

Function:
General Government

Department:
Finance

Activity:
Finance and Records

GENERAL INFORMATION

The Finance Department was reorganized during 2005/2006 in conjunction with the retirement of the former Administrative Services Director. The Administrative Services Director position was eliminated and this position was replaced by the Finance Director. The duties of the former City Clerk Aide position relating to taking City Council minutes and recording public documents were transferred to the Administrative Secretary position in the City Administrator's office. The former City Clerk Aide was changed to Parking Coordinator/Finance Secretary. With the reorganization, the Finance Director oversees all Finance activities as well as the Information Technology and Parking divisions. Separate budgets are prepared for Information Technology and Parking.

The Finance division is responsible for managing all financial operations of the City of Muscatine. The primary function of the Finance division is to maintain the City's financial records in accordance with generally accepted governmental accounting principles and to prepare the necessary financial data for the City Council, boards and commissions, City Administrator and department heads. The centralization and ongoing computerization of finance activities has resulted in an improved fiscal management program for the City.

CURRENT TRENDS AND ISSUES

The revised estimate for 2008/2009 in total is \$200 less than the original budget. Personal services costs are under budget by \$52,300 due to changes in positions and personnel in the department. This includes the rate difference in filling the former Accounting Supervisor position with an Accountant position as well as savings from not filling one position until mid-December. Through mid-December a temporary Accounting Clerk position was used which offset part of savings in the personal services area. Professional services are over the budgeted amount by \$8,500 primarily due to the costs of the actuarial study required in order to implement GASB Statement 45. This funding was carried forward from fiscal year 2007/2008. Technical services are over the budgeted amount by \$11,400 due to the temporary services used during the personnel vacancy.

The revised estimate includes a request to replace the current AS/400 computer hardware. This is needed in order to continue to keep the City's financial software up-to-date with the periodic upgrades. This has been requested in the Revised Estimate since savings in other line items will allow for this purchase within the current year budget. This item was included in the new 5-year Capital Improvements Program recently approved by City Council. This requested amount also includes hardware and software to upgrade the system to allow for laser printing of checks, W-2's, 1099's and purchase orders. This will reduce time in processing checks and the other forms. There should also be savings in the cost of check forms as bank account numbers can be imprinted on the checks as they are processed.

The 2009/2010 budget is 2.8% (\$13,200) less than the 2008/2009 budget primarily due to decreased personal services costs. The 2009/2010 budget includes \$8,000 for the bi-annual city election.

GOAL STATEMENT

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

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

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

PERFORMANCE MEASURES

	Actual 2005/2006	Actual 2006/2007	Actual 2007/2008	Estimated 2008/2009	Estimated 2009/2010
Finance:					
City Vendors Checks Issued	5,555	5,764	5,678	5,700	5,700
Housing Programs Checks Issued	2,360	2,389	2,587	2,500	2,500
Payroll Checks Issued	4,207	3,748	3,937	4,000	4,000
Payroll Direct Deposit Transactions	4,808	4,841	4,919	5,000	5,000
Accounts Payable Transactions	22,373	23,124	22,237	23,500	23,500
City Receipt Transactions	8,598	8,126	8,358	8,400	8,400
Housing Receipt Transactions	2,257	2,127	1,937	2,100	2,100
Interest Earned	\$624,200	\$849,935	\$828,036	\$500,000	\$500,000
Records:					
Public Documents Recorded	328	344	307	330	330
Council Minutes Prepared	43	46	47	45	45
Notices Published	45	41	41	43	43
Purchasing:					
Purchase Orders Processed	1,827	2,182	2,136	2,200	2,200

RECENT ACCOMPLISHMENTS

During the past year, in addition to the preparation of the annual budget and financial report, Finance staff was involved with several significant projects.

The City of Muscatine was included in the FEMA disaster declaration which affected most of the State of Iowa in the spring and summer of 2008. For the City of Muscatine, this included flood damages and also damages from a subsequent windstorm. Financial information required to be submitted to FEMA for reimbursements included employee time records, payroll/benefit cost information, records of city equipment used for disaster recovery, supply invoices, and actual and estimated contracted costs to complete the recovery efforts. The Finance Director served as the city's point of contact with FEMA officials.

In addition to the issuance of \$5,120,000 in new general obligation bonds in 2008, the city issued \$6,560,000 in refunding bonds to refinance four previous bond issues. This refunding resulted in a savings of over \$270,000 over the remaining life of the debt issues.

With the information provided by the Muscatine Area Geographical Information Consortium (MAGIC) GIS Manager and the city's Sewer Maintenance Supervisor, using MAGIC GIS data, an audit of accounts being billed through Muscatine Power & Water for sewer and collection and drainage services was completed. This included identifying properties that were not currently being billed for sewer services and determining if sewer service was accessible to the property. Letters were mailed to these residents and a time period allowed for their response. After evaluating the responses, 142 customers were added as accounts to be billed for sewer and collection and drainage services. The exact dollar amount of revenue from these accounts is not easy to determine as some are for commercial accounts and actual bills vary by amount of water usage. As an estimate, however, using the average Class I bill of \$20.48 per month, this would increase sewer revenues by \$2,908 per month or \$34,896 annually. For collection and drainage charges it would add \$1,313 per month or \$15,756 per year. This results in an estimated total of \$50,652 in revenues on an annual basis.

OBJECTIVES TO BE ACCOMPLISHED IN 2009/2010

- * To continue to submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA).
- * To continue to submit the City's comprehensive annual financial report for consideration for the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- * To continue to implement Governmental Accounting Standards Board (GASB) Statements as they become effective.
- * To complete an audit of City sewer and refuse collection accounts billed through Muscatine Power and Water as to eligibility for receiving senior citizen discounts.
- * To develop a formal disaster recovery plan for the Finance department including both information technology and finance operations in the event of a disaster affecting City Hall.
- * To continue developing a manual of accounting policies and procedures.
- * To review, purge (if permitted), and reorganize the City's stored records.

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	Actual 2006/2007	Actual 2007/2008	Budget 2008/2009	Revised Estimate 2008/2009	Budget 2009/2010	Percent Change
Expenditure Summary						
Personal Services	\$ 333,401	\$ 318,414	\$ 368,700	\$ 316,400	\$ 352,400	-4.42%
Commodities	9,644	10,112	11,850	11,800	11,900	0.42%
Contractual Services	72,037	84,885	87,550	107,700	90,600	3.48%
Capital Outlay	474	-	-	32,000	-	
Debt Service	-	-	-	-	-	
Total Expenditures	\$ 415,556	\$ 413,411	\$ 468,100	\$ 467,900	\$ 454,900	-2.82%
Funding Sources						
Licenses and Permits	\$ 41,872	\$ 42,286	\$ 41,500	\$ 40,900	\$ 40,900	-1.45%
Housing Accounting Fees	25,900	36,000	37,300	37,300	38,600	3.49%
General Revenues	347,784	335,125	389,300	389,700	375,400	-3.57%
Total Funding Sources	\$ 415,556	\$ 413,411	\$ 468,100	\$ 467,900	\$ 454,900	-2.82%

Personnel Schedule						
	Actual 2006/2007	Actual 2007/2008	Budget 2008/2009	Revised Estimate 2008/2009	Budget 2009/2010	Budget Amount 2009/2010
Full Time Positions/Position Allocations:						
Finance Director	0.90	0.90	0.90	0.90	0.90	
Accounting Supervisor	1.00	1.00	1.00	-	-	
Accountant	-	-	-	1.00	1.00	
Senior Account Clerk	2.00	2.00	2.00	2.00	2.00	
Account Clerk	1.00	1.00	1.00	1.00	1.00	
Finance Secretary/ Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.25	0.25	0.25	0.25	0.25	
Total Full Time	5.65	5.65	5.65	5.65	5.65	\$ 255,700
Employee Benefits						96,700
Total Personal Services						\$ 352,400