance from other KBUs within the City. Although most information necessary for the required statements is received in a timely manner, there has been an increasing issue receiving information necessary to promptly answer questions from the external auditors. This impaired responsiveness ultimately delays the completion of the CAFR.

- **GASB Standard 45 - Other Post Employment Benefits (OPEB) /Long-Term Investment Program.** A new accounting and reporting standard for OPEB was implemented with the FY2008 CAFR. The work to fund these benefits and make the associated long-term investments is still in process. Considerations will need to be made regarding the impacts of not having initiated the long term investment program on the next actuarial valuation (Fall 2011), as well as on the required semiannual reports to the Local Government Commission.
- **911 Reporting.** Financial Reporting prepares the annual NC911 PSAP Report with assistance from the Office of Budget & Evaluation, Police and Fire. The uncertainty of determinations from the NC911 Board has been a challenge because each of the submitted reports has required changes due to various costs being disallowed. 911 has been further complicated because there will be a new funding model and eligibility rules in FY2012.
- **Difficulty Hiring and Retaining Professional Accountants.** Finance continues to experience difficulty in hiring and retaining qualified professional accountants. Aggressive management action and close collaboration with Human Resources will have to continue to minimize this ongoing problem.
- **Departmental Journal Entries.** Departmental Transfer Invoices (DTIs) are accounting entries submitted by departments covering a wide range of activities across the City. The work involved in preparing, reviewing, and entering DTI data each year is an extremely labor-intensive manual process.
- **Collection Point Controls.** Revenue will continue work to improve internal controls, and work with Internal Audit to help ensure that revenue collection points throughout the City are audited on a regular basis to ensure appropriate internal controls are utilized. A centralized billing, collection and deposit unit with sound internal controls is more efficient for the City to minimize duplicated efforts and fraudulent activity, and to utilize existing infrastructure.
- **Rising Postage Rates.** USPS postage rates increased by an average of 1.74% for all classes of mail in April 2011. These rates are directly tied to costs for the number of City Services bills and letters mailed. Revenue has taken measures to reduce postage costs through bill presentment and discounted postage rates, but cannot contain expenses. There may be another major increase in FY12/13. Without necessary funds, the City will not be able to mail monthly bills to customers resulting in a variety of customer service issues. In addition, the City will experience an associated delay in the receipt of payments, which may impact interest earned.

**FINANCE DEPARTMENT  
ORGANIZATION CHART**





## STRATEGIC ACCOMPLISHMENTS

- **Change/Comprehensive Customer Service/Corporate Focus –Consistent with Organizational Purpose.** Finance’s primary focus remains improving processes and projects to align operations with the City Manager’s directive to transition from the “Run the Business” perspective to the strategic principle of “Comprehensive Citizen Service.” This transition involved the implementation of Finance’s Comprehensive Services Model, which uses Ken Miller’s “widget” methodology to develop a series of new policies and procedures that help clarify cross-KBU roles and responsibilities. Work to create the Comprehensive Services Model has improved communication with other KBUs and has helped to address perception issues. The Finance Leadership Team has worked to reengineer its SOP to be even more customer-oriented to be in better alignment with corporate objectives.
- **Enterprise Resource Planning.** Finance remains actively engaged in the ERP Project. In preparation for the upcoming system implementation, Finance established several new procedures and policies, such as the Contract Processing Policy (FIN 4) and Accounts Payable Payment Policy (FIN 6), to better prepare the organization for the next phases of the project. Finance employees, including the Chief Financial Officer (CFO) and the Deputy Key Business Executive, are heavily involved in all aspects of the project. Finance representatives continue to assist with project management, have helped to develop the project’s team structure, serve as Team Leaders and Process Leaders, serve as Subject Matter Experts and continue to assist with system selection and business process mapping. The Finance Department is committed to ensuring the ERP selection and implementation process is a success, and will continue this strong commitment for the duration of the project.
- **Risk Task Force.** The Executive Level Risk Task Force continues to make major strides in establishing risk management as a priority across the organization. The Task Force, with the assistance of the City Manager’s Office and Risk Management staff, successfully developed and implemented a Managed Return to Work and Critical Incident Review Policy that have resulted in reduced claims to the Risk Loss Fund. The Task Force is currently working with Solid Waste Services to change the KBU’s organizational culture to focus on *safe* production, rather than simply production. A safety consultant is currently teaching “Safety at Six Sigma” workshops that teach a behavior based approach to reduce accidents, injuries and lost productivity. The Task Force plans to use their success with Solid Waste Services as a model for improving the safety of all KBUs across the organization.
- **DNC Preparation:** Shortly after the announcement that the 2012 Democratic National Convention would be held in the City of Charlotte, the Finance Department started working on several projects to help ensure the City is prepared to host this exciting event. Financial Reporting, in collaboration with Budget & Evaluation and the City Manager’s Office, have established accounting guidelines for the DNC that will be distributed to all participating departments. The guidelines require all grant-reimbursable expenses to be accounted for in a separate fund with tight controls to ensure only grant-eligible expenses are recorded there. Finance is also working closely with Police and the DNC Funding Committee to establish connectivity between current activities and accounting standards. Risk Management is working with CATS, Fire and Police to ensure appropriate risk management processes and insurance coverages are in place for the DNC.
- **E-Business Team:** The E-Business Team has had several notable accomplishments over the past year. The first project replaced the point-of-sale (POS) terminals with kiosks at the Airport valet parking lots. The kiosks contain software that quickly scans customers’ valet claim tickets and computes the cost. The second project added an online payment module for CDOT’s parking software, T2 Systems. The goal was to facilitate the automatic transfer of parking citation payment information from the third party gateway into the T2 system. An Airport Revenue Control project is currently in the planning phase and will replace the POS terminals with payment kiosks in the regular airport parking lots. Once the new



solution is implemented, there will be four cashier booths available out of 30 exit lanes. The E-Business Team is also collaborating with CDOT to complete discovery on a convenient payment alternative that will allow customers to use cell phones to pay for on-street parking. Another project involves moving the CATS Ticket Vending Machines from Elavon Merchant Services to the State contract with SunTrust/First Data Merchant Services. Testing on this project will begin in July with an anticipated go-live date of August 2011.

- **E-Business Policy.** In addition to project work, the Finance E-Business Team also worked to develop a new city-wide E-Business Policy. In February 2009 work performed by the Finance E-Business Team resulted in the corporate directive to create a new comprehensive e-business policy. The E-Business Team developed a “roles and responsibilities” document that now serves as a guide for all e-business projects across the organization. The Finance E-Business Team collaborated with Business Support Services, the Attorney’s Office and the Office of the Chief Information Officer for several months to develop the E-Business Policy. The E-Business Policy was approved by both the Finance Liaison Committee and Senior Business Team and officially went into effect on January 10, 2011.
- **New Finance Payment Policies:** In response to the City Manager’s direction to tighten various procurement policies, Finance revised three citywide policies (FIN 4, FIN 5 and FIN 6) that have significantly improved internal controls. The revised policies went into effect December 1, 2010. A major component of the revisions was the development of a reporting strategy utilizing multiple data resources that are required to provide reports to monitor adherence to the new policies. The strategy included an innovative approach using Tableau, an enterprise data visualization/analytics tool to provide a more user-friendly view of this data. This work provided the basis for the department’s participation in the annual Business Intelligence Community Olympiad.
- **Citywide Grant Processing Policy:** In FY11 Finance was able to collaborate with the Finance Liaison Committee to develop a citywide grant processing policy. This recently adopted policy will work in conjunction with the existing Budget & Evaluation grant policy to identify roles and responsibilities through the life of a grant from application to closeout.
- **CAFR Award:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded Finance a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2009. This was the twenty-fifth consecutive year that the City achieved this prestigious award which recognizes excellence in governmental accounting and financial reporting. The award demonstrates transparency and a spirit of full disclosure. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.
- **Year-End Processing:** Finance successfully completed the FY11 year-end closing process and posting of FY11 reclassification entries. All processing was completed on schedule and in accordance with the project plan. The year-end processing for FY11 was very smooth again this year thanks to the closely coordinated execution and collaboration with all KBUs to code invoices on accruals. This cross-KBU collaboration helped Finance have the most accurate year-end accrual possible. Speedy processing on the State’s mainframe also continues to be beneficial. Financial Services Accounts Payable (AP) scanned or paid 4,682 invoices in the four business days following June 30 so that FY11 expenses could be accurately reflected in the correct fiscal year. Another 1,000 invoices were accrued.
- **Office of Foreign Asset Control Updates:** As an ongoing effort to stay in compliance with the Office of Foreign Asset Control (OFAC) rules, inserts were mailed in the June City Services Bills, the EZ Pay Form was revised and distributed to customers, and letters were sent to stormwater customers in their semi-annual bills. The inserts and letters informed customers that further examination will be necessary



if they elect to pay their Utility bill through an electronic payment with funds originating from a foreign bank account. The mailings also explained that beginning in June customers electing to pay via automatic bank draft will need to confirm whether or not the payment is originating from a foreign bank account. The confirmation is stated on the EZ pay form revision. These recent actions completed the all the requirements tasked to the department's OFAC Team. The team will reconvene if additional OFAC or the State Treasurer implements additional compliance requirements.

- **Revenue Organization:** The Revenue Division initiated a comprehensive review of each employee's assigned tasks to determine if employees were over or under utilized. As a result of data gathered from each employee, management worked with staff to analyze individual workloads, streamline responsibilities, and realign tasks to compliment employee roles within the division. With the changes implemented, staff embraced new opportunities, which created a sense of job enrichment. A component of the review will be a reprogramming of space in the Finance lobby of CMGC formerly used for remittance processing.
- **New Solution for Remittance Processing:** In FY11 remittance processing for utility payments was officially stabilized and outsourced to BancTec. This is new solution is the culmination of several years of work to improve remittance processing and a year of work to complete the outsourcing process. BancTec will process approximately 100,000 payments per month. Outsourcing remittance processing also provides a disaster recovery solution, which was not available through in-house processing.
- **Authorized Payment Locations:** The City has an ongoing issue of utility customers making payments at unauthorized payment locations. This issue gives the City little control over quality and integration with City revenue collection processes. During FY11 the UMS Executive Team approved the establishment of Authorized Payment Locations (APLs) to enable customers to pay their bills at a variety of authorized convenient locations throughout Mecklenburg County. APLs will serve as a service level enhancement for 311 Customer Service and Crisis Assistance Ministry. The City and its customers will benefit from the quick transfer and application of customers' payments. City staff can access vendors' data to provide better customer service. The Revenue Division has selected two vendors (Western Union and Global Express) and is currently negotiating contracts with them. Both vendors have been approved by the UMS Executive Team, and the projected "go live" date with Western Union is in FY12 and Global Express in FY13.
- **West Service Center Cash Handling Services:** The Finance Revenue Division has partnered closely with CMPD, Human Resources and Mecklenburg County to assume all cash handling services at West Service Center. This customer service enhancement is the result of transforming from the "run the business" mentality to a corporate focus on comprehensive citizen service. After recognizing the need for improved customer service at the facility, Revenue staff worked with Human Resources and CMPD to find a new solution to enhance cash handling services at West Service Center. The solution involved transferring positions from CMPD to Finance, properly training staff on the City's revenue collection and cash handling procedures and finalizing a Service Level Agreement with Mecklenburg County to continue the collection of property taxes at the location. Thanks to the collaborative spirit of all involved party, the transfer has been very successful.
- **Debt-Related Service Fees:** The management of a \$4 billion debt portfolio requires partnering with various financial institutions (e.g. rating agencies, credit providers) that provide unique and necessary services. Finance routinely audits all bills from these partners to ensure charges accurately reflect the services rendered. Often, Finance will discover errors that require adjustment. To date, Finance has identified almost \$550,000 of incorrect billings and has worked with the vendors to ensure the charges are properly voided.



- **New CVOC Facility:** The new Charlotte Vehicle Operations Center (CVOC) building opened in April of 2011. The upgraded facility has adequate space to house administration and provide space for training. The new CVOC facility also has the capacity to serve as an alternate site for Finance Continuity of Operations.
- **MMSEA Compliance:** Following significant effort from the Risk Management Division, all of the mandatory claim files were sent on schedule to Medicare in accordance with the Medicare, Medicaid and SCHIP Extension ACT (MMSEA) guidelines. The reporting requirements contained within MMSEA could lead to civil penalties and fines if not properly adhered to. The required software for this new reporting process has been successfully installed and de-bugged.
- **Post-Issuance Compliance:** The municipal bond market is largely driven by the tax-status of the bonds. This lowers the cost of issuance and provides tax savings to the investor. However, due to the potential for lost Federal revenue, the IRS closely follows the tax-exempt market and routinely audits bond issuances. The tax rules regarding municipal bonds are extremely complex and the potential for a mistake in the structure or application of tax-exempt debt is very high. Finance has been working closely with tax counsel throughout the year on multiple initiatives, including written procedures, to ensure the City never has any major, negative IRS findings.
- **Refunding Opportunities:** As part of Finance's Balanced Scorecard, the department routinely examines its debt portfolio to determine the viability of refunding opportunities. Refundings allow for the refinancing of existing debt at a lower cost. This reduces the City's debt service requirements and can also alter the content of the debt portfolio to a more favorable position. While there is a strong possibility for future refundings, the recent downturn in market conditions have likely delayed any new refundings until at least the spring.
- **Property Tax Revenue Reporting Improvements:** Finance participated on a County team that worked closely with an outside audit firm to evaluate the performance of the new property tax system that was recently implemented by multiple counties. Issues with reporting were among the key findings, and intra-departmental cooperation has resolved many of these issues.
- **Ebox Clean-up:** Finance worked with Wells Fargo, Metavante and Checkfree to scrub erroneous data entered by utility customers through on-line bill pay. The incorrect data caused payments to drop to paper checks. Minimizing the number of paper checks reduces processing time associated with manually posting payments to customer accounts.
- **Solid Waste Services Risk Partnership:** Risk Management has successfully collaborated with Solid Waste Services to revamp their entire safety and risk control system and operations. This ongoing initiative started with "Safety at Six Sigma" workshops that taught a behavioral based approach to achieving a near-perfect level of performance in an effort to eliminate accidents and lost productivity. Risk Management hopes to use its experience collaborating with Solid Waste Services as a model for improving safety and risk awareness in all Key Business Units across the organization.
- **Executive Level Risk Management Taskforce:** The City's Executive Level Risk Management Task Force has helped facilitate increased Risk Management and KBU cooperation, collaboration and involvement. The task force worked with Risk Management and Human Resources to successfully implement two policies, Managed Return to Work and Critical Incident Review, and continues to work to identify and refine focus areas and loss reduction goals for the organization.
- **Implementation of the 40 Point CMU Customer Service Improvement Plan:** Finance continues to work very closely with Utilities on a daily basis to continue to implement the pre-billing activities of the

40 Point Customer Service Plan. Improvements implemented in advance of the 12/31/10 deadline included:

- Created leak service orders viewable in Virtual Charlotte GIS map;
- Established new meter reading edit process form for all pertinent data in a single view;
- Delivered multiple rounds of advanced account analysis training to 311 in support of the new 311 E-Team;
- Implemented multiple automations to reduce the number of meter reading exceptions requiring human review;
- Clarified and streamlined meter reading reason codes to improve consistency; and
- Implemented a “paperless” check read process in the North CMU service area.
  - The results for improvements implemented so far are very strong:
- Eliminated backlog of 6,000+ meter related service orders, all orders worked timely;
- Eliminated 960 duplicate field visits with automated check reads;
- Increased check reads completed 62% based on automated process vs. paper process.

## LINKS TO CORPORATE STRATEGY

Finance provides its services in alignment with the City's corporate vision, mission and strategy. Provided below is a summary of Finance's services and initiatives as they relate to the City's corporate strategy:

**CHANGE** Finance is continuing its efforts to help transform organizational operations from the "Run the Business" mentality to a corporate-minded perspective. This change has involved the development and refinement of policies, procedures and communication strategies that help clarify cross-KBU roles and responsibilities. Efforts such as the Contract Processing Policy (FIN 4), Accounts Payable Payment Policy (FIN 6) and Citywide Grants Policy have helped facilitate a more corporate minded perspective in all of the services Finance provides. Finance will continue to work with other KBUs to identify possible areas where roles and procedures need to be better defined to make cross-Departmental collaboration as smooth and beneficial as possible.

**COLLABORATION** Collaboration is the cornerstone of Finance's day-to-day operations. Without corporate level collaboration the City would not be able to provide a unified organizational response to the challenges it faces. As a support Key Business Unit, Finance works closely with other Key Business Units and the financial community to ensure sound financial management. While some of our services relate strictly to the financial community (e.g., managing the City's \$2.3 billion cash and investment portfolio and \$4.1 billion in outstanding debt), the majority of our efforts involve working closely with and supporting the services provided by other Key Business Units. Finance encourages both interdepartmental and intradepartmental collaboration to ensure the best possible work product is prepared and delivered to customers. Work with the Finance Liaison Committee, UMS Executive Team, and the various ERP Project Teams are just a few examples of ongoing interdepartmental collaboration. Finance's internal project teams also help foster intradepartmental collaboration by utilizing teamwork to yield the maximum benefits possible from the diverse skill sets and backgrounds of Finance employees.

**COMPREHENSIVE CITIZEN SERVICE** Emphasizing a corporate approach to comprehensive citizen service remains Finance's top priority. The implementation of the new Finance Comprehensive Services Model underscores the importance placed on closely collaborating with other Key Business Units and providing the highest possible levels of service to our customers – internal as well as external. This new model, which focuses on delivering responsive solutions to meet customers' current and future expectations, is Finance's principal management road map. Work to create the Comprehensive Services Model has improved communication with other KBUs, helped to address perception issues and develop solutions for better meeting the needs of customers.



## STRATEGIC INITIATIVES

**GENERAL OBSERVATION** Finance is committed to pursuing a policy dedicated to continuous improvement with the objective of providing comprehensive citizen service to all of its customers. The following initiatives have been identified as important during planning sessions with the City Manager and are among Finance's high-priority strategic initiatives:

**ORGANIZATIONAL CHANGE** Finance's primary focus remains responding to the City Manager's directive to transition from the "Run the Business" perspective to the strategic principle of "Comprehensive Citizen Service." This transition involves the implementation of Finance's Comprehensive Services Model, which uses Ken Miller's "widget" methodology to develop a series of new policies and procedures that help clarify cross-KBU roles and responsibilities. Work to create the Comprehensive Services Model has improved communication with other KBUs and has helped to address perception issues. The Finance Leadership Team has worked to reengineer the SOP to be even more customer-oriented to be in better alignment with corporate objectives.

**ENTERPRISE RESOURCE PLANNING** Finance remains actively engaged in the ERP Project. In preparation for the upcoming system implementation, Finance has established several new procedures and policies, such as the Contract Processing Policy (FIN4) and Accounts Payable Payment Policy (FIN 6), to better prepare the organization for the next phases of the project. Finance employees, including the Chief Financial Officer and the Deputy Key Business Executive, are heavily involved in all aspects of the project. Finance representatives continue to assist with project management, have helped to develop the project's team structure, serve as Team Leaders and Process Leaders, serve as Subject Matter Experts and continue to assist with system selection and business process mapping. The Finance Department is committed to ensuring the ERP selection and implementation process is a success, and will continue this strong commitment for the duration of the project.

**RISK MANAGEMENT LOSS REDUCTIONS** Costs associated with Risk Management continue to rise, and these rapidly escalating costs are driven by the individual behavior of City employees. In order to reduce human, economic and legal risk every Key Business Unit needs to emphasize the importance of modifying behavior and organizational practices to reduce losses incurred by the City. During FY2012 Risk Management will continue to work with all Key Business Units to develop new methodologies and accountability structures to hold them accountable for reducing their loss numbers and work to develop innovative solutions that minimize risk and modify operational practices associated with rising loss costs across organization.

**CALENDAR YEAR 2011 DEBT ISSUANCE PROCESS IMPROVEMENTS** New procedures have been developed for the issuance of debt and post issuance compliance. This Strategic Initiative will require substantial cooperation between the Finance Department and all KBUs, particularly Enterprise Funds who issue debt for capital projects. The increasing complexity of financial products and commentary from previous IRS audits has necessitated enhanced diligence in the City's debt issuance processes.

**LONG-TERM INVESTMENT PROGRAM (LTIP)** After several years of work, the Treasury Division began investing money into the Long Term Investment Program (LTIP) near the close of FY2011. Program implementation included an extensive due diligence process, involving two attorneys and adjusting the manager selection to meet the criteria set forth in State statute. As of June 1, 2011, \$13.5 million was invested in the program. By August 2011, Finance hopes to have



\$35 million invested in LTIP. The next phase of the LTIP process will involve managing and monitoring the investments. Finance intends to prepare legislative alternatives for the next General Assembly to help realize the full potential of the program and provide greater diversity.

**CATS CAPITAL PLANNING** Finance will continue its engagement in CATS' Capital Planning efforts as work is done to progress the development of the Blue Line and Red Line Extension. CATS, the FTA, underwriters and the financial consultant will continue to meet with Finance to try to identify and create a viable financial model for the Blue Line Extension. Finance will continue to serve in an advisory capacity on the Red Line Extension Task Force; providing feedback relative to recent transit-related project development financing experience.

**DEMOCRATIC NATIONAL CONVENTION PREPARATION** During FY2012 Finance will continue its ongoing commitment to ensuring the success of the 2012 Democratic National Convention. The Department will collaborate with Budget and Evaluation and the City Manager's Office to ensure adherence to the recently established DNC accounting guidelines. Finance will also work closely with Police and the DNC Funding Committee to establish connectivity between current activities and accounting standards. Risk Management will work in partnership with CATS, Fire and Police to ensure appropriate risk management processes and insurance coverages are in place for the DNC. The Finance Leadership Team will develop measures to ensure the continuity of all departmental operations while the convention is taking place.

## SERVICE DELIVERY: What We Do and Who Our Customers Are

Administration . . .	Accounting . . .	Business Systems . . .	Revenue . . .	Risk Management . . .	Treasury . . .
<p>Serves as the City's Chief Financial Officer</p> <p>Provides policy support to the City Manager</p> <p>Provides leadership to the Finance KBU to ensure that departmental activities and service delivery are in alignment with Council and Manager policies</p> <p>Provides general management and coordination of the Finance KBU</p> <p>Serves as the main point of contact for all finance-related matters and issues</p>	<p>Maintains accounting records</p> <p>Prepares financial statements including the Comprehensive Annual Financial Report</p> <p>Pays invoices</p> <p>Coordinates receivables and their collection</p>	<p>Provides support for the Utility Billing System (UBS) "BANNER Advantage Suite"</p> <p>Provides support for UBS related systems and interfaces</p> <p>Provides support for the GEAC Financial System</p> <p>Provides support for financial related systems and interfaces</p>	<p>Serves as the City's official revenue collections unit in accordance with State statute</p> <p>Mails water, sewer and storm water bills to citizens</p> <p>Collects payments for water, sewer and storm water bills by mail, over-the-counter, drive-up window, drop box and through PC banking</p> <p>Collects revenues for other services</p>	<p>Processes property and casualty claims from external and internal customers</p> <p>Processes Workers' Compensation claims for the City, County and C/M Board of Education</p> <p>Provides risk control consulting to all customers</p> <p>Purchases conventional and excess insurance</p> <p>Assists the City Attorney's office in litigation management</p> <p>Collects monies due to the City for damage done to City property</p>	<p>Manages the investment portfolio including the cash flow requirements</p> <p>Manages the debt program including bond sales, bond referenda, debt payments and applications for the issuance of debt</p> <p>Performs financial and economic analyses including the development of models to forecast revenues and evaluate debt capacity and financing options</p> <p>Provides services to City departments regarding financial issues involving capital projects</p>
<p><b>Customers are . . .</b></p> <p>City Manager and his staff</p> <p>Mayor and City Council</p> <p>Citizens with finance-related questions</p> <p>Budget and Evaluation Director and his staff</p> <p>All Finance employees</p> <p>Other City departments</p>	<p><b>Customers are . . .</b></p> <p>Citizens</p> <p>Vendors</p> <p>Other City departments</p> <p>City employees</p>	<p><b>Customers are . . .</b></p> <p>Other City departments</p> <p>BSS/Procurement Services</p> <p>Budget and Evaluation</p> <p>Other Finance divisions</p>	<p><b>Customers are . . .</b></p> <p>Citizens receiving water, sewer and storm water services</p> <p>Citizens and employees purchasing transit passes and animal licenses</p> <p>Other City departments</p>	<p><b>Customers are . . .</b></p> <p>City, County, Charlotte-Mecklenburg Board of Education and ten other quasi-governmental entities</p> <p>Citizens wishing to file claims</p>	<p><b>Customers are . . .</b></p> <p>Purchasers of City bonds</p> <p>Mayor and City Council</p> <p>City Manager and members of his staff</p> <p>Other City departments</p>

## CORE SERVICE AREAS

**Accounting.** Finance maintains the City's official accounting records, monitors budgets, prepares cost analyses for management, and provides financial information to Key Business Units to assist them with managing their operations. Finance prepares the Comprehensive Annual Financial Report, specialized financial reports, and federal, state and other mandated/required reports. In addition, Finance maintains the City's loan portfolio and processes miscellaneous payments due to the City. Finance also obtains authorization and documentation for payment of the City's liabilities and prepares and distributes over 70,000 vendor payments each year.

**Business Systems.** Business Systems provides functional, analytical and business process support to all Finance divisions as well as to other Key Business Units. The Business Systems Division utilizes important management tools such as the Utility Billing System to assist with billing and the day-to-day operations of 311, Charlotte-Mecklenburg Utilities and Stormwater for both the City of Charlotte and Mecklenburg County.

**Revenue.** In accordance with State statute, Finance (Revenue Division) is responsible for the receipt and deposit of all moneys received by the City. The Revenue Division works closely with Internal Audit to ensure that internal controls over cash collections provide for strong security with regards to City moneys. The division works closely with the Accounting Division to ensure that all moneys are given the proper treatment in the City's official accounting records. The Revenue Division also bills and collects approximately 274,765 accounts for Utilities and the City/County Storm Water Services annually. In addition, the division services miscellaneous accounts for Transit, Charlotte Mecklenburg Police Department Neighborhood Development and Business Support Services.

**Risk Management.** Finance administers the risk financing, risk retention and insurance placement for the City of Charlotte, Mecklenburg County, Charlotte-Mecklenburg Board of Education and other small, public agencies. Additionally, services include: contract indemnification/insurance language review; management of auto liability, general liability and workers' compensation claims; accident investigation; and risk/loss control consultative services to the City, County and Charlotte Mecklenburg Schools (CMS). Finance also manages the Charlotte Vehicle Operations Center (aka "the Defensive Driving Range"), a 16 acre, state-of-the-art, training facility which provides driver training for all departments of the City.

**Treasury.** Finance provides debt management services for \$4.1 billion in outstanding debt. The five-year capital program will require the issuance of an additional several hundred million dollars in general obligation and revenue bonds. Finance manages an investment portfolio of \$2.3 billion, including the Charlotte Firefighters' Retirement System. Finance also provides financial and economic forecasts and analyses related to annual operating and capital budgeting used in setting the City's annual property tax rate and other various rates, fees and charges.



**FINANCE KBU**  
**TREND DATA & KEY SERVICE INDICATORS**

<b>Key Service Indicator</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>
<b>Vendor Payments- # of Checks Written</b>	70,973	70,158	73,657	73,761	71,883	68,362
<b>Vendor Payments - # of Invoices Paid</b>	147,945	143,563	142,648	142,957	135,814	133,680
<b>Outstanding Debt Managed (in millions)</b>	\$3,114	\$3,290	\$3,480	\$3,705	\$4,181	\$4,083
<b>Cash &amp; Investments Portfolio Managed (in millions) *</b>	\$1,688	\$1,851	\$2,454	\$2,286	\$2,718	\$2,427
<b>Number of Participants in PC Banking + Number of Participants in ACH Expressed as a Percentage of all Utility Customers</b>	28.4%	30.5%	34.8%	41.4%	45.8%	47.2%
<b>Debt Setoff Collections</b>	\$140,983	\$313,594	\$407,118	\$618,474	\$462,206	\$633,748
<b>Total Authorized Staffing</b>	103	103	106	106	106	108

\* This amount includes investments of the Charlotte Firefighters' Retirement System

# Finance FY11 Balanced Scorecard Report

Reporting Period: July 1, 2010 to June 30, 2011

Corporate Objective	KBU Initiative (* indicates Focus Area Initiative)	Measure (\$ indicates incentive pay measure)	Prior Year Actual	Lead or Lag	Performance Data			Comments/Explanation (To be completed at mid-year and year-end reporting)
					Target	YTD	Status	
C1. Increase the Perception of Safety B1. Develop Collaborative Solutions  R1. Maintain AAA Rating  R2. Deliver Competitive Services  R3. Maintain AAA Rating R4. Invest in Infrastructure	Collaborate with other KBUs to ensure secure payment options for citizens.	\$ Coordinate completion of the online Self Assessment Questionnaire (SAQ)	N/A	Lead	Complete		Achieved Goal	Completed in August
	Prepare the City's Comprehensive Annual Financial Report	\$ Prepare financial statements in conformity with generally accepted accounting principles in order to contribute to receiving an unqualified opinion from the external auditors	10/31/09	Lead	10/31/10		Achieved Goal	Completed on October 31, 2010. Received 25 <sup>th</sup> consecutive GFOA Certificate of Excellence in Financial Reporting Award.
	KBE Loss Metrics	\$ Provide quarterly updates to KBUs of Loss Metrics for their Department	Complete	Lag	6/30/11		Achieved Goal	Completed. 4 <sup>th</sup> quarter for FY11 to be sent in July 2011.
	Strategically pursue debt refunding opportunities when market conditions generate optimal savings	Analyze and review funding proposals for indication of savings by June 30, 2011	N/A	Lag	06/30/11		Achieved Goal	In addition to internal monitoring of the debt portfolio and market conditions, Treasury regularly reviewed all submitted refunding proposals. A GO refunding was planned for fall 2010, but market conditions changed drastically and the financing is not viable at that time. Late in FY11 work began on a water/sewer refunding, with the potential to provide immediate benefit to CMU finances.
E1. Achieve Positive Employee Climate  E2. Achieve Positive Employee Climate	Finance Employees that interact with customers will have access to hand sanitizer	\$ The completion of the Wellness Program by June 30, 2011	N/A	Lead	06/30/11		Achieved Goal	Completed, Finance employees who interact with customers now have constant access to hand sanitizer
	Finance Department will conduct one Annual Wellness Works Walk Around.	\$ Completion of the Wellness Works Walk Around by June 30, 2011	N/A	Lead	6/30/11		Achieved Goal	Completed in December

**Status:**

1. Use a "+" (plus) sign to indicate all is well.
2. Use a "-" (minus) sign to indicate that the status is not where expected or the current status is in trouble. Provide explanation.
3. Use a "X" to indicate this target will not or is not met. Provide explanation

\* in KBU initiative column indicates Focus Area initiative  
 \$ indicates incentive pay measure



## REQUEST FOR RESOURCES

**FY 2012 Base Budget:** Finance requested a budget allocation of **\$12,685,270** for FY12. Note: In an effort to control spending the Finance Department had no Service Level Change requests for FY12.

### Changes to Current Level –Approved

1. **\$150,111** to support annual contract escalations on various utility billing and financial management software. Many of the City's vital financial and utility billing software systems have annual contract escalations that the City must pay in order to continue receiving these valuable services.
2. **\$8,388** for Trainings, Conferences and Meetings. This additional funding will help Finance employees continue to refine skills and learn new methodologies to ensure the City of Charlotte has the most highly skilled and well-trained Finance Department possible.
3. **\$34,421** to offset increased postage rates in calendar year 2010 and 2011, and additional mailings.

### Changes to Current Level – Not Approved

1. **\$15,067** for Treasury Division's (center 20100) Standard and Poor's Ratings Direct subscription. This global web portal provides real-time access to integrated credit research, market information and risk analytics.
2. **\$20,855** for Employee Reimbursement and Training Expenses. Several Finance employees are currently pursuing higher education degrees, which is in line with the City's corporate objective to recruit and retain a skilled and diverse workforce.
3. **\$15,138** for Printing and Publishing across the entire Finance Department. While the Finance Department strives to keep many of its processes paperless, certain process and major projects, such as preparation of the CAFR, remain very paper intensive. Along with having projects that currently necessitate large amounts of paper, Finance is also covering some of the printing costs for other departments on the 10<sup>th</sup> floor.







## Operating Expense Projections

FY2012 & 2013

0101 General fund

0020200 - Finance-Accounting

	FY2011	FY2012	FY2013	
		Requested	Approved	Difference
011 SALARY AND WAGE - REGULAR	1,505,488.00	1,532,515.02	1,479,304.40	(53,210.62)
012 OVERTIME	11,315.00	11,315.00	11,315.04	11,315.04
013 SALARY AND WAGE - TEMP				
014 SALARY & WAGES-PART-TIME	14,353.00			
020 EMPLOYEE MERIT PAY	115,675.00	117,237.38	113,166.77	(4,070.61)
085 SOCIAL SECURITY TAX	182,716.00	209,418.00	199,749.00	(9,669.00)
086 EMPL INSURANCE PREMIUM	97,836.00	105,437.02	101,776.16	(3,660.86)
087 EMPLOYEES RETIREMENT EXP				
089 OTHER EMPLOYEE FRINGE BEN				
096 WELLNESS INCENTIVE				
097 401K RETIREMENT EXPENSE	29,069.00	45,098.77	43,502.48	(1,596.29)
<b>Personal Services Total</b>	<b>1,956,452.00</b>	<b>2,021,021.19</b>	<b>1,948,813.81</b>	<b>(72,207.38)</b>
111 TELECOMMUNICATIONS	9,126.00	8,520.96	8,628.96	8,628.96
112 KBU TELECOMMUNICATIONS	7,896.00	7,896.00	7,896.00	7,896.00
113 POSTAGE	28,100.00	37,000.00	36,999.96	(0.04)
131 PRINTING AND PUBLISHING	23,200.00	32,200.00	23,199.96	(9,000.04)
136 TECHNOLOGY SUPPLY/SERVICE	265,648.00	300,064.00	266,292.96	(33,771.04)
142 RENTAL OF LAND & BUILDINGS	111,918.00	111,878.04	111,878.04	111,878.04
151 M&R-EQPT-NON-SELF-PROPELLE	500.00	500.00	500.04	500.04
161 TRAVEL AND MEETINGS	2,400.00	2,400.00	2,400.00	2,400.00
163 EMPLOYEE REIM, TRAINING EX	1,000.00	1,000.00	999.96	999.96
164 TRAINING CONFR & MEETINGS	13,900.00	13,900.00	13,899.96	13,899.96
179 FEES - OTHER	3,300.00	3,300.00	3,300.00	3,300.00
191 DUES, SUBS., & PROF LIC	5,000.00	5,000.00	5,000.04	5,000.04
193 BUDGET REDUCTION	(91,971.00)			
199 OTHER MISC CONTRACTUAL SRV	14,771.00	14,771.00	14,771.04	14,771.04
271 OFFICE SUPPLIES	15,526.00	15,526.00	15,525.96	15,525.96
298 OTHER SPECIAL DEPT SUPPLY	8,000.00	8,000.00	8,000.04	8,000.04
<b>Operating Expense Total</b>	<b>418,314.00</b>	<b>561,956.00</b>	<b>519,184.88</b>	<b>(42,771.12)</b>
960 DEPARTMENTAL CHARGES	(163,872.00)	(166,344.00)	(166,344.00)	(166,344.00)
<b>Departmental Charges Total</b>	<b>(163,872.00)</b>	<b>(166,344.00)</b>	<b>(166,344.00)</b>	<b>(166,344.00)</b>
940 REIMBURSED EXPENSES		(0.44)		(0.44)
<b>Grants &amp; Contributions Total</b>		<b>(0.44)</b>		<b>(0.44)</b>
<b>TOTAL</b>	<b>2,210,894.00</b>	<b>2,416,633.19</b>	<b>2,301,654.25</b>	<b>(114,978.94)</b>
			<b>2,610,548.06</b>	<b>(304,525.94)</b>



# Operating Expense Projections

FY2012 & 2013

0101 General fund

0020000 - Finance-Administration

	FY2011	FY2012	FY2013	
	Requested	Approved	Difference	
010 PERSONAL SERVICES ADJUST	368,073.00		(368,073.00)	
011 SALARY AND WAGE - REGULAR	498,179.39	498,179.39		
020 EMPLOYEE MERIT PAY	6,418.00			
083 RETIREE INSURANCE PREMIUM	340,808.00	314,756.04	314,756.04	336,867.96
085 SOCIAL SECURITY TAX	37,520.00	38,480.77		38,187.03
086 EMPL INSURANCE PREMIUM	29,380.00	30,264.96	(1,465.08)	31,779.96
087 EMPLOYEES RETIREMENT EXP	31,144.00	34,274.72		36,583.85
089 OTHER EMPLOYEE FRINGE BEN	4,800.00	4,837.03		4,800.11
096 WELLNESS INCENTIVE				
097 401K RETIREMENT EXPENSE	9,809.00	14,945.40		14,831.30
<b>Personal Services Total</b>	<b>939,124.00</b>	<b>935,738.31</b>	<b>(54,782.04)</b>	<b>957,426.70</b>
111 TELECOMMUNICATIONS	1,287.00	933.96		1,008.96
112 KBU TELECOMMUNICATIONS	1,671.00	1,671.00	(918.96)	1,671.00
113 POSTAGE	215.00	215.04	(12.96)	215.04
131 PRINTING AND PUBLISHING	1,485.00	1,485.00	(5,135.28)	1,485.00
142 RENTAL OF LAND & BUILDINGS	34,624.00	34,611.00		34,907.04
151 M&R-EQPT-NON-SELF-PROPELLE	135.00	267.84		275.88
161 TRAVEL AND MEETINGS	1,719.00	1,719.00	(3,787.32)	1,719.00
164 TRAINING CONFR & MEETINGS	750.00	13,137.96	7,653.24	13,137.96
191 DUES, SUBS., & PROF LIC	268.00	267.96	(2,274.84)	267.96
199 OTHER MISC CONTRACTUAL SRV		6,206.76		6,392.88
271 OFFICE SUPPLIES	893.00	792.48		792.48
298 OTHER SPECIAL DEPT SUPPLY	1,006.00	1,005.96	(1,103.04)	626.88
611 INSURANCE PREMIUMS	703.00	42.00		42.00
615 WORKERS COMPENSATION	3,637.00	3,699.96		3,990.00
<b>Operating Total</b>	<b>48,393.00</b>	<b>71,635.08</b>	<b>(5,579.16)</b>	<b>73,266.48</b>
940 Reimbursed Expenses		(0.34)	(0.34)	
<b>Grants &amp; Contributions Total</b>		<b>(0.34)</b>	<b>(0.34)</b>	<b>66,532.08</b>
<b>TOTAL</b>	<b>987,517.00</b>	<b>1,062,155.43</b>	<b>(60,361.54)</b>	<b>1,023,958.78</b>
				<b>(41,230.55)</b>

**Operating Expense Projections  
FY2012 & 2013  
0101 General fund  
0020500 - Business Systems Division**

	FY2011	FY2012	FY2013	
	Requested	Approved	Difference	
011 SALARY AND WAGE - REGULAR	960,935.00	983,289.96	983,289.96	
020 EMPLOYEE MERIT PAY	8,810.00			
085 SOCIAL SECURITY TAX	74,222.00	75,258.12	74,683.92	
086 EMPL INSURANCE PREMIUM	82,264.00	84,741.96	(4,102.08)	(7,000.08)
087 EMPLOYEES RETIREMENT EXP	61,609.00	67,650.34	73,769.26	(1,561.23)
089 OTHER EMPLOYEE FRINGE BEN	477.00	476.59	476.59	
096 WELLNESS INCENTIVE				
097 401K RETIREMENT EXPENSE	19,404.00	28,036.14	27,822.12	
<b>Personal Services Total</b>	<b>1,207,721.00</b>	<b>1,239,453.11</b>	<b>(4,102.08)</b>	<b>(8,561.31)</b>
111 TELECOMMUNICATIONS	4,635.00	4,019.04	4,242.00	
112 KBU TELECOMMUNICATIONS	7,062.00	7,062.00	7,062.00	
113 POSTAGE	422.00	422.04	422.04	
131 PRINTING AND PUBLISHING	2,103.00	2,103.00	2,103.00	
136 TECHNOLOGY SUPPLY/SERVICE	33,742.00	33,741.96	33,741.96	
142 RENTAL OF LAND & BUILDINGS	24,220.00	24,210.96	24,417.96	
151 M&R-EQPT-NON-SELF-PROPELLE	830.00	830.04	830.04	
161 TRAVEL AND MEETINGS	14,679.00	14,679.00	14,679.00	(429.96)
163 EMPLOYEE REIM, TRAINING EX	542.00	542.04	542.04	
164 TRAINING CONFR & MEETINGS	11,158.00	7,158.00	11,157.96	(3,999.96)
191 DUES, SUBS., & PROF LIC				
199 OTHER MISC CONTRACTUAL SRV	13,162.00	13,161.96	13,161.96	
271 OFFICE SUPPLIES	2,425.00	1,425.00	2,424.96	(999.96)
298 OTHER SPECIAL DEPT SUPPLY	1,000.00	999.96	999.96	
<b>Operating Expense Total</b>	<b>115,980.00</b>	<b>115,354.92</b>	<b>(4,999.92)</b>	<b>(5,429.88)</b>
940 REIMBURSED EXPENSES		0.37	0.37	
<b>Grants &amp; Contributions Total</b>		<b>0.37</b>	<b>0.37</b>	
<b>TOTAL</b>	<b>1,323,701.00</b>	<b>1,358,910.11</b>	<b>(9,101.63)</b>	<b>(13,991.19)</b>



# Operating Expense Projections

## FY2012 & 2013

### 0101 General fund

#### 0020300 - Finance-Revenue Division

	FY2011	FY2012	FY2013				
		Requested	Approved	Difference	Requested	Approved	Difference
011 SALARY AND WAGE - REGULAR	814,302.00	823,008.54	930,303.02	107,294.48	833,059.78	923,201.46	90,141.68
012 OVERTIME	38,667.00	38,667.00	14,234.04	(24,432.96)	38,667.00	14,234.04	(24,432.96)
013 SALARY AND WAGE - TEMP	5,982.00						
014 SALARY & WAGES-PART-TIME	38,287.00						
020 EMPLOYEE MERIT PAY	8,147.00						
084 UNEMPLOYMENT COMP OR TAXES			6,000.00	6,000.00		6,000.00	6,000.00
085 SOCIAL SECURITY TAX	62,920.00	62,980.82	71,188.84	8,208.02	63,749.75	70,645.58	6,895.83
086 EMPL INSURANCE PREMIUM	111,644.00	120,573.96	133,166.04	12,592.08	130,263.96	139,832.04	9,568.08
087 EMPLOYEES RETIREMENT EXP	52,228.00	56,622.97	64,004.85	7,381.88	62,979.32	68,316.89	5,337.57
089 OTHER EMPLOYEE FRINGE BEN	270.00	270.24	270.24		270.24	270.24	
096 WELLNESS INCENTIVE							
097 401K RETIREMENT EXPENSE	16,450.00	24,690.28	26,989.21	2,298.93	24,991.80	26,783.19	1,791.39
<b>Personal Services Total</b>	<b>1,148,897.00</b>	<b>1,126,813.81</b>	<b>1,246,156.24</b>	<b>119,342.43</b>	<b>1,153,981.85</b>	<b>1,249,283.44</b>	<b>95,301.59</b>
111 TELECOMMUNICATIONS	5,988.00	4,899.00	4,899.00		4,959.00	4,959.00	
112 KBU TELECOMMUNICATIONS	5,776.00	5,775.96	5,775.96		5,775.96	5,775.96	
113 POSTAGE	1,057,723.00	1,083,230.64	1,083,230.64		1,138,443.96	1,138,443.96	
131 PRINTING AND PUBLISHING	11,411.00	11,753.28	11,753.28		12,105.96	12,105.96	
136 TECHNOLOGY SUPPLY/SERVICE	775,577.00	703,869.48	703,869.48		747,038.28	747,038.28	
142 RENTAL OF LAND & BUILDINGS	72,155.00	61,641.00	61,641.00		62,163.00	62,163.00	
151 M&R-EQPT-NON-SELF-PROPELLE	4,740.00	5,920.32	5,920.32		6,097.92	6,097.92	
153 M&R-BUILDINGS							
161 TRAVEL AND MEETINGS	2,326.00	4,379.88	2,325.96	(2,053.92)	4,566.84	2,325.96	(2,240.88)
163 EMPLOYEE REIM, TRAINING EX	3,447.00	20,601.84	3,447.00	(17,154.84)	22,662.12	3,447.00	(19,215.12)
164 TRAINING CONFR & MEETINGS	2,580.00	2,700.00	2,580.00	(120.00)	2,900.04	2,580.00	(320.04)
176 TEMPORARY HELP FEES	5,000.00						
191 DUES, SUBS., & PROF LIC	651.00	780.00	780.00		890.04	890.04	
199 OTHER MISC CONTRACTUAL SRV	956,415.00	1,100,206.56	1,100,206.56		1,133,901.12	1,133,901.12	
271 OFFICE SUPPLIES	11,129.00	7,909.20	7,909.20		8,067.36	8,067.36	
298 OTHER SPECIAL DEPT SUPPLY	4,249.00						
<b>Operating Expense Total</b>	<b>2,919,167.00</b>	<b>3,013,667.16</b>	<b>2,994,338.40</b>	<b>(19,328.76)</b>	<b>3,149,571.60</b>	<b>3,127,795.56</b>	<b>(21,776.04)</b>
960 DEPARTMENTAL CHARGES	(74,234.00)	(74,433.96)	(74,433.96)		(75,922.56)	(75,922.56)	
<b>Departmental Charges Total</b>	<b>(74,234.00)</b>	<b>(74,433.96)</b>	<b>(74,433.96)</b>	<b>0.42</b>	<b>(75,922.56)</b>	<b>(75,922.56)</b>	<b>0.42</b>
940 REIMBURSED EXPENSES							
<b>Grants &amp; Contributions Total</b>							
<b>TOTAL</b>	<b>3,993,830.00</b>	<b>4,066,047.01</b>	<b>4,166,061.10</b>	<b>100,014.09</b>	<b>4,227,630.89</b>	<b>4,301,156.44</b>	<b>73,525.55</b>

## Operating Expense Projections

FY2012 & 2013

0101 General fund

0020100 - Finance-Treasury

	FY2011	FY2012	FY2013		
		Requested	Approved	Difference	Requested
					Approved
					Difference
011 SALARY AND WAGE - REGULAR	534,738.00	549,729.44	549,729.44		545,533.02
013 SALARY AND WAGE - TEMP		1,834.00	1,834.00		1,820.00
020 EMPLOYEE MERIT PAY	4,168.00				
085 SOCIAL SECURITY TAX	41,226.00	42,194.62	42,194.62		41,872.52
086 EMPL INSURANCE PREMIUM	41,132.00	44,421.96	42,371.04	(2,050.92)	44,492.04
087 EMPLOYEES RETIREMENT EXP	34,220.00	37,821.37	37,821.37		40,369.45
097 401K RETIREMENT EXPENSE	10,778.00	16,491.86	16,491.86		16,365.98
<b>Personal Services Total</b>	<b>666,262.00</b>	<b>692,493.25</b>	<b>690,442.33</b>	<b>(2,050.92)</b>	<b>690,453.01</b>
111 TELECOMMUNICATIONS	2,371.00	2,264.04	2,264.04		2,292.96
112 KBU TELECOMMUNICATIONS	3,014.00	3,612.00	3,014.04	(597.96)	3,014.04
113 POSTAGE	356.00	356.00	356.00		356.00
131 PRINTING AND PUBLISHING	2,340.00	3,000.00	2,340.00	(660.00)	2,340.00
142 RENTAL OF LAND & BUILDINGS	17,910.00	17,904.00	17,904.00		18,056.04
151 M&R-EQPT-NON-SELF-PROPELLE	1,100.00	1,100.00	1,100.00		1,100.00
161 TRAVEL AND MEETINGS	805.00	1,800.00	804.96	(995.04)	804.96
163 EMPLOYEE REIM, TRAINING EX		3,700.00		(3,700.00)	
164 TRAINING CONFR & MEETINGS	1,700.00	2,800.00	1,700.04	(1,099.96)	1,700.04
191 DUES, SUBS., & PROF LIC	1,462.00	3,360.00	1,461.96	(1,898.04)	1,461.96
199 OTHER MISC CONTRACTUAL SRV	23,634.00	38,814.00	23,747.04	(15,066.96)	23,565.96
271 OFFICE SUPPLIES	3,008.00	3,100.00	3,008.04	(91.96)	3,008.04
<b>Operating Expense Total</b>	<b>57,700.00</b>	<b>81,810.04</b>	<b>57,700.12</b>	<b>(24,109.92)</b>	<b>57,700.00</b>
940 REIMBURSED EXPENSES			(0.33)		
<b>Grants &amp; Contributions Total</b>			<b>(0.33)</b>		
<b>TOTAL</b>	<b>723,962.00</b>	<b>774,303.29</b>	<b>748,142.12</b>	<b>(26,161.17)</b>	<b>748,153.01</b>
					<b>(30,286.77)</b>



**Operating Expense Projections  
FY 2012 & 2013  
6302 Risk Management - Operations  
0054900 - Risk Management**

	FY2011	FY2012 Requested	Approved	Difference	FY2013 Requested	Approved	Difference
010 PERSONAL SERVICES ADJUST		26,735.04	14,043.00	(12,692.04)	26,681.04	13,989.00	(12,692.04)
011 SALARY AND WAGE - REGULAR	1,395,379.00	1,409,673.02	1,409,673.02		1,398,912.16	1,398,912.16	
012 OVERTIME							
013 SALARY AND WAGE - TEMP	12,343.00						
020 EMPLOYEE MERIT PAY	11,752.00						
083 RETIREE INSURANCE PREMIUM							
084 UNEMPLOYMENT COMP OR TAXES							
085 SOCIAL SECURITY TAX	107,691.00	107,840.00	107,840.00		107,016.78	107,016.78	
086 EMPL INSURANCE PREMIUM	146,900.00	158,649.96	151,325.04	(7,324.92)	171,399.96	158,900.04	(12,499.92)
087 EMPLOYEES RETIREMENT EXP	111,019.00	96,985.49	96,985.49		105,757.72	103,519.48	(2,238.24)
096 WELLNESS INCENTIVE				0.00			
097 401K RETIREMENT EXPENSE	28,154.00	42,290.17	42,290.17		41,967.35	41,967.35	
<b>Personal Services Total</b>	<b>1,813,238.00</b>	<b>1,842,173.68</b>	<b>1,834,262.68</b>	<b>(7,911.00)</b>	<b>1,851,735.01</b>	<b>1,837,016.77</b>	<b>(14,718.24)</b>
102 UNEXPENDABLE APPROPRIATION	(127,726.00)		2,367.96	2,367.96		12,923.04	12,923.04
111 TELECOMMUNICATIONS	8,713.00	7,443.96	7,443.96		7,538.04	7,538.04	
112 KBU TELECOMMUNICATIONS	8,338.00	8,799.96	8,799.96		9,000.00	9,000.00	
113 POSTAGE	8,500.00	9,500.04	9,500.04		9,699.96	9,699.96	
131 PRINTING AND PUBLISHING	12,500.00	12,800.04	12,800.04		12,999.96	12,999.96	
136 TECHNOLOGY SUPPLY/SERVICE	66,400.00	66,399.96	66,399.96		66,399.96	66,399.96	
146 AUTOMOBILE & OTHER ALLOWAN	400.00	300.00	300.00		300.00	300.00	
151 M&R-EQPT-NON-SELF-PROPELLE	3,000.00	3,000.00	3,000.00		3,000.00	3,000.00	
152 M&R-EQPT-MOTORIZED	3,000.00	3,000.00	3,000.00		3,000.00	3,000.00	
153 M&R-BUILDINGS	5,000.00	3,000.00	3,000.00		3,000.00	3,000.00	
161 TRAVEL AND MEETINGS	5,600.00	5,000.04	5,000.04		5,000.04	5,000.04	
163 EMPLOYEE REIM, TRAINING EX	1,500.00	999.96	999.96		999.96	999.96	
164 TRAINING CONF & MEETINGS	19,800.00	19,800.00	19,800.00		19,800.00	19,800.00	
165 KBU RENTAL OF LAND & BLDGS	213,264.00	213,264.00	213,264.00		213,264.00	213,264.00	
170 PROFESSIONAL & TECH SRVCS	27,000.00	27,000.00	27,000.00		27,000.00	27,000.00	
171 PRO FEE-ACCTG&AUDITNG	8,650.00	9,000.00	9,000.00		9,399.96	9,399.96	
179 FEES - OTHER	4,900.00	3,900.00	3,900.00		3,900.00	3,900.00	
191 DUES, SUBS., & PROF LIC	5,000.00	5,000.04	5,000.04		5,300.04	5,300.04	
199 OTHER MISC CONTRACTUAL SRV	18,542.00	19,500.00	19,500.00		20,199.96	20,199.96	
251 MOTOR FUELS AND LUBRICANTS	394.00	300.00	300.00		300.00	300.00	
271 OFFICE SUPPLIES	27,200.00	27,200.04	27,200.04		27,200.04	27,200.04	
298 OTHER SPECIAL DEPT SUPPLY	5,684.00	5,600.04	5,600.04		5,600.04	5,600.04	
611 INSURANCE PREMIUMS							
615 WORKERS COMPENSATION	11,475.00						
<b>Operating Expense Total</b>	<b>337,134.00</b>	<b>450,808.08</b>	<b>453,176.04</b>	<b>2,367.96</b>	<b>452,901.96</b>	<b>465,825.00</b>	<b>12,923.04</b>
<b>Grants &amp; Contributions Total</b>	<b>460,980.00</b>	<b>474,809.04</b>	<b>474,809.04</b>		<b>474,809.04</b>	<b>474,809.04</b>	
960 DEPARTMENTAL CHARGES	(23,459.00)						
<b>Departmental Charges Total</b>	<b>(23,459.00)</b>						
<b>TOTAL</b>	<b>2,587,893.00</b>	<b>2,767,790.80</b>	<b>2,762,247.76</b>	<b>(5,543.04)</b>	<b>2,779,446.01</b>	<b>2,777,650.81</b>	<b>(1,795.20)</b>

**Operating Expense Projections  
FY2012 & 2013  
6302 Risk management - Operations  
0054902 - Defensive Driving Range**

	FY2011	FY2012	FY2013	
	Requested	Approved	Difference	
010 PERSONAL SERVICES ADJUST	1,032.00	1,032.00		
011 SALARY AND WAGE - REGULAR	103,597.93	103,597.93		
012 OVERTIME	1,155.00			
020 EMPLOYEE MERIT PAY	1,510.00			
085 SOCIAL SECURITY TAX	7,862.00	7,925.26	7,864.76	
086 EMPL INSURANCE PREMIUM	11,752.00	12,105.96	13,712.04	(1,000.08)
087 EMPLOYEES RETIREMENT EXP	8,114.00	7,127.56	7,772.23	(164.51)
097 401K RETIREMENT EXPENSE	2,055.00	3,107.92	3,084.20	
<b>Personal Services Total</b>	<b>133,712.00</b>	<b>135,482.71</b>	<b>134,896.63</b>	<b>(586.08)</b>
102 UNEXPENDABLE APPROPRIATION	44.00			
111 TELECOMMUNICATIONS	725.00	801.96	810.96	
112 KBU TELECOMMUNICATIONS	4,139.00	4,140.00	4,140.00	
113 POSTAGE	40.00	20.04	20.04	
136 TECHNOLOGY SUPPLY/SERVICE	1,500.00	1,500.00	2,000.04	2,000.04
146 AUTOMOBILE & OTHER ALLOWAN	1,700.00	1,800.00	2,000.04	2,000.04
147 UTILITIES	21,546.00	21,999.96	21,999.96	
152 M&R-EQPT-MOTORIZED	4,500.00	4,500.00	4,500.00	
153 M&R-BUILDINGS	21,030.00	5,000.04	5,000.04	
154 M&R-LAND & WATER AREAS	12,900.00	14,000.04	14,600.04	
156 M&R-BUILDING RENOV & CONST	2,572.00	3,084.96	3,084.96	
164 TRAINING CONFR & MEETINGS	5,000.00	6,000.00	5,000.04	
199 OTHER MISC CONTRACTUAL SRV	25,950.00	27,000.00	27,000.00	
251 MOTOR FUELS AND LUBRICANTS	493.00	600.00	699.96	
256 OTHER MATERIALS & SUPPLIES	10,000.00	11,000.04	12,000.00	
271 OFFICE SUPPLIES	1,755.00	2,499.96	2,499.96	
999 GENERAL ADMINISTRATION				
<b>Operating Expense Total</b>	<b>113,894.00</b>	<b>103,947.00</b>	<b>103,947.00</b>	<b>105,356.04</b>
<b>Total</b>	<b>247,606.00</b>	<b>239,429.71</b>	<b>238,843.63</b>	<b>240,459.83</b>
			<b>(586.08)</b>	<b>(1,164.59)</b>

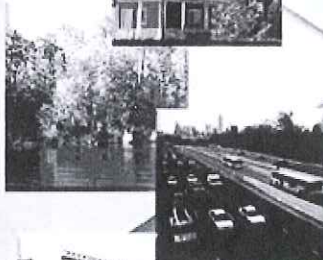




# FINANCE STRATEGY

## VISION

QUALITY  
EMPLOYEES  
PROVIDING  
QUALITY  
SERVICE



## CITY COUNCIL FOCUS AREAS

Community Safety • Housing and Neighborhood Development  
Environment • Transportation • Economic Development

## COMPREHENSIVE CITIZEN SERVICE

## CORPORATE OBJECTIVES

SERVE THE CUSTOMER

RUN THE BUSINESS

MANAGE RESOURCES

DEVELOP EMPLOYEES

Strengthen  
Neighborhoods

Provide  
Transportation  
Choices

Promote  
Economic  
Opportunity

Develop  
Collaborative  
Solutions

Enhance  
Customer  
Service

Optimize  
Business  
Processes

Maintain AAA  
Rating

Deliver  
Competitive  
Services

Expand Tax  
Base &  
Revenues

Invest in  
Infrastructure

Achieve  
Positive  
Employee  
Climate

Recruit &  
Retain Skilled,  
Diverse  
Workforce

Promote  
Learning and  
Growth



## LINKAGE OF FINANCE WORK TO COUNCIL FOCUS AREAS

DIVISION	COMMUNITY SAFETY	HOUSING & NEIGHBORHOOD DEVELOPMENT	ENVIRONMENT	TRANSPORTATION	ECONOMIC DEVELOPMENT
Business Systems	<ul style="list-style-type: none"> <li>▪ Ventyx/Infor Systems, Operations, Support, Projects</li> <li>▪ Integration with City Works for CMU Field Operations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ventyx/Infor Systems, etc. Delinquency Service Order Management (CS/SOM)</li> <li>▪ Enhanced partnership with Crisis Assistance Ministries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue via PC Banking</li> <li>▪ West Service Center-Diversification</li> <li>▪ Auctions- recycling City resources</li> <li>▪ Selling bus passes and animal permits</li> <li>▪ Recycling of all paper products</li> <li>▪ Participation in the City Clean Air Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Infor System, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ventyx/Infor Systems, etc.</li> <li>▪ Customer Service (CS/SOM)</li> <li>▪ SBO Support</li> </ul>
Treasury	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing Police &amp; Fire equipment</li> <li>▪ Development &amp; review of financial policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing Neighborhood Infrastructure &amp; Loan programs</li> <li>▪ Development &amp; review of financial policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financing Storm Water, Water and Sewer, Airport, Transit, Street, Neighborhood</li> <li>▪ Improvement projects and land purchases</li> <li>▪ Recycling of all paper products</li> <li>▪ Participation in the City Clean Air Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund &amp; CATS</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing Street, Transit &amp; Airport projects</li> <li>▪ Development &amp; review of financial policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing &amp; Analysis of Economic Development projects</li> <li>▪ Development &amp; review of financial policies</li> </ul>
Revenue	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ West Service Center - Diversification</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ West Service Center – Diversification</li> <li>▪ Collection of Neighborhood Development Payments (affordable housing)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue via PC Banking</li> <li>▪ West Service Center-Diversification</li> <li>▪ Auctions- recycling City resources</li> <li>▪ Selling bus passes</li> <li>▪ Recycling of all paper products</li> <li>▪ Participation in the City Clean Air Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ Sell Bus passes</li> <li>▪ CATS Deposits</li> <li>▪ Collections - Citations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ West Service Center - Diversification</li> <li>▪ Cashier Functions – Selling bus passes, animal permits</li> <li>▪ Auctions – Recycling City resources</li> <li>▪ Collection of Neighborhood Development Payments</li> <li>▪ Accepting Debt Setoff Payments</li> </ul>



## **DIVISION-LEVEL STRATEGIC PLANS**

As part of the ongoing effort to improve Finance's SOP, it was determined that a long-range plan should be incorporated in to the SOP to document and maintain a focus on our future goals. It was also determined that the plans would be developed in the context of "moving to the next level" and "changing our paradigm," and with the ultimate objective of adding the most value to the City organization.

The following pages provide an overview of the detailed division-level strategic plans that have been developed for each of Finance's divisions. These division-level strategic plans were documented using the alignment model in order to ensure their alignment with corporate strategy. The amalgamation of these division-level plans constitutes the long-range strategy for the Finance KBU as a whole.



**Finance Key Business Unit  
Business Systems Division Strategic Plan**

	<b>Alignment</b>
<b>Corporate Strategy</b>	<p>Develop Collaborative Solutions            Enhance Customer Service            Improve Technology Efficiencies            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>
<b>Goal</b>	<p>Manage the finance-related systems and interfaces, from both an internal and external perspective, in order to meet or exceed the system-related needs and expectations of the citizen as well as internal business partners at the least possible cost.</p>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Take aggressive actions to lower the total cost of ownership for the systems that support Finance business processes (financial system, billing systems, cashiering systems, debt management systems, risk management systems, etc.).</li> <li>2. Collaborate effectively and enhance relationships with other KBUs while leveraging the SBT/STT and CIO office to eliminate or reduce the number of duplicate finance-related systems that support business processes in other KBUs, and promote the UMS collaborative support model.</li> <li>3. Continue to enhance Finance-related business processes by leveraging technology to benefit the Finance KBU and striving to extend Finance's role in the control and support of those business processes.</li> <li>4. Assist the Financial Services and Revenue divisions with the strategy to centralize billing, collection, and deposits with particular emphasis on the enhancement of eBusiness capabilities.</li> </ol>

**Finance Key Business Unit  
Financial Reporting Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p>	<p>Maintain AAA Rating Enhance Customer Service Deliver Competitive Services Develop Collaborative Solutions Optimize Business Processes Recruit &amp; Retain Skilled, Diverse Workforce</p>
<p><b>Goal</b></p>	<p>To centrally manage the City's financial accounting and budgetary control activities by enhancing the Financial Reporting Division's strategic value to the City organization and providing effective and efficient services to our customers and internal business partners.</p>
<p><b>Objectives</b></p>	<ol style="list-style-type: none"> <li>1. Review the Financial Reporting Division's processes and procedures in order to improve effectiveness and efficiency and to ensure that a high-quality product is delivered to customers/internal partners in the timeframe that it is needed.</li> <li>2. Review the processes and procedures related to the accounting system in order to improve compliance and to ensure that the system facilitates the preparation of financial statements in accordance with generally accepted accounting principles.</li> <li>3. Reduce the timeframe for completion of the Comprehensive Annual Financial Report (CAFR) to allow it to be used in the initial phases of the annual budget planning process and to improve the timeliness of CAFR information provided to City Council and KBUs for other management decisions.</li> <li>4. Implement new Governmental Accounting Standards Board Statements as required for financial reporting.</li> <li>5. Participate in the implementation of a replacement system that meets the base needs of the financial management business function.</li> <li>6. Review the recruitment and retention efforts related to Accountants in order to improve the quality of the applicants and the candidates selected for employment.</li> </ol>

**Finance Key Business Unit  
Financial Services Division Strategic Plan**

	<b>Alignment</b>
<b>Corporate Strategy</b>	<p>Maintain AAA Rating            Enhance Customer Service            Deliver Competitive Services            Develop Collaborative Solutions            Optimize Business Processes            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>
<b>Goals</b>	<p>To centrally manage the City's disbursement and billing activities and to provide effective and efficient services to our customers and internal business partners by listening to the voices of the customers, the employees and the process.</p>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Review the Accounts Receivable invoicing processes and procedures to ensure that all policies and procedures align with the City's Balanced Score Card as they relate to customer service, maintaining the City's AAA rating, optimizing business processes, and developing collaborative solutions.</li> <li>2. Market FMS-AR to all KBUs in order to optimize business processes, develop collaborative solutions, enhance customer service, accurately record receivables on the general ledger and improve collection of monies owed to the City.</li> <li>3. Review the Accounts Payable payment processes and procedures to ensure that all policies and procedures align with the City's Balanced Score Card as they relate to customer service, maintaining the City's AAA rating, optimizing business processes, and developing collaborative solutions.</li> <li>4. Assist OCIO and Project Managers in implementing new systems that meet the base needs of the financial management business function.</li> <li>5. Work with other Finance Divisions and KBUs to implement alternative service models for billing, collection, and deposits that comply with NC General Statutes, implement process improvements, and incorporate best practices.</li> </ol>



**Finance Key Business Unit  
Revenue Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p> <p>Enhance Customer Service            Deliver Competitive Services            Optimize Business Processes            Develop Collaborative Solutions            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>	
<p><b>Goal</b></p>	<p>To centrally manage the billing, collection and deposit of City revenues; and provide effective and efficient services to our customers and internal business partners.</p>
<p><b>Objectives</b></p>	<ol style="list-style-type: none"> <li>1. Continue to expand Finance's payment processing channels and E-Bill solutions for City Services to improve customer service, enhance technological capabilities and provide additional business continuity.</li> <li>2. Continue to improve internal controls in the Revenue Division; and work with Internal Audit to help ensure that other revenue collection locations throughout the City are audited on a regular basis for improved internal controls.</li> <li>3. Continue to work with other Finance Divisions and KBUs to define alternative service models for billing, collection and depositing functions; and implement a comprehensive solution that complies with NC General Statutes, improves processes and incorporates best practices.</li> <li>4. Continue to collaborate with other Finance Divisions and KBUs to expand E-Business receipt and payment solutions for improved customer service.</li> </ol>

**Finance Key Business Unit  
Risk Management Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p> <p>Safeguard the Environment Develop Collaborative Solutions Enhance Customer Service Optimize Business Processes Deliver Competitive Services Achieve Positive Employee Climate Recruit and Retain Skilled Workforce</p>	
<p><b>Goal</b></p>	<p>Assist our customers in the reduction of their losses and total cost of risk through the provision of outstanding risk management services.</p>
<p><b>Objectives</b></p>	<ol style="list-style-type: none"> <li>1. Continuation of the City's Executive Level Risk Management Task Force and its recommendations in addition to similar programs with Mecklenburg County (Enterprise Risk Management) and the Board of Education.</li> <li>2. Deliver timely, high quality service that meets or exceeds the expectations of our customers and external business partners.</li> <li>3. Continue to review, revise and update all self-insured trust documents to ensure compliance with current operations, laws and standards and at the same time, establish a Charlotte Area Transit System (CATS) specific risk trust.</li> <li>4. Maintain compliance with Section 111 of the Medicare Medicaid and SCHIP Extension Act of 2007 (MMSEA) provisions for Worker' Compensation, Property and Casualty claims administration in compliance with federally mandated deadlines.</li> <li>5. Develop and implement contractual risk transfer standards in order to reasonably ensure the protection of customer assets and the avoidance of litigation and resulting costs.</li> </ol>

## **DIVISION-LEVEL STRATEGIC PLANS**

As part of the ongoing effort to improve Finance's SOP, it was determined that a long-range plan should be incorporated in to the SOP to document and maintain a focus on our future goals. It was also determined that the plans would be developed in the context of "moving to the next level" and "changing our paradigm," and with the ultimate objective of adding the most value to the City organization.

The following pages provide an overview of the detailed division-level strategic plans that have been developed for each of Finance's divisions. These division-level strategic plans were documented using the alignment model in order to ensure their alignment with corporate strategy. The amalgamation of these division-level plans constitutes the long-range strategy for the Finance KBU as a whole.



**Finance Key Business Unit  
Business Systems Division Strategic Plan**

	<b>Alignment</b>
<b>Corporate Strategy</b>	<p>Develop Collaborative Solutions            Enhance Customer Service            Improve Technology Efficiencies            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>
<b>Goal</b>	<p>Manage the finance-related systems and interfaces, from both an internal and external perspective, in order to meet or exceed the system-related needs and expectations of the citizen as well as internal business partners at the least possible cost.</p>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Take aggressive actions to lower the total cost of ownership for the systems that support Finance business processes (financial system, billing systems, cashiering systems, debt management systems, risk management systems, etc.).</li> <li>2. Collaborate effectively and enhance relationships with other KBUs while leveraging the SBT/STT and CIO office to eliminate or reduce the number of duplicate finance-related systems that support business processes in other KBUs, and promote the UMS collaborative support model.</li> <li>3. Continue to enhance Finance-related business processes by leveraging technology to benefit the Finance KBU and striving to extend Finance's role in the control and support of those business processes.</li> <li>4. Assist the Financial Services and Revenue divisions with the strategy to centralize billing, collection, and deposits with particular emphasis on the enhancement of eBusiness capabilities.</li> </ol>

**Finance Key Business Unit  
Financial Reporting Division Strategic Plan**

	<b>Alignment</b>
<b>Corporate Strategy</b>	<p>Maintain AAA Rating            Enhance Customer Service            Deliver Competitive Services            Develop Collaborative Solutions            Optimize Business Processes            Recruit &amp; Retain Skilled, Diverse Workforce</p>
<b>Goal</b>	<p>To centrally manage the City's financial accounting and budgetary control activities by enhancing the Financial Reporting Division's strategic value to the City organization and providing effective and efficient services to our customers and internal business partners.</p>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Review the Financial Reporting Division's processes and procedures in order to improve effectiveness and efficiency and to ensure that a high-quality product is delivered to customers/internal partners in the timeframe that it is needed.</li> <li>2. Review the processes and procedures related to the accounting system in order to improve compliance and to ensure that the system facilitates the preparation of financial statements in accordance with generally accepted accounting principles.</li> <li>3. Reduce the timeframe for completion of the Comprehensive Annual Financial Report (CAFR) to allow it to be used in the initial phases of the annual budget planning process and to improve the timeliness of CAFR information provided to City Council and KBUs for other management decisions.</li> <li>4. Implement new Governmental Accounting Standards Board Statements as required for financial reporting.</li> <li>5. Participate in the implementation of a replacement system that meets the base needs of the financial management business function.</li> <li>6. Review the recruitment and retention efforts related to Accountants in order to improve the quality of the applicants and the candidates selected for employment.</li> </ol>

**Finance Key Business Unit  
Financial Services Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p>	<p>Maintain AAA Rating Enhance Customer Service Deliver Competitive Services Develop Collaborative Solutions Optimize Business Processes Achieve Positive Employee Climate Recruit &amp; Retain a Skilled, Diverse Workforce</p>
<p><b>Goals</b></p>	<p>To centrally manage the City’s disbursement and billing activities and to provide effective and efficient services to our customers and internal business partners by listening to the voices of the customers, the employees and the process.</p>
<p><b>Objectives</b></p>	<ol style="list-style-type: none"> <li>1. Review the Accounts Receivable invoicing processes and procedures to ensure that all policies and procedures align with the City’s Balanced Score Card as they relate to customer service, maintaining the City’s AAA rating, optimizing business processes, and developing collaborative solutions.</li> <li>2. Market FMS-AR to all KBUs in order to optimize business processes, develop collaborative solutions, enhance customer service, accurately record receivables on the general ledger and improve collection of monies owed to the City.</li> <li>3. Review the Accounts Payable payment processes and procedures to ensure that all policies and procedures align with the City’s Balanced Score Card as they relate to customer service, maintaining the City’s AAA rating, optimizing business processes, and developing collaborative solutions.</li> <li>4. Assist OCIO and Project Managers in implementing new systems that meet the base needs of the financial management business function.</li> <li>5. Work with other Finance Divisions and KBUs to implement alternative service models for billing, collection, and deposits that comply with NC General Statutes, implement process improvements, and incorporate best practices.</li> </ol>



**Finance Key Business Unit  
Revenue Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p>	<p>Enhance Customer Service            Deliver Competitive Services            Optimize Business Processes            Develop Collaborative Solutions            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>
<p><b>Goal</b></p>	<p>To centrally manage the billing, collection and deposit of City revenues; and provide effective and efficient services to our customers and internal business partners.</p>
<p><b>Objectives</b></p>	<ol style="list-style-type: none"> <li>1. Continue to expand Finance's payment processing channels and E-Bill solutions for City Services to improve customer service, enhance technological capabilities and provide additional business continuity.</li> <li>2. Continue to improve internal controls in the Revenue Division; and work with Internal Audit to help ensure that other revenue collection locations throughout the City are audited on a regular basis for improved internal controls.</li> <li>3. Continue to work with other Finance Divisions and KBUs to define alternative service models for billing, collection and depositing functions; and implement a comprehensive solution that complies with NC General Statutes, improves processes and incorporates best practices.</li> <li>4. Continue to collaborate with other Finance Divisions and KBUs to expand E-Business receipt and payment solutions for improved customer service.</li> </ol>

**Finance Key Business Unit  
Risk Management Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p> <p>Safeguard the Environment Develop Collaborative Solutions Enhance Customer Service Optimize Business Processes Deliver Competitive Services Achieve Positive Employee Climate Recruit and Retain Skilled Workforce</p>	
<p><b>Goal</b></p>	<p>Assist our customers in the reduction of their losses and total cost of risk through the provision of outstanding risk management services.</p>
<p><b>Objectives</b></p>	<ol style="list-style-type: none"> <li>1. Continuation of the City's Executive Level Risk Management Task Force and its recommendations in addition to similar programs with Mecklenburg County (Enterprise Risk Management) and the Board of Education.</li> <li>2. Deliver timely, high quality service that meets or exceeds the expectations of our customers and external business partners.</li> <li>3. Continue to review, revise and update all self-insured trust documents to ensure compliance with current operations, laws and standards and at the same time, establish a Charlotte Area Transit System (CATS) specific risk trust.</li> <li>4. Maintain compliance with Section 111 of the Medicare Medicaid and SCHIP Extension Act of 2007 (MMSEA) provisions for Worker' Compensation, Property and Casualty claims administration in compliance with federally mandated deadlines.</li> <li>5. Develop and implement contractual risk transfer standards in order to reasonably ensure the protection of customer assets and the avoidance of litigation and resulting costs.</li> </ol>

**Finance Key Business Unit  
Treasury Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p> <p>Enhance Customer Service Deliver Competitive Services Develop Collaborative Solutions Improve Technology Efficiencies</p>	
<p><b>Goal</b></p> <p>Provide asset management, financing and debt management, revenue forecasting and project analysis on a citywide basis; and provide effective and efficient services to our customers and internal business partners.</p>	
<p>1. Achieve above market returns within the limitations of State Statutes 159.30, 147.69 and the Treasury Division's Investment Guidelines.</p>	
<p>2. Manage all aspects of the long-term debt program in a manner that minimizes the cost of capital and maximizes debt ratings on outstanding issues.</p>	
<p>3. Collaborate with City Council, the City Manager, Budget and Evaluation, Mecklenburg County and others in the production and communication of revenue estimates plus evaluation of potential new revenues.</p>	
<p>4. Provide research and analysis related to potential problems or projects as well as historical information to internal and external customers on request.</p>	
<p>5. Manage the banking relationships for the City as well as cash-flows to sustain operations.</p>	