



CITY OF

Saco

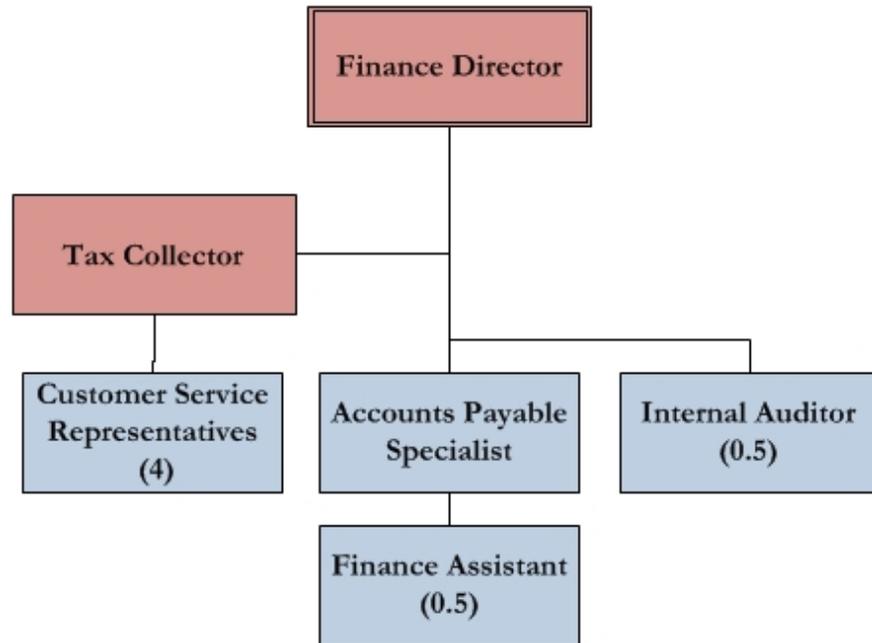
Finance Department

2020 Budget Presentation

friendly by nature

Finance Department

Finance Organization Chart



March 20, 2019
FTE: 8

“Our Mission is to ensure the sustainable, long-term growth of the City of Saco through the collection, disbursement, management, and budgeting of financial resources.”

Department Responsibilities:

- Accounts Payable
- Account Receivable
- Tax Collection
- Motor Vehicle Registration
- Reporting
- Analysis
- Cash Management
- Annual Budget

Major Accomplishments

- Upgrade and migration of MUNIS to a hosted server – 241 functions across 15 modules tested
- 7,515 Changes to MUNIS Accounts, codes, and settings for simplification and better data management
- Migration of payroll from MUNIS to Paychex – 18 payroll policies, 154 time off policies, 17 different styles of time entry, 248 other items tested and resolved
- 52,271 receipts processed through the first floor
- 7,548 invoices processed through AP

Major Accomplishments

- Annual Review process implemented to provide feedback to staff on performance
- Cross training on critical functions:
 - Tax Collector has been trained on mid-year address changes
 - Finance Assistant can do complete check runs on her own
 - Finance clerks are cross-trained on all critical functions
 - Internal Auditor can do monthly journal entries
- Identify new revenue sources to offset increases to the mil rate
 - Watercraft excise tax adjustment
 - Materials prepared for testimony to the state on revenue sharing

Financial Wins - \$630,888 Saved

- Negotiated with the IRS on the City's payroll liability
- Returned retainage to the General Fund as revenue
- Investigated unused funds available to support a lecture series
- Consolidated 3 cash accounts with our high interest earning account at Bangor Savings Bank
- Cancelled an unnecessary property insurance coverage
- Aligned our interest renewal with the fiscal year
- Completed a detailed benefits audit for the FY2020 Budget process
- Reduced printing costs by 70%
- Negotiated to reduce our licensing costs for MUNIS in FY2020 after a bumpy migration experience

City Saco Return on Finance Director

$$\frac{\$630,888 \text{ Saved}}{\$132,804 \text{ Salary} + \text{Benefits}} = 475\%$$

City Return on De-Centralizing Finance & HR

$$\frac{\$630,888 \text{ Saved}}{\$163,845 \text{ Salary} + \text{Benefits}} = 385\%$$

RAD FY2019 Update – Internal Auditor

- Anne Morrissey started with the team on 12/17/18
- She has jumped right in tackling a number of projects
 - Cleaned up our DUNS management and tracking - \$4497 saved
 - Audited employee salary lines - \$41,577 saved (WRRD Fund)
 - Researched our ambulance collections process and forwarded a recommendation on a new collections agency - \$9500 saved
 - Cleaning up the archives so that our permanent records are identified and stored together
 - Identified 12 vendors that we could pay with the P-Card rather than through AP to increase our rebate revenue
 - Worked with HR to clean up the MMEHT reconciliation process
- Total Return on Internal Auditor: $\$55,574 / \$20,000 = 278\%$

Major Challenges

- Maintaining sufficient coverage on the first floor to ensure a fully trained and certified Deputy Tax Collector
- There is no deputy to the Finance Director
 - Internal controls prevent either the Tax Collector or the Accounts Payable Specialist from being a deputy
 - Internal Auditor only works 20 hours per week
 - WRRD Office Manager has many other competing responsibilities

Responsibilities With No Back-Up

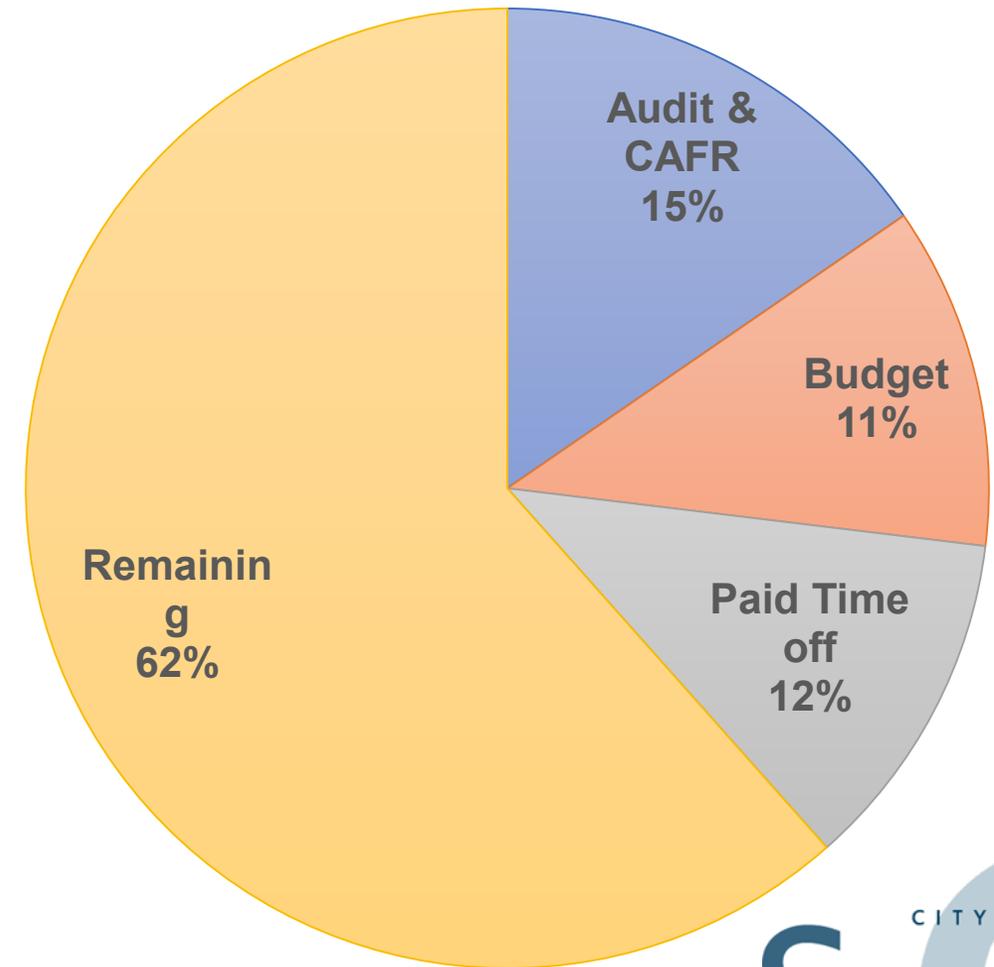
- Manage and monitor insurance renewals and payments:
 - Workers Compensation Insurance
 - Unemployment Compensation
 - Municipal Liability Insurance
 - Volunteer Firefighters Insurance
- Draw down payments for and closing out CDBG projects
- Track & journal payments from the state
- Review, select, and close lease agreements on capital equipment
- Issue pay and benefits information on shared positions with other communities
- Monitor changes in financial regulations and implement appropriate policy changes
- Review existing financial policies, including City Code, and make updates as internal procedures change
- Maximize return on cash balances with investment opportunities
- Managing the fee schedule
- Import valuations from Assessing and issue the Tax Commitment

Responsibilities With No Back-Up

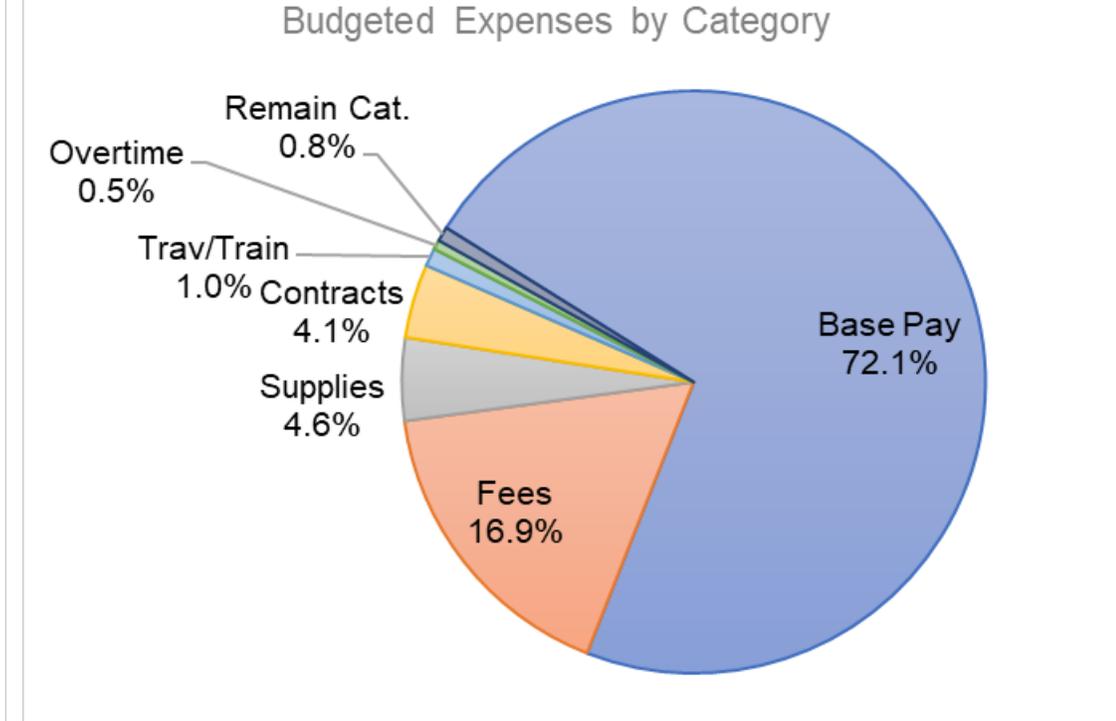
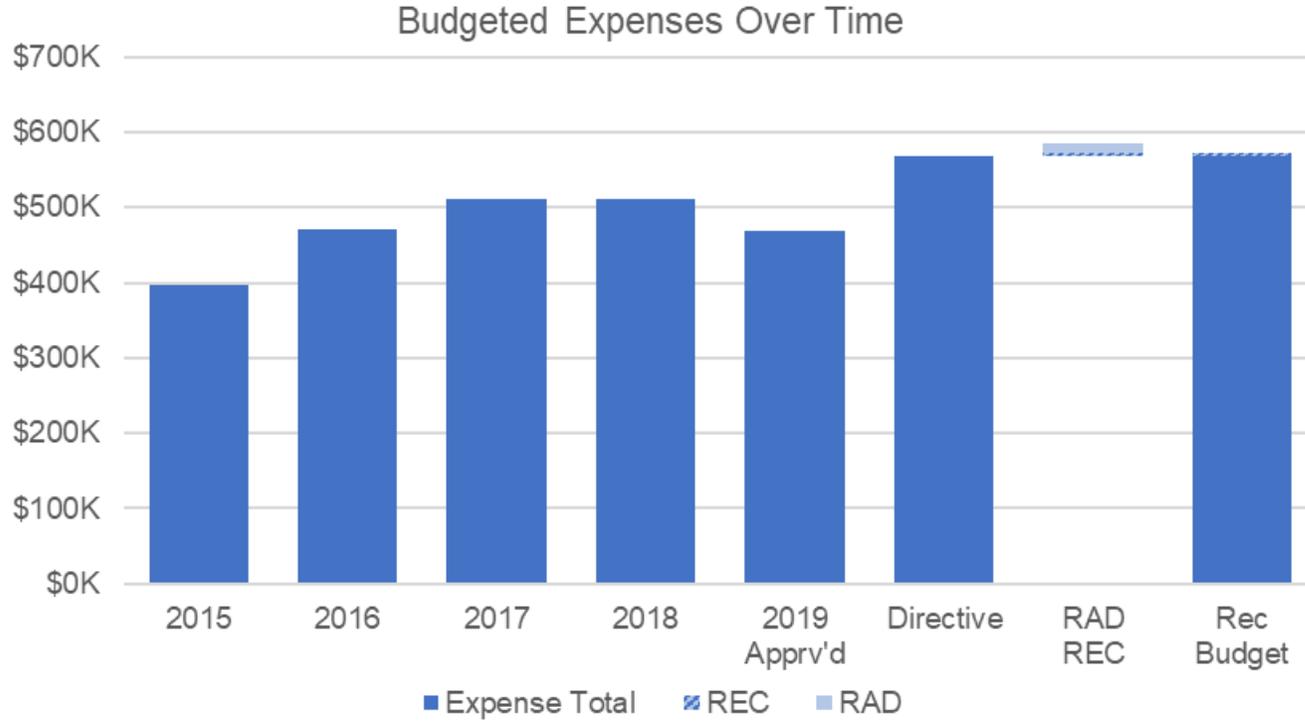
- Issue, track, maintain, and wind down bond funds and report the City's financial reports annually to EMMA
- Manage payment processors for online and credit card payments
- Reconcile our cash accounts monthly – 1,000+ transactions
- Reconcile our taxes receivable monthly
- Reconcile ambulance calls quarterly
- Budget reports for City Council and Staff
- Reconcile & journal TIF Funds; issuing payments to developers where applicable
- Monitor and maintain secondary accounts with Saco Biddeford Savings Bank and Key Bank
- Manage user access on our Bangor Savings Accounts
- Create new funds in MUNIS for tracking special revenue
- General Ledger questions – any and all
- Manage the City's relationship with 15 other financially-related organizations

A Year in the Finance Director's Schedule

- 8 weeks devoted solely to Audit & CAFR preparation
- 6 weeks devoted solely to Budget development
- 5 weeks paid time off (including holidays)
- 1 week of sick time



Budget Summary



Budget Summary

	FY2019 Adopted	\$ Change	FY2020 Directive	RADs	REC RADs	FY2020 Recommended
Expense	468,562	100,066	568,628	17,092	4,492	573,120
Revenue	139,856	(2,256)	137,600	0	0	137,600
Operating Income	(328,706)	(102,322)	(431,028)	(17,092)	(4,492)	(435,520)

Requests Above the Directive

	Project Name	Priority	Frequency	Requested	Recommended
	2 - 15 - Increase Internal Auditor Hours	Critical Need	Ongoing	12,600	0
	Department Total			12,600	0

Increase Internal Auditor Hours

- This RAD would allow for the Internal Auditor to work up to 9 additional hours weekly
- Would accelerate the progress of several projects with the potential to cut costs and increase revenues
- Would allow the internal auditor to act as back-up on more of the items for which there is no current back-up to the Finance Director

Final Thought: Make the Internal Auditor Full Time?

- This idea was discussed but not put forward for this budget cycle
- Why wait on this request?
 - Need to measure the impact of the transition to Paychex
 - Need to measure the impact of other reporting automations, which were only just developed with this year's CAFR and Budget
- Full Time Internal Auditor could act as a back up to the Finance Director and progress other projects currently on hold:
 - Work with different departments to increase P-Card usage
 - Develop an investment strategy for our fund balance
 - Work with Public Works on financial tools for reducing waste management costs