

FYE 2012 Budget Presentation: Financial Administration



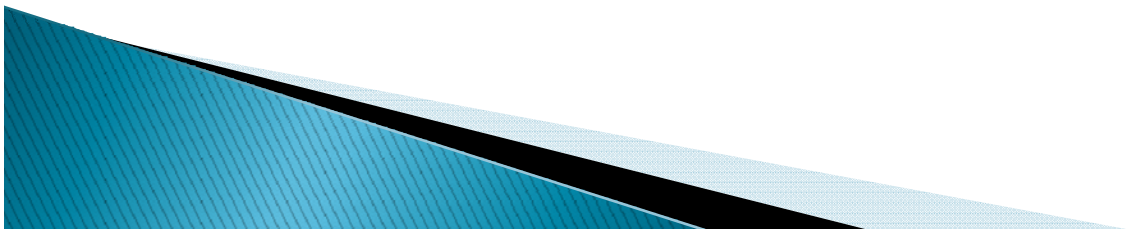
City of Ferndale
April 6, 2011

Staff

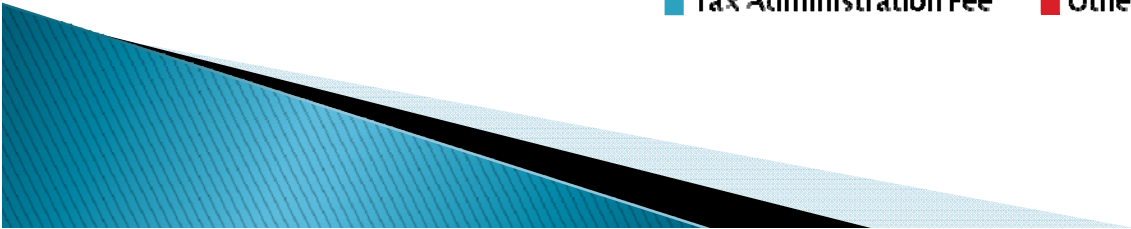
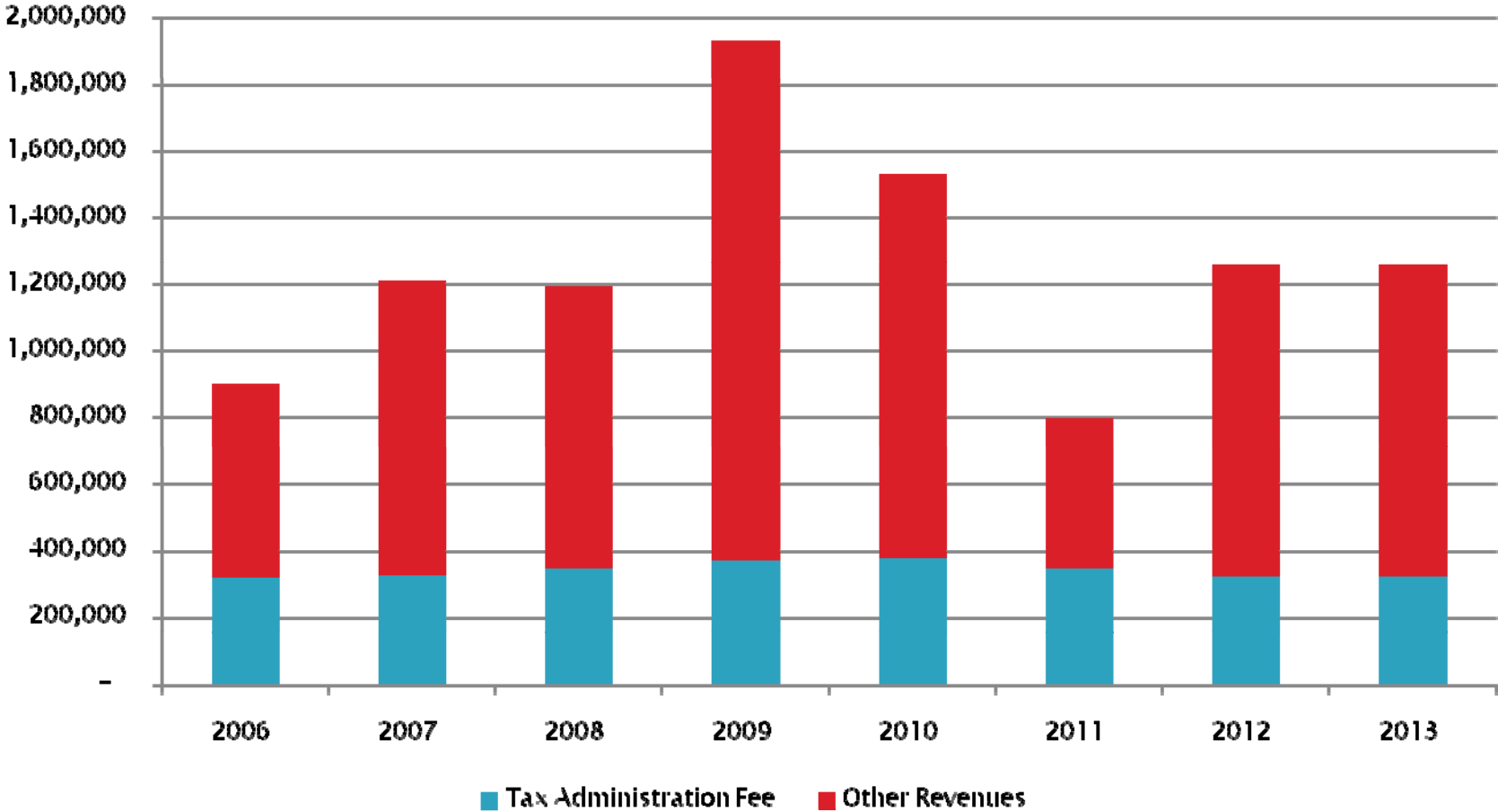
- ▶ Jaynmarie C. Hubanks, Assistant City Manager
Finance Director/ Treasurer
- ▶ Jeanine Ingram, Personnel Technician (employee costs are charged through the Fringe Benefit Pool)
- ▶ Clerical Pool:
 - ▶ Cecile Thompson, Accountant, assigned to Accounts Payable, General Accounting
 - ▶ Russ Pidosny, Receiving Teller, assigned to Tax & Receipts Reconciliation
 - ▶ Barb Miller, Clerk-Typist, assigned to Cash Receipting
 - ▶ Carol Willis, Receiving Teller, assigned to Water Billing/Records (employee costs are charged to the Water/Sewer Fund)

Budget at a Glance

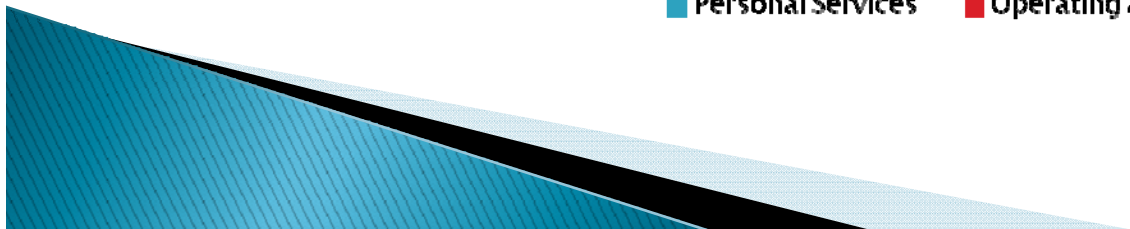
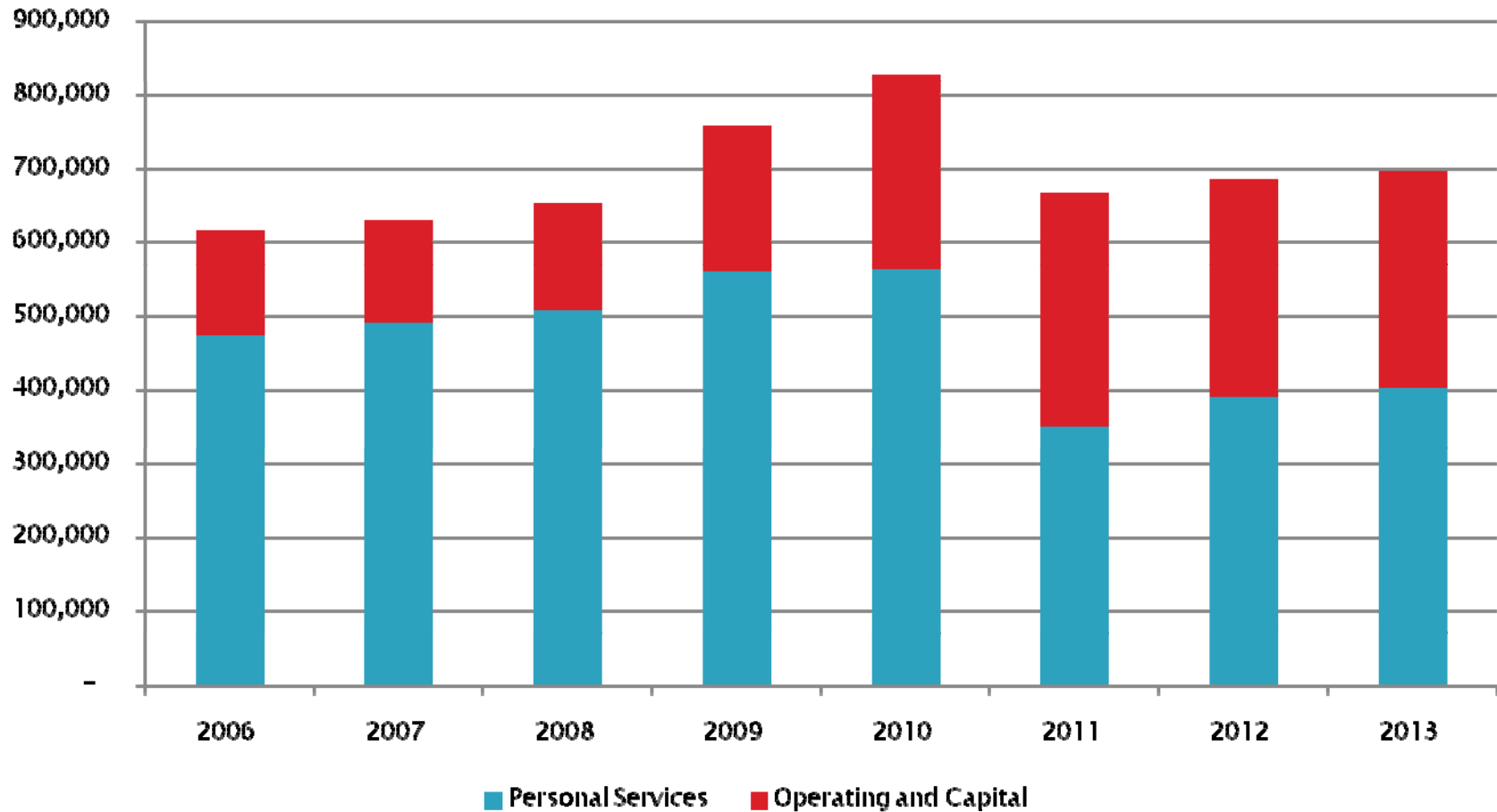
- ▶ Revenue of \$1,259,000
 - 1% Tax Administration Fee - \$322,000
 - Reassessed Penalties/interest - \$40,000
 - Interest income - \$500,000
 - MMRMA Refund - \$300,000
 - Everything else - \$97,000
- ▶ Expenditures of \$686,000
 - Personal Services (4 of 6 employees) - \$390,000
 - Assessing contract with Oakland County - \$151,000
 - Temporary contract with accounting professional - \$88,000
 - Everything else - \$57,000
- ▶ Net Contribution to General Fund - \$573,000



Revenue Trend

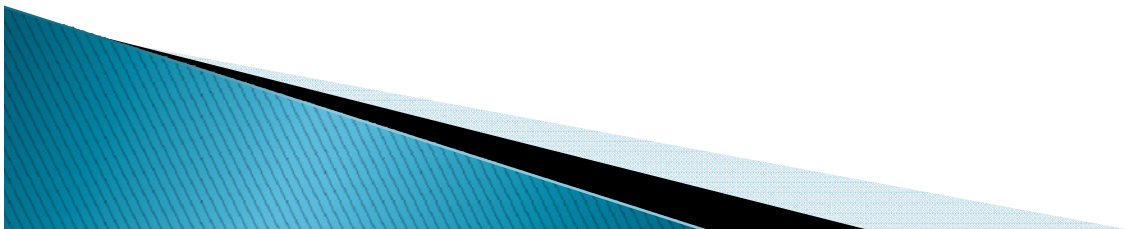


Expenditure Trend



Special Projects - Financial Software Implementation

- ▶ Completed in Fiscal 2011:
 - Installation of new Hardware and Financial Software
 - Implemented Payroll processing and Personnel module
 - Record accrued time and balances on paychecks
 - Benefits recorded and charged to Departments through Payroll
 - Implemented Budget, Position Budgeting, and General Ledger modules
 - Conversion of 5 years of historical general ledger data
 - Implemented Purchase Order, Accounts Payable, and Miscellaneous Billing modules
 - Trained and tested GASB compliance module

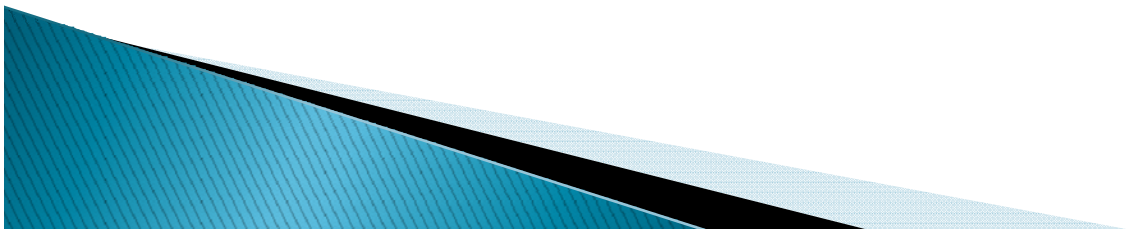


Special Projects, continued

- ▶ **In Process** (with target completion dates):
 - Cross-train employees on tax administration, revenue collection, accounts payable, invoicing, water billing, general ledger maintenance, and payroll (continuing thru.2011)
 - Installation of new PCs, related to Financial Software implementation (April 2011)
 - Department Head training on new software (June 2011)
 - Provide electronically-readable tax and water bills in order to improve efficiency and reduce bank fees (July 2011 – tentative as this requires the cooperation of Oakland County, BS&A, and Comerica)
 - Implementation of Water utility system (October 2011)

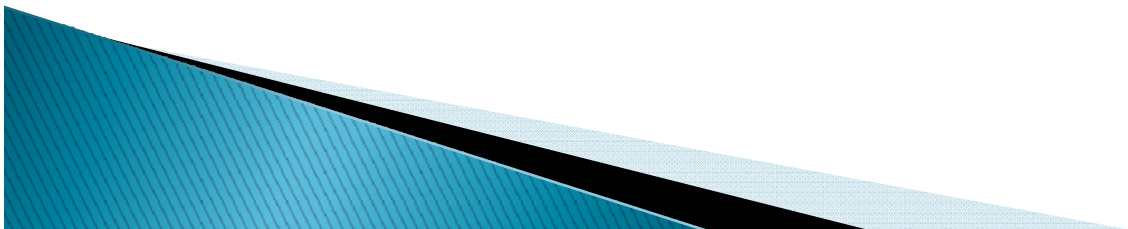
Budget Reductions

- ▶ Further reduce City Hall hours open to the Public by 2 days
- ▶ Require that all Water and Tax payments be sent to the Lockbox, eliminating all over-the-counter processing (assuming that an electronically-readable bill can be finalized to the satisfaction of the City's bank and Oakland County)
- ▶ Replace all Credit Cards with Purchasing Cards and require their use for all transactions possible
 - Offset with a reduction of one clerical pool employee, or reassign to back-up for payroll/personnel
 - It must be noted that Financial Administration has reduced staff from 9.5 FTE in 2001 to 5.5 FTE in 2011, so further reductions are not recommended without an offsetting reduction to service levels



Budget Reductions, continued

- ▶ Charge administrative service fees to all non-General Fund functions requiring Financial Administration support, or other City Hall support
 - Special Revenue Funds – 1% of Non-Tax Revenue, or \$33,000
 - Auto Parking Fund – 1% of Revenue, or \$7,400
- ▶ Charge administrative service fees to Pension Funds requiring Financial Administration, City Clerk, and/or Payroll/Personnel support
 - Employees Retirement System – 1% of pensions paid, or \$10,000
 - Police/Fire Retirement System – 1% of pensions paid, or \$22,000



Budget Reductions, continued

- ▶ Add a \$25 administration charge to all water and miscellaneous bills reassessed to tax bills - \$25,000
- ▶ Create a Water Review Board and related procedures to handle all disputes of water and sewer charges
 - Reduces arbitrary decision-making and clerical pool time
- ▶ Return Personnel function to the City Manager's office, including Labor Negotiations, Grievance Resolution, and Mediations/Arbitrations
 - Replace Personnel Technician with Payroll Specialist at reduced pay
 - Train Administrative Assistant or other to back-up payroll function