

# Finance Department

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Denton City Council  
Department Presentation



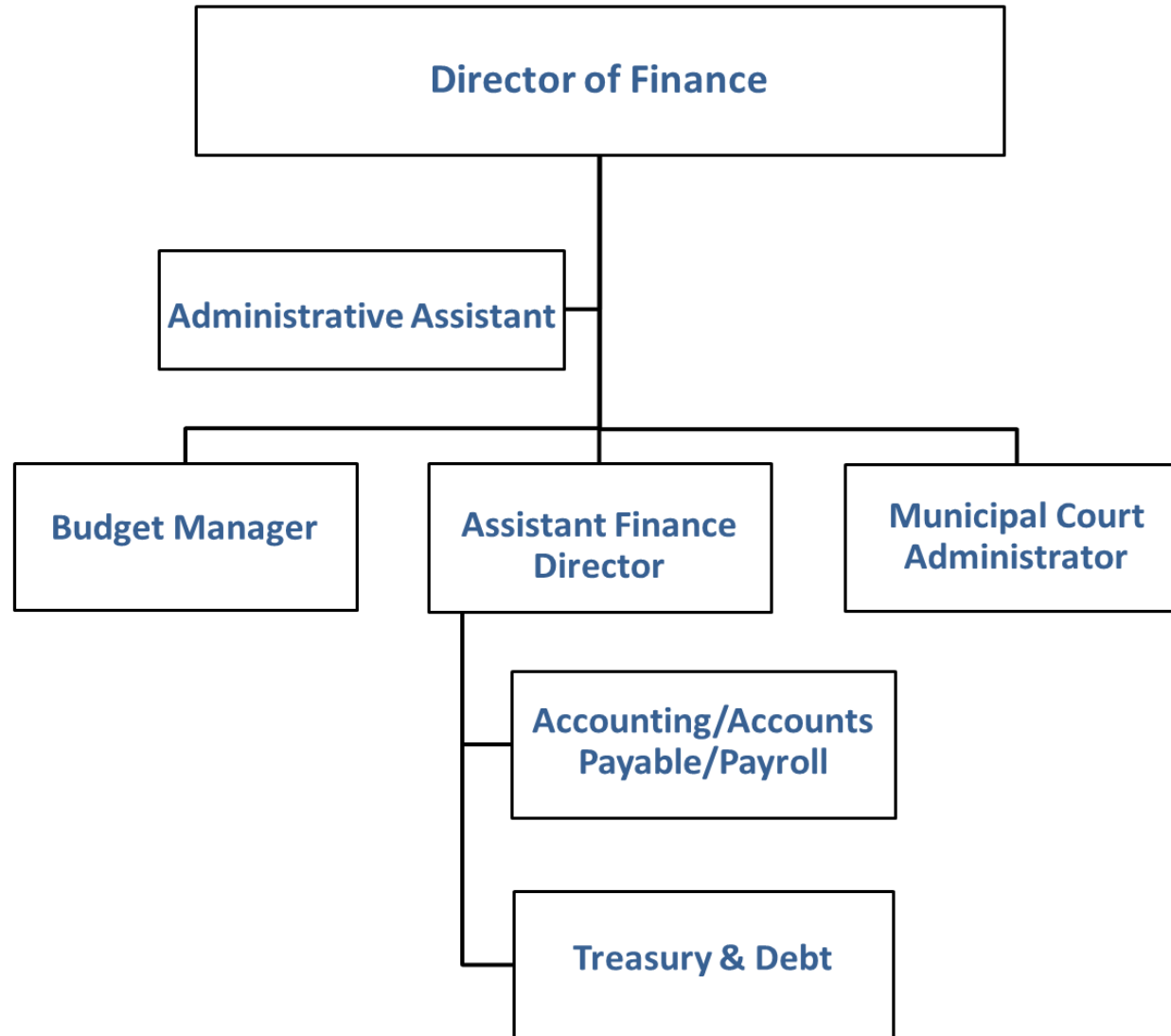
# Finance Department

## FTE's By Functional Area

FTE's By Functional Area	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Baseline
Accounting	9	9	9	9
Accounts Payable	4	4	4	4
Budget	4	4	4	4
Finance Administration	2	2	2	2
Payroll	2	2	2	2
Treasury & Debt	2.5	2.5	2.5	2.5
<b>Total FTE's</b>	<b>23.5</b>	<b>23.5</b>	<b>23.5</b>	<b>23.5</b>

\*Municipal Court reports to Finance but is accounted separately.

# Finance Department



# Finance Department Goals and Accomplishments

## **Accomplishments for 16-17:**

1. Implemented new card and check processing vendors with Chip & Pin technology.
2. Completed pre-note process for payroll resulting in no more paper checks.
3. Implemented the 2016 Uniform Grant Guidance.
4. Implemented GASB 72 – Fair Value of Investments.
5. Completed new state law (HB 1378) required debt report.

## **Goals for 17-18:**

1. Complete Kronos deployment to remainder of city organization.
2. Update City-wide Cash Handling Policy & Training.
3. Streamline Unclaimed Property process and reporting.
4. Implement GASB 77 – Tax Abatement Disclosure.

# Finance Department Performance Measures

## **Current Performance Measures:**

1. Percentage of Actual General Fund Revenue Compared to Budgeted Revenue
2. Percentage of Actual General Fund Expenditures Compared to Budgeted Expenditures.
3. Percentage of Rate of Investment Return.
4. Increase in Commercial and Industrial Property Values.

## **Proposed Performance Measures:**

1. Percent of bank reconciliation completed within 60 days of month-end close.
2. Number of journal entry lines per Accounting FTE (8).
3. Number of payments issued per Payroll FTE (2).
4. Number of invoices paid per Accounts Payable FTE (4).
5. Percent of invoices paid within 30 days of receipt of invoice.
6. Yield-to-Maturity meets or exceeds Portfolio Benchmark.

# Finance Department

## Cost Containment Strategies

### **Summary of Department efforts:**

1. Solicitations for External Auditor (\$50,000 savings), Financial Advisory (\$40,000 savings), Bond Counsel (\$40,000 savings) & Paying Agent (\$250 annual savings/issue).
2. Sales tax prepayment from city taxable sales. This effort is estimated to save approximately \$50,000 annually.
3. Actively working with sales tax recovery firm to identify misallocated sales taxes. Approximately \$200,000 in recoveries in FY 2016-17.
4. Internal review of gas well and rights-of-way crossing agreements. Recently recovered \$18,000 associated with gas well severance taxes and actively working on a possible \$10,000 recovery associated with gas well gathering costs.
5. Negotiated minor fee reductions from new card/check processing vendors.
6. Negotiated an increase in bank's earning credit rate (ECR) from 35 bps to 50 bps which is estimated to increase earned interest by approximately \$10,000 in FY 2016-17. As interest rate environment trends higher, staff will continue to request similar increases.

# Finance Department Process Improvements

## **Completed Projects:**

1. Meter to Bill Kaizen event for Electric Metering, Customer Service and Water Meter Shop.
2. Improvements to the CAFR and Budget per GFOA reviewer comments and GASB pronouncements.
3. Payroll pre-note process for new employees.
4. Posting of ACH Healthcare charges.

## **Future Projects:**

1. Employee travel reimbursements.
2. Vendor invoice processing and related PO set-up.
3. Budget transfers within a fund.
4. Revenue entry process.
5. Review payroll process after full implementation of Kronos.

# Finance Department Expenditure Budget Highlights

Expenses	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Baseline
Personal Services	\$2,453,286	\$2,506,986	\$2,569,493	\$2,612,017
Materials & Supplies	\$50,090	\$59,951	\$84,003	\$84,503
Maintenance	\$675	\$675	\$675	\$675
Insurance	\$24,462	\$24,544	\$21,974	\$22,287
Miscellaneous	\$3,552	\$1,655	\$1,415	\$1,415
Operations*	\$780,112	\$62,931	\$53,640	\$57,140
Cost of Service**	\$145,087	\$147,432	\$149,860	\$245,956
<b>Total</b>	<b>\$3,457,264</b>	<b>\$2,804,174</b>	<b>\$2,881,060</b>	<b>\$3,023,993</b>

\*Beginning in FY 2015-16, bank depository and other city-wide contracts were moved to the Non-Departmental (Finance Miscellaneous) home business unit.

\*\*Increased transfer to Technology Services Fund as result in change to their cost allocation process.



Non-Departmental (Finance Miscellaneous)

# Non-Departmental (Finance Miscellaneous) Expenditure Budget Highlights

Expenses	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Baseline
Unemployment Expense	\$40,709	\$43,538	\$350,000	\$50,000
Salary Savings	-	-	\$(1,029,976)	\$(1,500,000)
Miscellaneous*	\$230,381	\$240,862	\$267,450	\$276,100
Operations**	\$964,245	\$2,104,126	\$1,673,125	\$1,656,204
Transfers to Capital Projects	\$229,812	\$2,115,380	-	-
Cost of Service	\$1,972,945	\$2,027,339	\$2,233,021	\$1,962,600
<b>Total</b>	<b>\$3,438,092</b>	<b>\$6,531,245</b>	<b>\$3,493,620</b>	<b>\$2,444,904</b>

\*Includes fireworks show, arts utilities support, homelessness coordinator and community market support.

\*\*Includes contract expenses for appraisal district, county tax collections, legislative services and bank services, engineering charges and city manager's contingency.

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Questions / Comments

