

Financial Management Committee

Mayor Michael John Pantelides, 2014 Citizen Advisory Transition Team

EXECUTIVE COMMITTEE MEMBERS:

Bob Burdon

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Jacalyn Bierman

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COMMITTEE CHAIR: Fred Sussman

COMMITTEE CO-CHAIRS:

George Matthews

Nancy Williamson

Timeline Key	
ONGOING	Continuation of existing activity.
IMMEDIATE	Commencement within 3 months.
SHORT-TERM	Commencement within 3-12 months.
MEDIUM-TERM	Commencement within 1-2 years.
LONG-TERM	Commencement after 2 years.

Abbreviations Used

I/C	Internal Control Policies and Procedures
IT	Information Technology
MIT	City Management Information Technology Department

FINANCIAL MANAGEMENT ISSUES 1-4

Adopted October 27, 2014
Financial Management

FINANCIAL MANAGEMENT: ISSUE 1

While City's fiscal health has improved, City needs to maintain this progress and improve financial management, accountability and transparency.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Grow and maintain the unrestricted fund balance at a healthy level.	Finance Director	Ongoing
2. Enhance communication and teamwork between Finance and other City Departments.	City Manager	Ongoing
3. Complete MUNIS implementation and increase IT staff as needed to complete.	Finance Director	Ongoing
4. Develop written polices and procedures for financial operations. Disseminate to key City personnel via City Manager.	Finance Director	Immediate

FINANCIAL MANAGEMENT: ISSUE 1, CONTINUED

While City's fiscal health has improved, City needs to maintain this progress and improve financial management, accountability and transparency.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
5. Implement recommendations in "Collaborative Stewardship: Guiding Principles and Metrics".	Finance Director	Immediate
6. Centralize administration and management of City grants.	Finance Director	Medium-Term
7. Develop independent Audit Committee to oversee City financial operations and audits.	Finance Director	Medium-Term
8. Develop a priority program performance-based budgeting to replace line item budgeting to emphasize accountability.	Finance Director	Long-Term

FINANCIAL MANAGEMENT: ISSUE 2

Measures should be taken to improve efficiencies in the organization and utilization of Finance Department staff.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Provide public with greater access to on-line and lockbox payments to improve the collection process.	Finance Director	Ongoing
2. Review and update Finance job descriptions. Re-organize staff. Incorporate cross-training.	Finance Director	Short-Term
3. Update and implement Finance Department written standard operating procedures for each job.	Finance Director	Short-Term

FINANCIAL MANAGEMENT: ISSUE 3

City should strengthen measures to guard against the risk of lost revenue from negligent or intentional misconduct.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Review and revise internal control policies and procedures (I/C) involving cash transactions.	Finance Director	Immediate
2. Develop a mechanism to disseminate I/C to all Department Directors and key City managers via City Manager.	Finance Director	Immediate
3. Develop and implement procedures to hold Department Directors and key City managers accountable to I/C.	Finance Director	Immediate

FINANCIAL MANAGEMENT: ISSUE 4

City should explore ways to raise and/or develop additional sources or amounts of revenue without raising City property taxes.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Promote and implement policies to encourage expansion of City's commercial tax base.	City Manager	Ongoing
2. Develop annual comprehensive review of all potential State revenue opportunities.	City Manager	Immediate
3. Develop comprehensive grant funding strategy tied to annual capital and operating budget priorities.	City Manager	Medium-Term

FINANCIAL MANAGEMENT: ISSUE 4, CONTINUED

City should explore ways to raise and/or develop additional sources or amounts of revenue without raising City property taxes.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
4. Implement recommendations from Nov. 2008 Interim Report of City Blue Ribbon Commission with respect to Capital City Services Reimbursements.	City Manager	Medium-Term
5. Comprehensively review all City fees and charges to ensure that they are for the reasonable coverage of their activity costs, and modify as needed.	Senior Accountant in Finance Department	Medium-Term

MUNIS AND TECHNOLOGY ISSUES 5-7

MUNIS & TECHNOLOGY: ISSUE 5

While MUNIS is a comprehensive program to improve City operations, it is complex and some users are challenged to utilize it to its full capabilities.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Develop user focus groups to identify specific areas that need additional training .	MIT Manager	Immediate
2. Provide additional training to users who need it.	MIT Manager	Short-Term
3. Develop specialized in-house MUNIS trainers (or other reasonable alternatives) to provide sufficient user support.	MIT Manager	Short-Term

MUNIS & TECHNOLOGY: ISSUE 6

There are still inefficiencies in some MUNIS operations due to its new and different way of conducting City business.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Improve the ability for Departments to retrieve data and reports more suitable to their specific operations. Avoid Departments having to reformat the MUNIS system output to meet their needs.	MIT Manager	Short-Term

MUNIS & TECHNOLOGY: ISSUE 7

The City should ensure that its workforce is capable of implementing current technology to improve City operational efficiencies.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Develop a human capital assessment and accountability framework (staff audit) to ensure the right people are in right jobs.	Human Resources Director	Medium-Term
2. Review/revise job descriptions to include technology-related skills for new employees.	Human Resources Director	Medium-Term
3. Determine current employee technology capability deficiencies and provide needed training.	MIT Manager	Medium-Term

PROCUREMENT ISSUES 8-9

Adopted October 27, 2014
Financial Management

PROCUREMENT: ISSUE 8

Due to the specialized nature of the procurement function, the City should explore succession planning for management of that function.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Ensure continuation of major procurement activities in case of long-term absence or vacancy.	Finance Director	Immediate
2. Review/update procurement policies and procedures. Disseminate to Department Directors and key City managers via City Manager.	Finance Director	Short-Term
3. Explore options to outsource some procurement functions.	Procurement Officer	Medium-Term
4. Review/update City's standard contract terms and conditions.	City Attorney	Medium-Term

PROCUREMENT: ISSUE 9

The City should improve its inefficient procurement process for routine, low-value and travel purchases.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Implement procurement card program, but only after developing stringent written procedures for staff use.	Finance Director	Short-Term
2. Implement greater use of City-wide blanket purchase orders.	Finance Director	Short-Term
3. Develop procedures to expand on-line purchases from regular vendors.	Procurement Officer	Short-Term

INFORMATION TECHNOLOGY ISSUE 10

INFORMATION TECHNOLOGY: ISSUE 10

The City should continue to enhance its use of IT resources to create additional operational efficiencies.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Complete implementation of the most recent IT Strategic Plan recommendations.	City Manager	Ongoing
2. Align MIT as an independent function that reports directly to City Manager, not as part of the Finance Department.	City Manager	Immediate
3. Allow MIT operating budget to reflect appropriations for software items (previously treated as capital outlay) without compromising other operating expenses.	City Manager	Short-Term

INFORMATION TECHNOLOGY: ISSUE 10, CONTINUED

The City should continue to enhance its use of IT resources to create additional operational efficiencies.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
4. Develop and implement IT governance structure to comprehensively align City's technology needs with its business goals.	City Manager	Medium-Term
5. Explore outsourcing and off-site hosting of applications and programs to allow MIT staff to focus on user-support and other services.	MIT Manager	Medium-Term
6. Evaluate the need for updating the IT Strategic Plan.	City Manager	Long-Term

RISK MANAGEMENT ISSUES 11-12

RISK MANAGEMENT: ISSUE 11

Place the risk management function in the City's organizational structure, because it has City-wide impact.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Align Risk Management Office as an independent function that reports to City Manager, not as part of the Fire or Finance Departments.	City Manager	Immediate
2. Undertake comprehensive City-wide risk management assessment to supplement efforts to manage risk relating to workers' compensation claims.	City Manager	Medium-Term

RISK MANAGEMENT: ISSUE 12

City appears to be making duplicate salary payments related to workers' compensation claims, thereby resulting in unnecessary City obligations.

<u>RECOMMENDATIONS</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMELINE</u>
1. Evaluate and modify workers' compensation policy to eliminate double salary payments, and avoid payroll taxes on such payments.	Human Resources Director	Medium-Term
2. Evaluate and modify workers' compensation policy that currently allows employees to continue earning vacation leave while on workers' compensation leave.	Human Resources Director	Medium-Term