

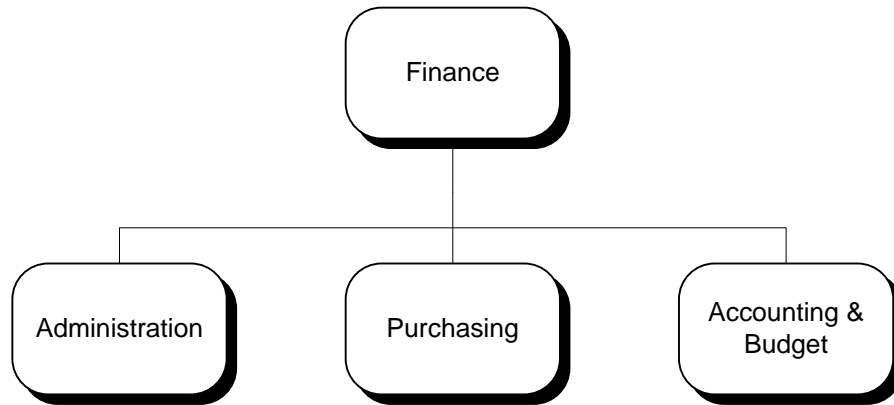
**DEPARTMENTAL VISION
STATEMENT**

Recognized as a Premier Finance Organization that excels in forward thinking and innovation, maximizing efficiency while maintaining the highest integrity.

**DEPARTMENTAL
MISSION STATEMENT**

“Dedicated to the safeguarding of public assets through sound financial practices”

FINANCE
<ul style="list-style-type: none">▪ Finance Administration▪ Purchasing▪ Accounting & Budget



FY 2016 DEPARTMENTAL ACCOMPLISHMENTS

- Completed City's largest ever bond sale of a \$72 million refunding issuance, and saving the City over \$10.7 million in cash (\$8.6 million net present value).
- Exceeded the City's fund balance policy of 15%-25% by obtaining a 26% actual fund balance for the beginning of FY16
- Assisted the Interim City Manager in the development of the new Solid Waste program
- Conducted Missouri City Citizens University presentation
- Maintained bond rating of Aa2 with Moody's and AA with Fitch
- Payroll staff received training from American Payroll Association
- Received GFOA certificate of achievement in Comprehensive Annual Financial Reporting for FY15
- Received GFOA Distinguished Budget Presentation Award for FY15
- Created more concise and user-friendly Contract templates for Purchasing function
- Created up-to-date solicitation (Invitation for Bid (IFB), Request for Proposal (RFP), etc.) templates
- Purchasing staff was recognized for various achievements by external organizations.

DEPARTMENT: **FINANCE**

FUNDING SOURCE: **GENERAL FUND**

DEPARTMENTAL DESCRIPTION

The Finance Department has general responsibility for the financial administration of the City. The Department is responsible for recording and documenting all financial transactions, idle fund investment, debt management, budget preparation and coordination, risk management, tax collection, centralized cash receipts, accounts receivable, contract management, payroll, purchasing goods and services for the City, and payment of all invoices.

STRATEGIC GOAL 2019	DEPARTMENTAL GOALS
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ERP

- 1 Design action plan based on results.
- 1 Utilization of new software and improvements to processes.
- 1 Fully utilize the functionality of the ERP.
- 1 Review and analyze existing software in achieving the goals. (FY16)
- 2 Investigate alternatives to improve, gather and disseminate information. (FY16)
- 2 Develop recommendation for added training to meet goals to fully utilize existing software.

Communication/Reporting

- 1 Evaluate the results of communication survey. (FY16)
- 1 Determine what needs to be improved. (FY16)
- 1 Develop a program to address the areas for improvement in communication. (FY16)
- 1 Develop grant program outline. (FY16)
- 1 Obtain direction from governing body for grant program. (FY16)
- 2 Identify reports and info needed by the organization including consultation with all city departments. (FY16)
- 2 Establish timelines/schedules to efficiently and timely deliver information. (FY16)
- 2 Monitor targeted timelines and results and adjust processes as needed
- 3 Develop video training for all individuals who need access to financial information. (FY16), and periodically review and adjust procedures as needed.

- 3 Provide updated e-solution options for internal and external customers in conjunction with new software development. Increase online payment options for citizens. (FY16)
- 3 Provide regular and timely updates of website financial data. Periodically review and adjust procedures as needed.

Policy Development/Compliance

- 1 Develop preventive measures and determine areas of training to non-compliant areas. (FY16)
- 1 Implement an effective program to improve and monitor compliance (FY16)
- 1 Develop checklists to ensure all interested parties are included in development and administration of the project/program. (FY16)

===== **FY 2017 ANNUAL BUDGET** =====

- 1 Implement an effective program to provide updated financial information, utilizing electronic methods when possible. (FY16)
- 1 Hold meetings with interested parties to notify and receive feedback on status of projects or programs. (FY16)
- 1 Periodically review and adjust procedures as needed.
- 3 Analyze effectiveness and relevance of current activity and performance indicators
- 4 Establish criteria for each area of accountability, including consequences for non-compliance.

Staff Development

- 1 Develop employee training and development program.(FY16)
- 1 Establish a program for employee development which includes succession planning. (FY16)
- 1 (FY16)
- 4 Review effectiveness of program. (FY17)
- 4 Assess training needs for various positions and develop training materials for different levels of responsibility.

**GENERAL FUND
CONSOLIDATED EXPENDITURES BY LINE ITEM**

FINANCE

FINANCE

		FY 2015	FY 2016	FY 2016	FY 2016	FY 2017
		Actual	Original	Revised	Year-End	Adopted
			Budget	Budget	Estimate	Budget
	PERSONNEL	1,110,330	1,229,245	1,194,545	1,034,420	1,290,671
	COMMODITIES	29,381	15,225	15,358	18,096	32,642
	CONTRACTUAL SERVICES	403,216	410,036	455,991	535,655	460,909
	OTHER SERVICES	32,508	37,447	39,619	27,303	48,176
	TOTAL	1,575,435	1,691,953	1,705,513	1,615,474	1,832,398
101-12-110	FINANCE ADMINISTRATION	242,729	254,534	265,789	257,830	268,580
101-12-112	PURCHASING & RISK MNGT	196,614	216,623	218,824	218,070	240,092
101-12-114	ACCOUNTING	1,136,092	1,220,796	1,220,900	1,139,574	1,323,726
	TOTAL	1,575,435	1,691,953	1,705,513	1,615,474	1,832,398

===== **FY 2017 ANNUAL BUDGET** =====

DEPARTMENT: **FINANCE**
DIVISION: **ADMINISTRATION**

FUNDING SOURCE: **GENERAL FUND**
FUND NUMBER: **101-12-110**

DESCRIPTION OF DIVISIONAL OPERATIONS

The Director of Finance is appointed by the Assistant City Manager, confirmed by Council, and is responsible for supervising accounting, purchasing, payroll, tax collection, accounts receivable, insurance and workers' compensation programs; and investments to assure maximum interest earnings.

The Director of Finance and entire Finance Department staff assist the City Manager in preparing and presenting budget documents to Council, assist in the annual audits, and prepare the Annual Comprehensive Financial Report and other financial reports of the City.

Finance administration provides managerial, analytical, and administrative support for the Finance Department, City Manager, Assistant City Managers and other departments of the City.

This division oversees the preparation of the annual budget and monitors compliance during the year.

Director of Finance

Total Full-Time Employees = 1

===== **FY 2017 ANNUAL BUDGET** =====

DEPARTMENT: **FINANCE**
 DIVISION: **ADMINISTRATION**

FUNDING SOURCE: **GENERAL FUND**
 FUND NUMBER: **101-12-110**

STRATEGIC GOAL 2019	DIVISIONAL OBJECTIVES
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|---|--|
| 3 | Maintain proper financial transparency reporting needs |
| 1 | Establish polices that reduce redundancy and increase effectiveness |
| 1 | Actively communicate relative financial matters to Finance Managers in a timely manner. |
| 1 | Discuss agenda items in advance to ensure proactive planning. |
| 2 | Provide timely and accurately financial reporting needs |
| 1 | Coordinate financially related matters timely with external parties such as financial advisors and bond council, and internally to members of leadership team and City Manager |
| 4 | Implement change to an October 1 fiscal year |

PERSONNEL SCHEDULE

	<u>FY 2015 Actual</u>	<u>FY 2016 Budget</u>	<u>FY 2016 Estimate</u>	<u>FY 2017 Budget</u>	<u>Salary Grade</u>
Director of Finance	1	1	1	1	Uncl.
Total Full-Time Employees	1	1	1	1	

===== **FY 2017 ANNUAL BUDGET** =====

DEPARTMENT: **FINANCE**
 DIVISION: **ADMINISTRATION**

FUNDING SOURCE: **GENERAL FUND**
 FUND NUMBER: **101-12-110**

PERFORMANCE INDICATORS

	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>
<input type="checkbox"/> Conduct departmental meetings with city departments on financial needs and issues related to fiscal matters.	80%	0%	90%	100%
<input type="checkbox"/> Conduct council agenda reviews prior to council meeting	30%	0%	70%	100%
<input type="checkbox"/> Communicate financial related matters for Finance Managers	40%	0%	80%	100%
<input type="checkbox"/> Implement citywide ERP training program	0%	0%	20%	100%

ACTIVITY MEASURES

	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>
<input type="checkbox"/> Prepare budget annually for Distinguished Budget Award Certificate of Excellence	1	1	1	1
<input type="checkbox"/> Prepare Comprehensive Annual Financial Statement for Certificate of Achievement for Excellence	1	1	1	1
<input type="checkbox"/> Five year Revenue & Expenditure Analysis	0	1	1	1
<input type="checkbox"/> Quarterly Financial & Investment Report Presentations	0	4	2	4

DEPARTMENT: **FINANCE**
DIVISION: **PURCHASING**

FUNDING SOURCE: **GENERAL FUND**
FUND NUMBER: **101-12-112**

DESCRIPTION OF DIVISIONAL OPERATIONS

The Purchasing and Risk Manager reports directly to the Director of Finance with the primary responsibilities of procuring all goods and services for the City, develop budget allocations, risk management, manage travel, and administer the purchasing card program.

Purchasing - sources commodities and services, prepares specifications, obtains pricing, verifies references, and evaluates this information to recommend the procurement that is in the best interest of the City.

Risk Management – processes liability and property damage claims, prepares annual insurance re-rate, and adds and deletes coverage for real and personal property.

Contract Management – performs contract development, performance review, negotiation, legal compliance review, management, and administration of all expenditure contracts. Assists departments in administration and contractor compliance with provisions.

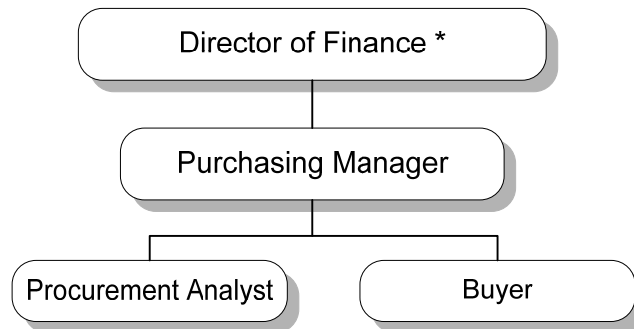
Travel – processes requests, books air reservations, reviews reimbursement requests and reconciles travel reports submitted by employees.

Budget Preparation – assists in preparation of the City’s budget by calculating allocations for expenditures in insurance, telecommunications, utilities, and defining those expenditure parameters.

Purchasing Card – develops policy and procedures, administers the program and assists cardholders in using the system. Prepares and submits download of data to Accounts Payable for GMBA processing. Audits all transactions for compliance with City policy.

Policy Development – assists management by developing, revising, implement, and enforcing various City policies that impact the expenditure of funds. These policies include Purchasing, Risk Management, Purchasing Card, Travel, Education, Uniform, Cell Phone, Contracts, and Vehicle Use.

The Division also provides services such as centralized delivery and distribution of supplies, administration and management of commonly used equipment such as postage meter, pagers, and cell phones, disposal of surplus and salvage property, and vehicle registration.



Total Full-Time Employees = 3

*Director of Finance is included in the Administration Divisional Budget.

===== **FY 2017 ANNUAL BUDGET** =====

DEPARTMENT: **FINANCE**
 DIVISION: **PURCHASING**

FUNDING SOURCE: **GENERAL FUND**
 FUND NUMBER: **101-12-112**

STRATEGIC GOAL 2019	DIVISIONAL OBJECTIVES
3	<ul style="list-style-type: none"> • Implement a Small Business program
3	<ul style="list-style-type: none"> • Migrate to the new JP Morgan Purchasing Card website; to include updating the Purchasing card policy and the Pcard training program.
3	<ul style="list-style-type: none"> • Update the City's Business Meals and Travel policies and procedures.
3	<ul style="list-style-type: none"> • Update the City's Purchasing Contract policies and procedures to incorporate HUB and CDBG contract standards.
3	<ul style="list-style-type: none"> • Draft new Munis training manuals and conduct train sessions as needed.
3	<ul style="list-style-type: none"> • Work with the City's Secretary to post solicitations on the City's web page.
3	<ul style="list-style-type: none"> • Set up a process for coding vendors by classification in Munis.
3	<ul style="list-style-type: none"> • Implement Munis Bid Module.
3	<ul style="list-style-type: none"> • Update Purchasing Manual to accommodate changes in procedure resulting from MUNIS software program implementation.

PERSONNEL SCHEDULE

	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>	Salary <u>Grade</u>
Purchasing and Risk Manager	1	1	1	1	23
Procurement Analyst	1	1	1	1	15
Buyer	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	7
Total Full-Time Employees	3	3	3	3	

===== **FY 2017 ANNUAL BUDGET** =====

DEPARTMENT: **FINANCE**
 DIVISION: **PURCHASING**

FUNDING SOURCE: **GENERAL FUND**
 FUND NUMBER: **101-12-112**

STRATEGIES	PERFORMANCE INDICATORS			
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	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>
❑ Convert approved requisitions within five business days of departmental approval	95%	99%	90%	99%
❑ Download, reconcile, and transfer to Accounting monthly Purchasing card transactions by the 15 th of each month	58%	60%	50%	83%
❑ Issue monthly report on contract awards to small businesses	N/A	92%	17%	50%
❑ Conduct Purchasing Card (Pcard) training to new cardholders within 60 days of request	N/A	N/A	75%	100%

ACTIVITY MEASURES

	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>
❑ Regular Purchase Orders Issued	1,173	1,146	840	700
❑ Insurance Claims Processed	44	64	30	40
❑ Purchasing Card Transactions	9,738	7,009	9,500	10,000
❑ Competitive Solicitations and Contracts Prepared & Issued	154	180	200	190
❑ Annual Purchasing Card Transaction Volume	\$8.1m	\$6.5m	\$7.4m	\$7.3m
❑ PCard Rebate Earned	\$119,420	\$120,000	\$111,817	\$110,000
❑ Term Contracts Issued	120	110	175	150
❑ Dollar Value of Regular Purchase Orders Issued	\$11,175	\$19,650	\$41,621	\$45,000

DEPARTMENT: **FINANCE**
 DIVISION: **ACCOUNTING & BUDGET**

FUNDING SOURCE: **GENERAL FUND**
 FUND NUMBER: **101-12-114**

DESCRIPTION OF OPERATIONS

The Accounting & Budget Division is responsible for the preparation, oversight, and reporting of the City’s records and books. Financial reporting, annual city budgeting and audit requirements are the primary outputs of the records and books. The Assistant Finance Director provides oversight for the three (3) sub-divisions in the Accounting Division:

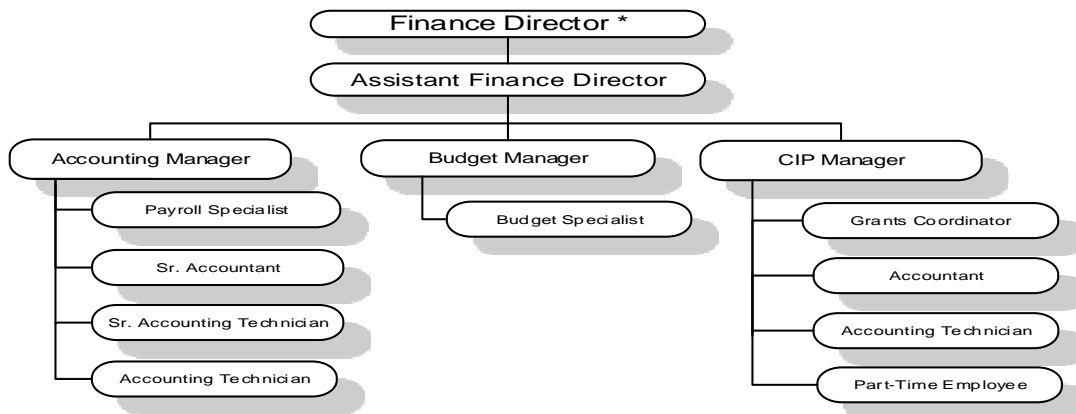
- **Accounting**
- **Budget & Financial Reporting**
- **CIP/Asset Management**

The Accounting function provides direct oversight for the City’s Payroll and Revenue operations, as well as monitor the City’s cash flow to assure proper funds are available for disbursement while maximizing its interest earnings level. This function also oversees revenue billings and collections, as well as the prompt deposit of receipts, the recording of and billing of areas such as alarm permits for private burglar/fire alarms, fire calls, false alarms, Wastewater Treatment Plant (WWTP) operation reimbursements, and various miscellaneous billings. Monthly revenue projections are also a major task for the Revenue function to ensure anticipated levels of revenues are maintained during the year.

The Budget & Financial Reporting function has the primary duty of coordinating and assisting in the preparation of the City’s Comprehensive Annual Financial Statements (CAFR), annual budget, audit work papers, and the monthly closing and reporting process. Other duties include grant reporting, bank reconciliations and acting as financial liaison for Tax Increment Reinvestment Zones, Public Improvement Districts, the Radio Communications Tower, the Mustang Bayou Wastewater Treatment & Water Plants and the Steepbank/Flatbank Wastewater Treatment Plant and additional water and wastewater activities.

The CIP/Asset Management function monitors the City’s Accounts Payable and Capital Asset program for accurate payment of vendor invoice, inventory tracking and recording, depreciating, and the reconciling of capital assets to meet GASB 34 compliance and the City’s Capital Asset Policy. This function also prepares the CIP portion of the annual budget, and tracks the actual and projected revenues and disbursements of each project.

The City’s Accounting Division excellent efforts has allowed the City to receive the *Distinctive Budget Award* from the Government Finance Officers Association (GFOA) for 29 consecutive years, the *Certificate of Achievement for Excellence in Financial Reporting* from the GFOA for 28 consecutive years, and the “Gold Star” award for Financial Transparency from the Texas Comptroller’s Office for our first year.



Total Full-Time Employees = 12

*Finance Director is included in Finance Administration Divisional Budget.

===== FY 2017 ANNUAL BUDGET =====

DEPARTMENT: FINANCE
 DIVISION: ACCOUNTING & BUDGET

FUNDING SOURCE: GENERAL FUND
 FUND NUMBER: 101-12-114

STRATEGIC GOAL 2019	DIVISIONAL OBJECTIVES
1	Formal documentation of procedures and policy establishment: Review and update existing procedural documentation & financial policies. Communicate to Finance managers when changes are made to procedures & policies. Notify appropriate users of updates to external and internal policies. Notify Finance Director of all policy changes. Provide electronic access to policies and procedures. Review travel reimbursement policy for efficiency using ERP (Employee Self Service)
2	Retain/Hire quality staff: Offer various alternative work schedules to meet the needs of employees; Prepare an individualized employee training program; Improving communication between staff and managers to enhance overall work environment. Through added supervisory training, better methods are intended to insure quality hiring.
3	Improve communication internally and externally: Review communication survey questions from FY2010, make appropriate updates and submit to departments for feedback.. Communications with other departments (ex: agendas, processes, purchasing)
4	Greater utilization of software: Evaluate the efficiency of citywide utilization of software that affects the Finance Department.
4	Maintain compliance of processes: Identify areas of non-compliance of processes. Obtain a sample of feedback data from non-compliant areas.
4	Aggressive coordinated grant search effort: Research and identify grant responsibilities.

Personnel Schedule

	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>	Salary <u>Grade</u>
Assistant Director of Finance	1	1	1	1	24
Budget / Financial Manager	1	1	1	1	23
Accounting Manager	1	1	1	1	23
CIP Manager	1	1	1	1	23
Grants Coordinator	1	1	1	1	21
Budget Specialist	0	1	1	1	13
Payroll Specialist	0	1	1	1	13
Sr. Accountant	1	1	1	1	13
Accountant	3	1	1	1	11
Sr. Accounting Technician	1	1	1	1	12
Accounting Technician	2	2	2	2	8
Accounting Clerk II	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	5
Total Full-Time Employees	13	13	12	12	
Part-Time Employee	1	1	1	1	\$13.81/hr

===== **FY 2017 ANNUAL BUDGET** =====

DEPARTMENT: **FINANCE**
 DIVISION: **ACCOUNTING & BUDGET**

FUNDING SOURCE: **GENERAL FUND**
 FUND NUMBER: **101-12-114**

PERFORMANCE INDICATORS

	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>
<input type="checkbox"/> Hold training sessions once a month on various Finance related topics	50%	75%	60%	83%
<input type="checkbox"/> Resubmit ACH (Vendor EFT payment or Payroll direct deposits) returned within one business day after notified by our bank	96%	98%	100%	100%
<input type="checkbox"/> Eliminate mailed alarm permit renewal letters with emailed renewal notices	50%	75%	75%	80%
<input type="checkbox"/> The percentage of AP invoices sent directly to Finance from vendors	95%	90%	90%	95%
<input type="checkbox"/> Maintain a goal of 5 days for department approval of vendor invoices	N/A	95%	95%	97%
<input type="checkbox"/> Daily deposits prepared by noon	80%	N/A	85%	90%

ACTIVITY MEASURES

	FY 2015 <u>Actual</u>	FY 2016 <u>Budget</u>	FY 2016 <u>Estimate</u>	FY 2017 <u>Budget</u>
<input type="checkbox"/> False alarm billings	1,077	930	1,000	1,050
<input type="checkbox"/> Miscellaneous accounts receivable statements	2,535	3,000	2,700	3,200
<input type="checkbox"/> Alarm permits issued	5,411	6,000	6,822	6,500
<input type="checkbox"/> Direct deposit checks (payroll)	8,609	9,610	8,870	9,000
<input type="checkbox"/> Manual Payroll direct deposits issued	50	70	44	55
<input type="checkbox"/> Electronic Funds Transfer (EFT) payments	1,435	1,500	1,455	1,700
<input type="checkbox"/> Cashier transactions	25,397	30,000	35,000	45,000
<input type="checkbox"/> Credit/Debit Card transactions	15,535	17,000	17,500	25,000
<input type="checkbox"/> NSF(Nonsufficient Funds) items	26	30	30	30
<input type="checkbox"/> Assets Maintained	5,484	5,550	5,540	5,600
<input type="checkbox"/> Investment Transactions (Purchases)	12	5	15	15
<input type="checkbox"/> Journal Entry Transactions	2,157	2,800	2,700	3,200
<input type="checkbox"/> A/P Checks Issued	939	750	724	950
<input type="checkbox"/> Revenue receipts scanned	29,000	33,000	35,000	40,000
<input type="checkbox"/> Accounts Payable invoices and supporting documents scanned	17,415	18,500	17,720	18,000
<input type="checkbox"/> Budget transfers processed	278	115	220	225