


MEMORANDUM

Date: July 28, 2010
From: Greg C. Gaskins, Finance KBE 
To: Ruffin Hall, Budget & Evaluation KBE
Subject: Finance FY11 Final Strategic Operating Plan

Finance is pleased to submit its FY2011 Final Strategic Operating Plan (SOP). The details relating to Finance's SOP are either attached or may be found in the budget system. Should any elements of our FY2011 Final SOP prompt questions, we would be please to go into greater detail with you or your staff.

Attachments

cc: Justin Amos
Finance Leadership Team

FY11

FINAL

STRATEGIC OPERATING PLAN

July 28, 2010

FINANCE KEY BUSINESS UNIT

Greg C. Gaskins, KBE

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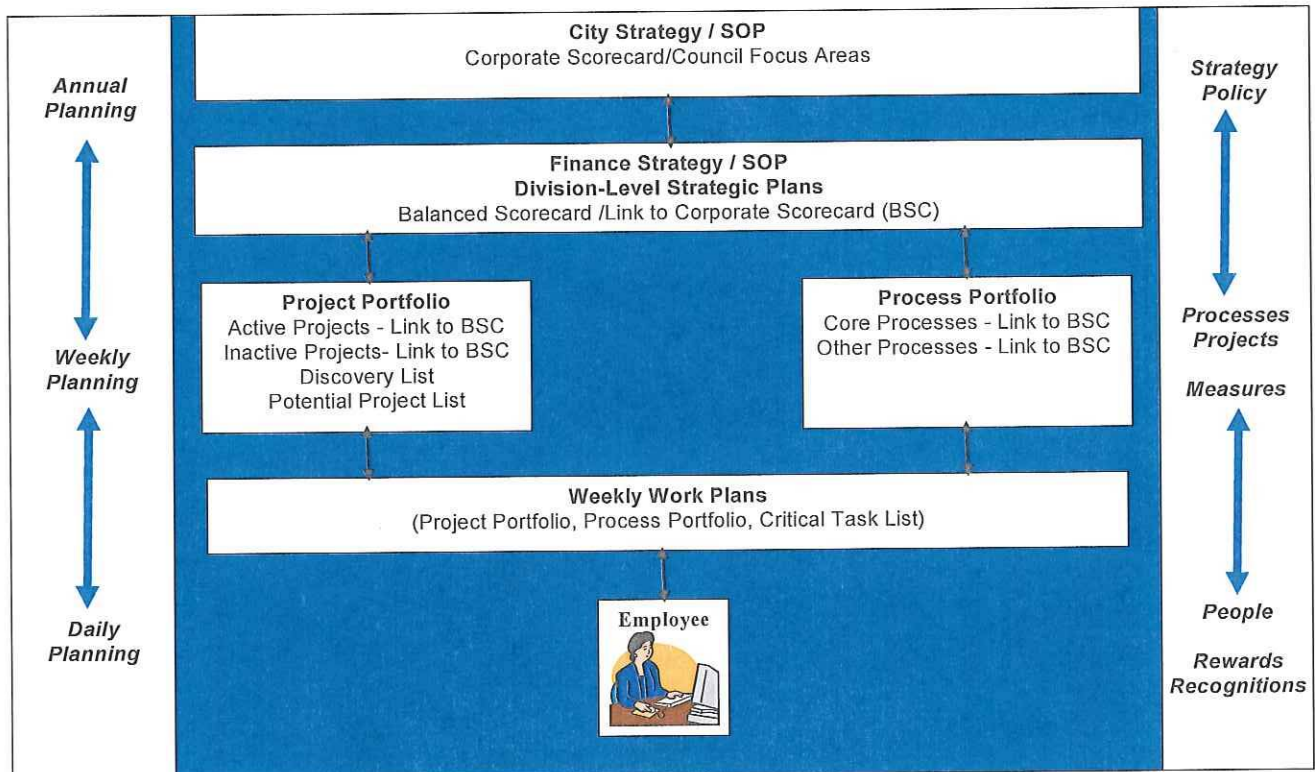
INTRODUCTION

The services delivered by Finance may be classified in one of two separate but related categories:

- **Chief Financial Officer-related.** As the City’s Chief Financial Officer, the Finance Key Business Executive provides ongoing as well as situation-specific policy support to the City Manager and serves as the main point of contact for all finance-related matters including issues related to economic development initiatives. The Finance KBE draws on the skill, knowledge and ability of his staff in providing this comprehensive range of financial services to the City Manager and his key staff.
- **Key Business Executive-related.** The Finance Key Business Executive provides leadership to the Finance Key Business Unit to ensure that all departmental activities and services are in alignment with and in full support of Council and Manager Policies. In delivering these services, Finance is committed to enabling the work of its customers while observing the significant compliance requirements that are prescribed by NC general statutes concerning the care of public moneys and the maintenance of records.

As reflected in the diagram below, **alignment** with corporate objectives continues to be central to Finance’s management strategy. Finance considers strategic planning to be a continuous process that must be effectively linked to implementation in order to be successful. Using the premise that all work can be classified as a project or a process, the alignment and linkage concept is a tool that helps employees understand their role in implementing corporate strategy. From a strategic planning perspective, the alignment and linkage concept helps identify strategic issues and ensures that only processes and projects which align with corporate strategy are selected for implementation. From an implementation perspective, the alignment and linkage concept helps ensure that processes and projects are planned and managed effectively and efficiently.

Alignment and Linkage Diagram:



INTRODUCTION - continued

As in previous years, continuous improvement is a key management strategy that is reflected throughout Finance's SOP. Although strong performance has been delivered and significant achievements have been realized in the past, Finance is committed to continuously looking for ways to move to the next level. Finance's FY11 SOP has been designed to serve as the road map for moving to the next level. While various strategic alignment components are considered in the planning process, Finance focuses on the following areas:

- **Strategy.** Complete alignment involves planning from the top-down and from the bottom-up and it translates to making decisions that ensure the services provided and the products offered enable the work of and meet or exceed the needs of the customer. A key element of complete alignment involves the Finance Leadership Team (LT) meeting semi-annually with the City Manager to discuss his Finance-related objectives and expectations. Complete alignment is further perpetuated by the Finance LT as it meets regularly to track and monitor its progress toward City objectives. In addition, complete alignment includes bottom-up planning meetings with front-line employees who identify opportunities for enhanced service delivery as well as issues that need to be addressed so that these can be properly prioritized and implemented as part of the process management and project management methodology.
- **People.** Finance must have a sufficient number of personnel and they must have the competencies, resources, training and strengths needed for the successful execution of processes and projects. Skills and attitudes must support goals; activities must be prioritized; goals must be realistic and attainable; and roles and responsibilities must be clearly defined. Finance recruitment and retention efforts will reflect the importance of diversity, and the development of a skilled and diverse work-force.
- **Process.** In order to ensure alignment, Finance must have a thoroughly documented inventory of its processes and fully understand the customers' needs as well as the products or services delivered. With respect to its core processes, a systematic process management approach is utilized that captures key metrics for use in process improvement activities.
- **Project.** In order to ensure alignment, Finance must identify, evaluate, prioritize, and pursue projects that provide needed products to customers or improve essential processes. A systematic project management methodology is used to ensure successful project implementations and to facilitate continuous improvement.
- **Rewards and Recognition.** Rewards and incentives must be tied to the achievement of key targets, and PRDs and merit increases must reflect successful achievement of goals.
- **Measures.** In order to improve the quality of service delivery, project and process measures must be a part of daily operations, metrics must be captured and analyzed, and the appropriate actions must be taken. Finance strives to use logical measures that are "SMART": Specific, Measurable, Actionable, Relevant and Timely.

A summary of the budget and positions allocated to Finance for FY2011 is provided below:

FUND	FY11 AMOUNT	FY11 POSITIONS
General Fund	\$ 9,239,904	78
Risk Management Fund	\$ 2,835,499	27
Total	\$ 12,075,403	105

VISION

In looking to the future, Finance sees a City that **must** have:

- A strong, well-balanced and diversified business environment
- A vibrant center city that fosters the growth of its business and residential components
- Strong neighborhoods that attract and retain a diversified population
- Great government, i.e., one that:
 - Is ethical in appearance and in fact
 - Meets needs
 - Solves problems
 - Is forward looking
 - Is efficient
 - Is effective
 - Provides value in the services it delivers to its customers

Although first articulated more than 10 years ago, Finance's vision remains completely valid and applicable today:

“Quality employees providing quality service”

Finance employees are committed to working in direct support of and in complete alignment with the City's corporate objectives. Diversity is a strength that will be leveraged to help us achieve alignment. A major goal of our SOP is to ensure that the actual work done by our employees aligns with the corporate strategy. In doing so, our employees will continue to contribute positively and measurably to the elements listed above.

MISSION STATEMENT

Achievement of the Finance vision is best understood by examining the “what, who, when and why” of the Finance Strategic Planning and Implementation Model. The Finance Strategic Planning and Implementation Model embodies the Finance Mission: “Empower, train and support Finance employees to provide ever-improving services to the public and other employees by listening to the voices of customers, processes and employees.”

WHAT: The Finance Strategic Planning and Implementation Model is a long-term, flexible management strategy that will guide the Finance Key Business Unit to significant improvements in service delivery by focusing on both **processes** and on **projects**.

- When focused on “**process**,” the strategy begins by identifying what we do and who our customers are. The strategy then calls for Finance to interact extensively with new and existing customers to ensure that their needs are being met and to confirm that Finance is enabling their efforts. As part of this process, Finance determines if new products and processes are needed. Processes are evaluated on an ongoing basis to determine if they should be improved or eliminated.
- When focused on “**projects**,” the strategy prompts the initiation of those that support the Finance Strategic Operating Plan. Detailed project plans are developed to ensure successful implementation and to leverage resources. Projects that will provide enhanced products or improve processes or enable the work of customers and that are in alignment with the Finance Strategic Operating Plan are pursued. As important, those projects that fail the alignment test are not pursued.

WHO: The Finance Strategic Planning and Implementation Model has been designed – and is being implemented - as a management strategy that will provide a roadmap for use by all levels within the Finance organization. Full implementation of the Model will concurrently benefit our external and internal customers by putting into the hands of Finance personnel the tools they need to provide enhanced levels of service delivery.

WHEN: The Finance Strategic Planning and Implementation Model is in place and functioning. As a flexible and dynamic management strategy it will evolve over time in response to changes in the City’s strategy, vision and corporate objectives. At all times, however, the Model will be in complete alignment with and in full support of the City’s corporate vision and mission.

WHY: While the delivery of the services provided by Finance has been the subject of frequent reviews over the years, it is strongly believed that a more focused and intensive approach is essential if Finance is to move to the next level. The Finance Strategic Planning and Implementation Model has been developed to provide unity of effort as we strive to enhance the quality of services we provide.

KEY ISSUES AND CHALLENGES

CHALLENGES WITH COMMUNITYWIDE IMPACT. Lead responsibility for the challenges with community-wide impact appropriately rests with the “Chief Financial Officer” role as discussed in the introduction.

- **Maintaining AAA Credit Rating.** Financial reform, lessons learned from the financial crisis, and staff turnover at credit rating agencies will likely change the City’s relationship with those agencies. In the past, the agencies’ knowledge and understanding of the City’s finances was very helpful in maintaining the City’s AAA credit rating. However, agencies are now starting to question some of the City’s fiscal vulnerabilities, such as negative fund balances and declining revenues, with greater scrutiny. It is unlikely there will be any immediate changes to the City’s credit rating, but this could change over the next several years if the City’s overall fiscal health continues to weaken. During this period of uncertainty, Finance will be strategic with how it engages with rating agencies.
- **Comprehensive Citizen Service.** Finance has embarked on an initiative to align its strategy more closely with the City’s in the area of comprehensive citizen service. The challenge in realizing this goal is providing ever-improving service at a reasonable cost. In FY11, Finance will engage in several initiatives that present a real opportunity to enhance service, including expanding e-business, improving service to utility customers and implementation of an enterprise resource planning system. However, in a period of strained resources, the ability to deliver upon the full potential of these initiatives will require significant cooperation across KBUs, a long-term perspective and a totally citizen/customer focus.
- **Uncertain Revenue Environment.** The public sector is still in a period of historic revenue uncertainty. It has been very difficult to produce long-term revenue forecasts because previous models and historical data have been inadequate. This creates tremendous challenges to planning, both for the immediate budget, and long-term expenditures. From a revenue standpoint, Finance believes that FY11 will prove the most challenging and the fiscal situation will slowly improve from that point forward. However, this will only partially alleviate some of the City’s long-term financial obligations since demands have not slowed in conjunction with the revenue decline.
- **Authorized Payment Locations.** As part of the initiative to enhance comprehensive citizen service, Finance will complete discovery work to determine the feasibility of using Authorized Payment Sites throughout the City for water, sewer and storm water payments. A contract with these vendors would allow for an automated payment file to be uploaded to the billing system to ensure payments are received on time. Currently, customers are paying their bills at these sites (i.e. Wal-Mart) although the City does not have a contract with the vendors. Therefore, there is no guarantee when and if the City will receive customer payments. This solution would also enhance customer service due to the addition of multiple payment locations.
- **Implementation of New Governmental Accounting Standards Board (GASB) Statements.** In recent years, the GASB has more frequently issued standards of governmental accounting and financial reporting and with greater complexity than in previous years. Each new statement requires research and planning in order to implement any necessary changes. Financial Reporting is currently preparing for implementation of one new statement: GASB 54: Fund Balance Reporting and Governmental Fund Type Definitions (FY2011). Two other statements will be implemented with the FY2010 CAFR, which is prepared in FY2011: GASB 51: Accounting and Financial Reporting for Intangible Assets; and GASB 53: Accounting and Financial Reporting for Derivative Instrument. Successful implementation of the standards is required in order to receive an unqualified opinion from the external auditors. Additional statements are in exposure draft status that Finance will review and provide comments on in order to influence the issued standard. Once in final status, the statements will be required for implementation in future financial reports.

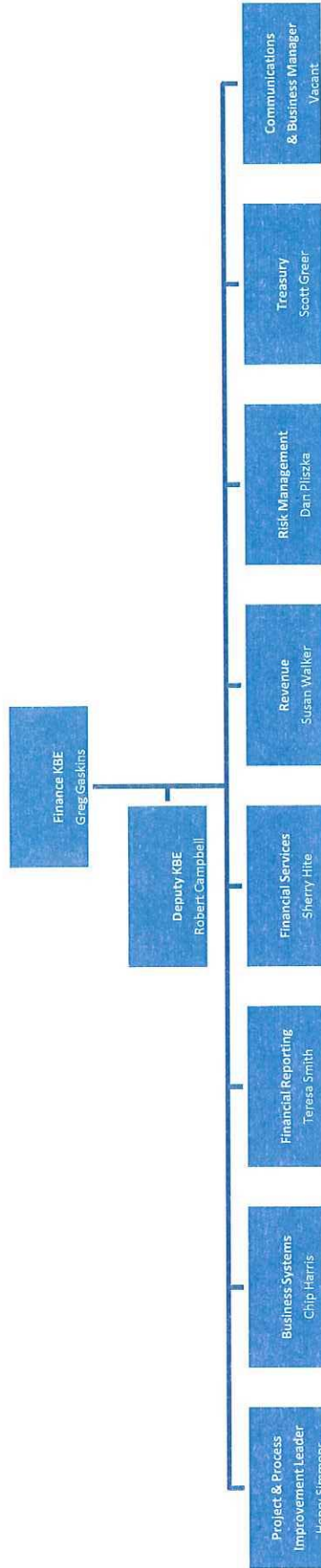
CHALLENGES WITH INTERNAL/INTRA CITY IMPACT. Lead responsibility for those challenges that are primarily internal and intra city in nature appropriately rests with the “Key Business Executive” role as addressed in the Introduction. The primary challenges that fall into this category are summarized below:

- **Enterprise Resource Planning (ERP) Implementation.** Providing simultaneous support for both the current production financial systems and a new ERP implementation will be extremely challenging for Finance resources. Balancing the ERP needs across a broad array of business units will be challenging as well. The ERP project will proceed on an accelerated schedule and have a strong initial focus on procurement. The combination of these two drivers will put pressure on costs and resource requirements. All of these factors will require a significant effort and understanding to manage the scope of the project.
- **GASB 45 - Other Post Employment Benefits (OPEB) /Long-Term Investment Program.** A new accounting and reporting standard for OPEB was implemented with the FY2008 CAFR. However, the work related to the funding and long-term investments related to these benefits will continue to be a significant challenge through FY2011.
- **911 Reporting.** Finance prepares the annual NC911 PSAP Report with assistance from Budget & Evaluation, Police and Fire. The uncertainty of the NC911 Board determinations has been a challenge. Since implementation of the new reporting process, both reports (Jan-Jun 2008 and FY09) have been questioned and certain costs were disallowed as eligible NC911 distribution expenses.
- **Cooperation from KBUs.** Preparation of the annual financial statements requires cooperation and assistance from other KBUs within the City. Although most information is received in a timely manner, there have been difficulties receiving information that is required to prepare the statements and ultimately to answer audit questions from the external auditors. The difficulty in receiving the information in a timely manner will delay the completion of the CAFR.
- **Debt Accounting Procedures.** As a result of a recent IRS audit, certain debt accounting procedures need to be modified in order to more closely account for debt proceeds, their expenditure, and reporting. This will potentially require changes to the chart of accounts and how projects are accounted for on the general ledger. It will also require cooperation of departments that issue debt in adhering to the new procedures.
- **Departmental Journal Entries.** The amount of Departmental Transfer Invoices (DTIs) has increased significantly in recent years. This task encompasses a significant part of one employee’s time, leaving little time for other tasks.
- **Difficulty in Hiring/Retaining Professional Accountants.** Finance continues to experience difficulty in hiring and retaining qualified professional accountants. Aggressive management action and close collaboration with Human Resources will have to continue to minimize this ongoing problem.
- **Internal Controls.** Revenue will continue improving internal controls; and work with Internal Audit to help ensure that other revenue collection points throughout the City are audited on a regular basis and their internal controls are improved. A centralized billing, collection and deposit unit with sound internal controls is more efficient for the City to minimize duplicated efforts and fraudulent activity, and to utilize existing infrastructure.
- **E-Business.** The demand to expand E-Business Receipt and Payment solutions for improved customer service continues to expand. The E-Business Team is working on a City policy to standardize business processes, so that existing infrastructure and master agreements can be utilized for a cost savings to departments. Payment Application Data Security Standards must also be maintained citywide to protect customer sensitive data. The E-business Team continues to collaborate with departments to provide solutions that are secure and cost effective to customers.

KEY ISSUES AND CHALLENGES

- **Collection Agency Stabilization.** Revenue and Business Systems will complete discovery work to determine the feasibility of using another Collection Agency due to the Debt Setoff error during the 2010 tax season with Security Collection Agency. Professional Recovery Consultants was the previous vendor and they provided quality service. The company participated in the RFP process in 2008 and was the next choice. They have agreed to lower rates should the City choose to utilize their services. A contract would have to be negotiated and approved by City Council. A transition plan and timeline would also be created.
- **Support of existing and new functionalities for applications and users.** In the face of a new system implementation and continually expanding business needs for current systems, our ability to support these efforts and day-to-day operations becomes increasingly difficult. It will be very difficult to stay current with new versions in order to maintain vendor support. This will result in increased operational risks and possibly increased cost for support if we fall into a de-support status with our vendors.
- **Ability to retain and motivate team members in a stressful environment.** New system implementations inherently increase stress for support staff that have to effectively do two jobs at once – work on the new system and support the old. If the implementation project is under-resourced, this stress will be magnified. It is not uncommon for employees to leave abruptly in these circumstances. With such a small staff, the loss of even one person could be devastating to daily operations in this environment. This represents a significant risk to the City.
- **Executive Level Risk Management Task Force.** The Executive Level Risk Task Force will present its initial recommendations for policy and procedure changes to reduce the negative cash flow of the Risk Loss Fund by the end of September. Review, consideration and implementation of some or all of these recommendations will likely require cooperation across multiple KBUs and may involve significant changes to workforce management citywide. The end result will provide focus to the ancillary cost of doing business (e.g. workers' compensation) in addition to the actual cost of operations.
- **MMSEA Reporting Go Live.** The first reports for Mandatory Insurer Reporting for the Medicare, Medicaid and SCHIP Extension Act (MMSEA) will be due January – March, 2011. Finance will need to identify the proper payments, collect sensitive data from the claimants, convert the data to a 132-field computer file and send it to the Medicare Office before the deadline. This new process of collecting data and submitting it in accordance with MMSEA guidelines will most likely have the impact of slowing the claims process down. On claims involving bodily injury, certain data will have to be collected and then entered and reported to Medicare before settlement discussion can take place. This will not only slow the claim settlement process, it may very well drive up the settlement cost of these claims.
- **Risk Control/Safety.** FY 2011 will be a challenging year for Risk Control. With a heightened emphasis on Risk Control and Loss Reduction, Finance anticipates more requests for service and training, and higher demand for reports and data concerning loss history. Finance is exploring the option of using Plateau for citywide safety training along with other training enhancements. In early FY11 Risk Control will be working to finish the CVOC building project. The new classroom will provide needed space for on-site instruction.
- **Workers' Compensation.** Workers Compensation will challenge Finance in multiple ways in FY11, including 1) replacing the City's excess carrier (carrier chose not to renew); 2) monitoring the layoffs/reduction-in-force employees in the Mecklenburg County and Charlotte Mecklenburg Schools to ensure workers' compensation is not used as "protection" for employees who will be without benefits; and 3) implementing a new risk management culture through the Executive Level Risk Management Task Force. Workers' Compensation changes are anticipated to be a major outcome of the Task Force.

**FINANCE DEPARTMENT
ORGANIZATION CHART**



STRATEGIC ACCOMPLISHMENTS

- **Remittance Processing Outsourcing.** On September 14, 2009, City Council approved an \$185,000 contract to outsource the Revenue Division's mail remittance processing services. In-house processing relied on aged software that no longer received support and needed replacement. Considering the cost, time and training required to replace the existing system, a project was undertaken to examine the possibility of outsourcing remittance processing. After a competitive bid and evaluation process, it was determined that outsourcing was a viable alternative and BancTec, Inc. was selected. The outsourcing includes back-up capabilities to enhance business continuity that is not currently an option with the in-house system. The contract is funded from existing resources originally allocated for upgrading and maintaining the current system, as well as salary savings. On May 3, 2010, mail remittance processing for utility payments was officially outsourced to BancTec. This represents over a year of work on the outsourcing itself and several years of work to improve remittance processing overall. The outsourcing vendor processes approximately 100,000 payments per month. BancTec staff processes payments 7 days a week with 2 shifts, resulting in customer accounts being credited expeditiously. The vendor also utilizes technology that converts paper checks into electronic images for deposit resulting in earlier availability of funds and improved cash flow. Revenue staff is working with BancTec during the stabilization phase to ensure a smooth transition.
- **Charlotte Vehicle Operations Center (CVOC).** During FY10, Finance upgraded the CVOC skid pad, which will greatly increase the service life of the skid pad and provide a better training experience. Additionally, Risk Control has been successful in securing Budget and City Manager approval for the replacement of the trailer at CVOC with a building that will house the CVOC staff and provide a training classroom. The project is anticipated to go for Council approval in late July. This will be a significant upgrade to the facility and is essential for the continued operational safety and effectiveness of CVOC.
- **Staff Reduction.** As part of the FY11 budget process, the Office Assistant position for Revenue was eliminated in April 2010. Revenue staff was cross trained and they have successfully absorbed the administrative work including payroll approval, PRD entry/salary changes, ordering supplies and processing invoices.
- **Transit Pass Sales.** The Finance E-business Team collaborated with CATS and the Chief Security Officer to offer the City's first in-house payment card application. CATS Online Pass Sales went live on December 15, 2009. This solution piggybacks on the North Carolina Office of State Controller contract with First Data Merchant Services. Skipjack Financial Services will serve as the gateway provider to process transactions. The E-business Team assisted with contract negotiations for the gateway provider, account set-up and administration, payment card testing, and implementation.
- **Merchant Service Agreement.** On June 28, 2010, City Council approved a five year Merchant Service Agreement through the North Carolina Office of the State Controller under the North Carolina State contract fee schedule for acceptance of payments by customers using Visa, MasterCard, American Express and Discover. The State contract provider was chosen after a competitive bid process reviewing several vendors showed then to have the lowest cost with good service quality. The underlying platform is provided by First Data Corporation, the leading provider of credit card processing services in the nation. Since 2002, the City has moved credit card programs from Park-It, Fire Prevention, Land Development, CMPD and the Airport under the Master Service Agreement. This action will increase the authority for the Merchant Service Agreement and allow CATS to convert the Ticket Vending Machines to the contract from its current, higher cost vendor.

STRATEGIC ACCOMPLISHMENTS

- **Office of Foreign Asset Control.** In response to new rules established by the Federal Office of Foreign Asset Control (OFAC) and guidelines promulgated by the State Controller's Office pertaining to electronic transfer of funds overseas, the Finance Department established an OFAC team. The new rules flag all Automated Clearing House (ACH) payments that are deposited in foreign bank accounts, requiring additional review and delay. The team identified and notified vendors receiving electronic payments, updated direct deposit forms and the Speedpay website, established processes to verify OFAC compliance for new vendor ACH payments and new EZ Pay (automatic bank draft) customers, informed utility customers of the change through bill inserts, and with the assistance of Human Resources, notified all current City employees of rule changes.
- **Year-End Process.** Finance successfully completed the FY09 year-end closing process and posting of FY09 reclassification entries as well as the FY10 opening process. All processing was completed on schedule and in accordance with the project plan.
- **Comprehensive Annual Financial Report.** Financial Reporting completed the FY09 Comprehensive Annual Financial Report (CAFR) by October 31, 2009. The CAFR contains financial statements which received an unqualified opinion and the Single Audit. The CAFR was presented to City Council on December 14, 2009. The presentation was well received by the Manager and Council. The external auditor did not issue a letter of recommendations. In addition to the CAFR, Finance completed numerous required reports including separately audited financial statements for Airport, Risk Management, and Firefighters' Retirement System; Report of Deposits and Investments; Powell Bill Expenditures; Unclaimed Property; Annual Financial Information Report; Municipal Street Fiscal Data; NC911 PSAP; Data Collection; financial portions of the National Transit Database and related North Carolina Statistics Reports; applicable portions of the Federal Certification Report for Police; National League of Cities Survey; Joint Programs and Occupancy Tax reconciliations with Mecklenburg County; and the New Charlotte Corporation Tax Return.
- **Big Ten Conference.** Finance hosted the spring conference of the Large City/County Finance Officers Association (Big 10) in uptown Charlotte in April. The Big 10 includes government finance representatives of the 10 largest cities and counties in the North Carolina. The conferences provide an opportunity to review, discuss and develop a strategy to address emerging financial issues. The Finance Director and Deputy Finance Director attended the conference, which included discussions on the long-term position of the Local Government Employee Retirement System, the local government budget outlook across the state and a tour of the NASCAR Hall of Fame.
- **Collection Agency Stabilization.** Finance and BSS continue working with the new collection agency to stabilize business processes, improve reporting functionality and enhance the file transfer process. During the 2010 tax season, the vendor had a programming error with their file transmittal process to the Debt Setoff Clearinghouse. As a result, some utility customer had duplicate setoffs in error. The affected customers were promptly reimbursed and sent a letter of apology. Staff had to assist the vendor with the clean-up process in order to maintain good customer service. They did an excellent job answering customers' questions and resolved their issues expeditiously. Security Collection Agency has corrected the programming error and they paid all fees associated with duplicate setoffs. Finance is completing discovery work to determine the feasibility of changing to another collection agency due to this issue.
- **Credit Rating.** The City maintained its AAA rating for general obligation debt for the 37th consecutive year.

STRATEGIC ACCOMPLISHMENTS

- **Auction Support.** Finance regularly provides cashiers to assist KBUs in collecting payments at auctions. Finance recently completed roll-out of the iNovah Cashiering System at the City auction site on April 17, 2010. This upgrade has automated the cashiering process and improved payment processing capabilities, reporting functions and reduced the use of paper. In FY10, Finance collaborated with BSS/Asset Recovery and Disposal and Rogers Realty to process payments for 5 auctions. Total collections follow: Rolling Stock Auctions- \$718,675 on September 19, 2009 and \$769,435 on April 17, 2010; Police Unclaimed Property Auctions- \$17,636 on September 26, 2009 and \$34,705 on April 24, 2010; and the Computer Auction- \$47,684 on October 28, 2009.
- **Mitchell Humphrey Financial Management System.** A new Accounts Receivable system was successfully implemented in early April. FMS-AR replaced the old RAMS system that was no longer supported by the vendor. This project was in process for several years and had taken months of planning, preparation, clean-up, set-up, testing and coordination with the vendor. Several customizations of the system were necessary because of the unique nature of some of the City's receivables. For example, in the search for a new receivables system, no system provided lien tracking that is a critical component of City business. FMS-AR supports billing for BSS, CATS, CMPD, E&PM, Fire, NBS, SWS and Utilities.
- **311/Utilities Transition.** In order to further develop 311 as the City's portal to citizens for information and support, this project transferred 39 customer service activities from Utilities Customer Service (UCS) to 311. The Business Systems Division is heavily involved with the project due to its support of the utility management system. While the City Manager's specified go-live date was January 2010, 311 agents actually started taking calls and creating payment arrangements for delinquent utilities accounts in November. Productivity gains are now being realized as follow-up phone calls that previously occurred between 311 and UCS to reach resolution are no longer necessary. Prior to the transition of payment arrangements, the entire customer conversation would often require some analysis by both UCS and 311. With 311 now handling these call types, the customer is receiving full service from a single agent/source, rather than having to speak to several agents about a single issue. The UMS team is heavily engaged in the nine-point utility customer service evaluation project to improve activities that remained at Utilities following the transition project.
- **Restricted Data Security.** Finance recently implemented a security measure to further protect utility customers' Social Security Number (SSN). A prior security measure deployment to mask the SSN on the main Customer Service Representative (CSR) screen identified approximately 5,000 Utility customer accounts with invalid SSN. This most recent deployment alerts CSR's to verify and correct the suspect SSN, which will enhance customer service and improve revenue collections.
- **Executive Level Risk Management Task Force.** A major outcome of the January strategic planning meeting with the City Manager, the Executive Level Risk Management Task Force held its first full meeting on June 28. The Task Force is comprised of the KBEs from the seven KBUs with the greatest risk losses and is chaired by an Assistant City Manager. It is tasked with developing recommendations that will eliminate the negative cash flow of the Risk Loss Fund and improve employee and citizen safety. At the meeting, Risk Management reviewed some of the data demonstrating what is driving much of the City's losses, including workers' compensation and an increase in the quantity and severity of vehicle incidents. Task Force members were assigned specific topics (i.e. return-to-work) to develop recommendations for review at the group's next meeting in August. The expectation is the Task Force will develop a series of new policies and procedures to move away from risk management as "service or safety" to "providing service safely."

STRATEGIC ACCOMPLISHMENTS

- **Return-to-Work Policy.** A new return-to-work policy for both the City of Charlotte and Mecklenburg County has been completed. The policy rollout for the County has been completed as well as a refresher on reporting of on-the-job injuries. The policy for the City is in final draft form and is now awaiting review and implementation by the Executive Level Risk Management Task Force. In an effort to further reduce costs, Risk Management and Human Resources have reviewed the Workers' Compensation Supplement Policy. It was determined that eliminating this program will not only save the City money but give incentive for the employee to return to work. With the introduction of a new Weekly Out-of-Work and Restricted Duty report for each of our customers, Risk Control has seen a decrease in the number of situations where an employee was given light duty restriction by the physician and the KBU did not put them back to work. Additionally this has proved to be a great tool for the KBEs to remain informed on the Return to Work situation within their Business Units.
- **Risk Management/Mecklenburg County.** Risk Management has strengthened its relationship with Mecklenburg County by instituting a senior management team known as the "Risk Management Working Group". The team has assisted in the development of a county-wide Return-to-Work Program and revised their risk and safety plans. The team continues to work closely with County management and each department in order to reduce losses and prevent injuries to employees and the public. Risk Management has also been working closer with Charlotte Mecklenburg Schools and Charlotte Regional Visitors Authority (CRVA). Several site visits and trainings have been conducted for CRVA and Risk Management is now involved with the CMS Safety Committee and participates in their annual safety seminars.
- **Property Tax Report.** In December 2009, Internal Audit released an audit report that enumerated several needed improvements with respect to Mecklenburg County's property tax processing environment. Finance collaborated with the Manager's Office, Internal Audit, Budget and Evaluation, and the County to begin working through these issues. During fiscal year 2010, Finance participated with the County to select an independent third party to conduct a post-implementation review of the property tax system. As a result of this process, KPMG is scheduled to conduct the review during fiscal year 2011. Finance has had initial discussions with Budget and Evaluation and the County to address the audit recommendation regarding changes to the interlocal agreement and these conversations will continue into next fiscal year. The County has indicated that they have put considerable effort into resolving unpostable amounts and that there should not be any remaining by the end of this fiscal year. The County completed their follow-up of their 2008 property tax audit, and a copy was provided to City Internal Audit. While we have made considerable progress this fiscal year, we will continue to work through the audit recommendations well into next fiscal year.
- **E-Business Policy.** The Finance E-business Team has written a draft citywide E-business Policy. On February 6, 2009, a presentation was made to the Senior Business Team about existing e-business capabilities. A committee including the Deputy Finance Director and Finance E-business Team with representatives from BSS/IT and Procurement, the OCIO and City Attorney's Office was established to review the roles and responsibilities document and provide input on a draft citywide policy. The Finance Liaison Committee reviewed and commented on the draft E-Business Policy. Revisions were implemented to clarify roles and responsibilities in May 2010. The draft policy will now go to the Senior Business Team for review and then through the City approval process.

STRATEGIC ACCOMPLISHMENTS

- **Bond Activity.** Finance closed \$1.343 billion of Financings in FY10. This was a major accomplishment in light of the financial crisis and a general downward trend in government revenues. However, the City was able to take advantage of very low interest conditions, while financing the opening of several new, major facilities such as the NASCAR Hall of Fame and the South Tryon Cultural Campus.
- **Banking Services.** Treasury participated on a team that completed a banking RFP draft, which includes products and services required by the City in core banking, merchant services, and procurement card. While there are no immediate plans to issue the RFP, the work helps Finance to better understand the City's banking requirements.
- **Debt Management System.** Early in FY10, Finance began research of new debt management software to replace MunEase, the City's current debt management software for over ten years. After considering all available software options, it was concluded new debt management software called Sympro was the best fit for the City. Since the purchase of the software, all of the City's debt information has been migrated to the new system and the City has received on-site training. After ample testing, Treasury looks to "go live" with the new Sympro software early in FY11. The new system will greatly enhance debt management capabilities, reporting capabilities and reduce the potential for human error in General Ledger coding. It will also provide for a fully automated GL interface if the City implements a new financial system.
- **Long Term Investment Program.** Further refinement was made to the Long Term Investment Program (LTIP) with Council approval of a revised investment policy statement and authorization for the City Manager or his designee to execute contracts with investment managers as needed to implement the strategy. Revisions to the policy statement included a new section on roles and responsibilities, the establishment of a LTIP Investment Advisory Committee, and changes to the diversification strategy based on an asset allocation study performed by the City's LTIP consultant.
- **Debt Setoff Program.** Finance continues to increase participation in the North Carolina Debt Setoff program, adding CMPD in FY10. While the total debt setoff of \$462,206 in FY10 was \$156,268 less than FY09 collections, this was due to a combination of decreased tax refunds from the State and a one-time error by the City's collection agency. Charlotte still leads all cities in North Carolina with almost \$2 million collected since the program's inception.
- **Subrogation.** Risk Management recaptured approximately \$443,000 by pursuing aggressive subrogation and recovery initiatives. Subrogation is a process used to recover funds where a third party has caused damages to City facilities or injuries to City employees.

LINKS TO CORPORATE STRATEGY

Finance provides its services in alignment with the City's corporate vision, mission and strategy. Provided below is a summary of Finance's services as they relate to the City's four perspectives:

Serve the Customer. The enhancement of service levels continues to be Finance's top priority. The continued implementation of the Finance Strategic Planning and Implementation Model underscores the importance placed on providing the highest possible levels of service to our customers – internal as well as external. The Model, which focuses on improving strategic planning and management related to processes and projects, is serving as Finance's principal management road map. The Model is in alignment with the City's corporate vision, mission and strategy.

Run the Business. Collaboration is the cornerstone of Finance's day-to-day operations. As a support Key Business Unit, working closely with other Key Business Units and the financial community and responding to their requirements are central to how we do business. While some of our services relate strictly to the financial community (e.g., managing the City's \$2.7 billion cash and investment portfolio and \$4.2 billion in outstanding debt) the majority of our efforts involve working closely with and enabling the work of other Key Business Units. Finance maintains and provides financial information for City management including Key Business Executives to use in making decisions concerning the operation of the City. We continue to seek to make optimum use of technology and the process improvements it makes possible in every facet of our operations. In addition, Finance has created a new Finance Liaison Committee to improve communications and expand collaboration opportunities.

Manage Resources. Finance takes very seriously its role in maintaining the City's coveted AAA credit rating. The development of financial policies for Manager and Mayor/Council approval and their subsequent implementation and perpetuation are key elements in maintaining the rating. Through extensive benchmarking initiatives, Finance is able to confirm and verify that the full range of its services is competitively priced and delivered. Finance's role in the investment in infrastructure plays itself out in the complex and detailed process of issuing debt. Close relationships are maintained with the financial community including banks, underwriters, bond counsel and rating agencies; correspondingly, tight and effective liaison is maintained with the Local Government Commission in Raleigh.

Develop Employees. Finance's continued success is based on the quality of its employees. A strong management emphasis is placed on the maintenance of a workplace setting that is conducive to attracting and retaining a skilled and diverse workforce. We believe the key elements of this setting to be strong communications, and ongoing training and recognition for a job well done. Each member of the Finance Leadership Team is expected to be committed personally to these elements and to foster them on a daily basis. Significant effort has been devoted to develop qualified people to replace key positions when they are vacated. In order to align with corporate initiatives for the recruitment and retention of a skilled and diverse workforce, Finance's strategic planning methodology incorporates the following diversity-related components: 1) understanding the diverse skill sets of each of our employees to allow the most effective assignment of resources, and to help identify development opportunities, 2) valuing and leveraging the diversity of our employees to help identify and understand customer needs in the growing and diverse community that we serve, and 3) utilizing teams to yield the maximum benefits possible from the diversity of our workforce.

STRATEGIC INITIATIVES

GENERAL OBSERVATION. Finance is committed to pursuing a policy dedicated to continuous improvement with the objective of enabling and supporting the work of its customers. The following initiatives have been identified as important during discussions with the City Manager and are among Finance's high-priority strategic initiatives:

ENTERPRISE RESOURCE PLANNING (ERP) & PROCUREMENT. Late in FY2010, it was determined that the City will move forward with a full ERP implementation. In the initial project stage, solving procurement issues will be a primary focus. After a year of examination of possible solutions to replacement of the legacy financial management system, Finance will be able to focus its resources to supporting the ERP Executive Team as it seeks to implement a single system for finance, procurement and project accounting.

Linkage: Optimize Business Processes

COMPREHENSIVE CITIZEN SERVICE. Finance is examining all of its processes, particularly those that interface directly with citizens to determine, with a goal to expand services to its customers. This review includes 1) incorporating customer needs more thoroughly in the utility management process; 2) expanding e-payment options while maintain customer data safety; 3) reviewing the needs, role and funding of West Service Center; and 4) creating more walk-up payment locations.

Linkage: Enhance Customer Service

FINANCIAL OBLIGATIONS. Monitoring and maintenance of the City's financial obligation is key to meeting the objective of "Maintain AAA Credit Rating." The recent economic crisis, decline and revenues and funding decisions have placed significant strain on certain City funds, including the Risk Loss Fund, Employee Benefits Trust and Employee Health & Life. Continuing new reporting requirements also require the City to acknowledge the true, long-term costs of doing business. If this trend continues, the City will have to become more strategic when issuing debt to avoid a downgraded rating from the rating agencies. Finance will also continue to develop solutions to long-term obligations, such as the Long-Term Investment Program. The department will also monitor changes on the State level, such as the Future of Retirement Study Commission and proposed legislative changes to the Business Privilege License Tax.

Linkage: Maintain AAA Rating

INTERNAL CONTROLS. Ensuring that City funds are spent in accordance with legal requirements and sound internal control procedures is essential to maintaining the public trust and the fiduciary responsibility of the Finance Director. Recent work with the City Manager's Office and Internal Audit has only further highlighted this need. However, for reasons ranging from systems limitations to KBU autonomy to lack of staff resources, this can be difficult to monitor and implement. Enterprise Resource Planning, by integrating the general ledger with procurement and project accounting, will greatly improve internal control functionality. Finance will also examine both post and pre debt issuance processes, grant lifecycles, contract payments and accounts receivable write-offs.

Linkage: Optimize Business Processes

SERVICE DELIVERY: What We Do and Who Our Customers Are

<p>Administration . . .</p> <p>Serves as the City's Chief Financial Officer</p> <p>Provides policy support to the City Manager</p> <p>Provides leadership to the Finance KBU to ensure that departmental activities and service delivery are in alignment with Council and Manager policies</p> <p>Provides general management and coordination of the Finance KBU</p> <p>Serves as the main point of contact for all finance-related matters and issues</p>	<p>Accounting . . .</p> <p>Maintains accounting records</p> <p>Prepares financial statements including the Comprehensive Annual Financial Report</p> <p>Pays invoices</p> <p>Coordinates receivables and their collection</p>	<p>Business Systems . . .</p> <p>Provides support for the Utility Billing System (UBS) "Ventyx Suite"</p> <p>Provides support for UBS related systems and interfaces</p> <p>Provides support for the Infor (GEAC) Financial System</p> <p>Provides support for financial related systems and interfaces</p>	<p>Revenue . . .</p> <p>Serves as the City's official revenue collections unit in accordance with State statute</p> <p>Mails water, sewer and storm water bills to citizens</p> <p>Collects payments for water, sewer and storm water bills by mail, over-the-counter, drive-up window, drop box and through PC banking</p> <p>Collects revenues for other services</p>	<p>Risk Management . . .</p> <p>Processes property and casualty claims from external and internal customers</p> <p>Processes Workers' Compensation claims for the City, County and C/M Board of Education</p> <p>Provides risk control consulting to all customers</p> <p>Purchases conventional and excess insurance</p> <p>Assists the City Attorney's office in litigation management</p> <p>Collects monies due to the City for damage done to City property</p>	<p>Treasury . . .</p> <p>Manages the investment portfolio including the cash flow requirements</p> <p>Manages the debt program including bond sales, bond referenda, debt payments and applications for the issuance of debt</p> <p>Performs financial and economic analyses including the development of models to forecast revenues and evaluate debt capacity and financing options</p> <p>Provides services to City departments regarding financial issues involving capital projects</p>
<p>Customers are . . .</p> <p>City Manager and his staff</p> <p>Mayor and City Council</p> <p>Citizens with finance-related questions</p> <p>Budget and Evaluation Director and his staff</p> <p>All Finance employees</p> <p>Other City departments</p>	<p>Customers are . . .</p> <p>Citizens</p> <p>Vendors</p> <p>Other City departments</p> <p>City employees</p>	<p>Customers are . . .</p> <p>Other City departments</p> <p>BSS/Procurement Services</p> <p>Budget and Evaluation</p> <p>Other Finance divisions</p>	<p>Customers are . . .</p> <p>Citizens receiving water, sewer and storm water services</p> <p>Citizens and employees purchasing transit passes and animal licenses</p> <p>Other City departments</p>	<p>Customers are . . .</p> <p>City, County, Charlotte-Mecklenburg Board of Education and ten other quasi-governmental entities</p> <p>Citizens wishing to file claims</p>	<p>Customers are . . .</p> <p>Purchasers of City bonds</p> <p>Mayor and City Council</p> <p>City Manager and members of his staff</p> <p>Other City departments</p>

CORE SERVICE AREAS

Accounting. Finance maintains the City's official accounting records, monitors budgets, prepares cost analyses for management, and provides financial information to Key Business Units to assist them with managing their operations. Finance prepares the Comprehensive Annual Financial Report, specialized financial reports, and federal, state and other mandated/required reports. In addition, Finance maintains the City's loan portfolio and processes miscellaneous payments due to the City. Finance also obtains authorization and documentation for payment of the City's liabilities and prepares and distributes almost 136,000 vendor payments each year.

Business Systems. Business Systems provides functional, technical and business process support to all Finance divisions as well as to other Key Business Units with particular emphasis on two of the largest applications in the City: the Ventyx System (three-tier), and the Infor (GEAC) Financial System (mainframe).

Revenue. In accordance with State statute, Finance (Revenue Division) is responsible for the receipt and deposit of all moneys received by the City. The Revenue Division works closely with Internal Audit to ensure that internal controls over cash collections provide for strong security with regards to City moneys. The division works closely with the Accounting Division to ensure that all moneys are given the proper treatment in the City's official accounting records. The Revenue Division also bills and collects approximately 275,094 accounts for Utilities and the City/County Storm Water Services annually. In addition, the division services miscellaneous accounts for Transit, Charlotte Mecklenburg Police Department Neighborhood Development and Business Support Services.

Risk Management. Finance administers the risk financing, risk retention and insurance placement for the City of Charlotte, Mecklenburg County, Charlotte-Mecklenburg Board of Education and other small, public agencies. Additionally, services include: contract indemnification/insurance language review; management of auto liability, general liability and workers' compensation claims; accident investigation; and risk/loss control consultative services to the City, County and Charlotte Mecklenburg Schools (CMS). Finance also manages the Charlotte Vehicle Operations Center (e.g. defensive driving range), a 16 acre, state-of-the-art, training facility which provides driver training for all departments of the City.

Treasury. Finance provides debt management services for \$4.2 billion in outstanding debt. The five-year capital program will require the issuance of an additional several hundred million dollars in general obligation and revenue bonds. Finance manages an investment portfolio of \$2.7 billion, including the Charlotte Firefighters' Retirement System. Finance also provides financial and economic forecasts and analyses related to annual operating and capital budgeting used in setting the City's annual property tax rate and other various rates, fees and charges.

**FINANCE KBU
TREND DATA & KEY SERVICE INDICATORS**

Key Service Indicator	FY05	FY06	FY07	FY08	FY09	FY10
Vendor Payments- # of Checks Written	73,075	70,973	70,158	73,657	73,761	71,883
Vendor Payments - # of Invoices Paid	129,283	147,945	143,563	142,648	142,957	135,814
Outstanding Debt Managed (in millions)	\$2,743	\$3,114	\$3,290	\$3,480	\$3,705	\$4,181
Cash & Investments Portfolio Managed (in millions) *	\$1,500	\$1,688	\$1,851	\$2,454	\$2,286	\$2,718
Number of Participants in PC Banking + Number of Participants in ACH Expressed as a Percentage of all Utility Customers	23.8%	28.4%	30.5%	34.8%	41.4%	45.8%
Debt Setoff Collections**	\$42,602	\$140,983	\$313,594	\$407,118	\$618,474	\$462,206
Total Authorized Staffing	103	103	103	106	106	106

* This amount includes investments of the Charlotte Firefighters' Retirement System

**Data for 2010 through June 15.

Finance FY11 Balanced Scorecard Report

Reporting Period: July 1, 2010 to June 30, 2011

Corporate Objective	KBU Initiative (* indicates Focus Area Initiative)	Measure (S indicates incentive pay measure)	Prior Year Actual	Lead or Lag	Performance Data		Comments/Explanation <i>(To be completed at mid-year and year-end reporting)</i>
					Target	YTD Status	
C1. Increase the Perception of Safety B1. Develop Collaborative Solutions	Collaborate with other KBUs to ensure secure payment options for citizens.	\$ Coordinate completion of the online Self Assessment Questionnaire (SAQ)	N/A	Lead	Complete		
	R1. Maintain AAA Rating	Prepare the City's Comprehensive Annual Financial Report	10/31/09	Lead	10/31/10		
	R2. Deliver Competitive Services	KBE Loss Metrics	Complete	Lag	6/30/11		
	R3. Maintain AAA Rating R4. Invest in Infrastructure	Strategically pursue debt refunding opportunities when market conditions generate optimal savings	N/A	Lag	06/30/11		
E1. Achieve Positive Employee Climate	Finance Employees that interact with customers will have access to hand sanitizer	\$ The completion of the Wellness Program by June 30, 2011	N/A	Lead	06/30/11		
	E2. Achieve Positive Employee Climate	Finance Department will conduct one Annual Wellness Works Walk Around.		Lead	6/30/11		

Status:

1. Use a "+" (plus) sign to indicate all is well.
2. Use a "-" (minus) sign to indicate that the status is not where expected or the current status is in trouble. Provide explanation.
3. Use a "x" to indicate this target will not or is not met. Provide explanation

* in KBU initiative column indicates Focus Area initiative
\$ indicates incentive pay measure

REQUEST FOR RESOURCES

Base Budget: Finance requested a budget allocation of **\$11,950,839** for FY11.

Changes to Current Level – Approved

1. **\$208,503** for Other Miscellaneous Contract Services to support utility bill printing, remittance processing and debt collection services (center 20300).
2. **\$123,332** for postage to support utility billing due to increased postal rates in calendar years 2010 and 2011 (center 20300).
3. **\$53,490** for Technology Supplies/Services to support increased maintenance costs of the Utility Management System (center 20300).

Changes to Current Level – Not Approved

1. **\$33,130** for Technology Supplies/Services to support increased maintenance costs for the Financial Management System (center 20200).
2. **\$24,386** for Other Miscellaneous Contract Services to support investment software and tools, as well as department operations (centers 20000 & 20100).
3. **\$11,123** for Training Conference & Meetings to support the department's training requirements (centers 20000 & 20100).
4. **\$9,176** for postage to support Financial Services mailings due to increased postal rates in calendar years 2010 and 2011 (center 20200).

Service Level Changes – Not Approved

1. **Accounts Receivable Clerk.** City Council increased Code Enforcement staff in July 2005 thus increasing the number of citations issued each year. No corresponding increase was made in the Finance staff that supports the billing and collecting of these citations. This increase alone has significantly strained resources in the already strained Accounts Receivable section. In FY10, a new Accounts Receivable System was installed that will enhance our ability to bill citizens and customers for these and other services provided by City departments, some that are currently being billed by the KBU with little-to-no collection follow-up. *Linkage to BSC: Enhance Customer Service, Develop Collaborative Solutions and Optimize Business Processes*

REQUEST FOR RESOURCES

2. **Revenue Collection Agent.** The position of Revenue Collection Agent is needed to pursue collection of past due accounts for City Services before the account is referred to an outside collection agency. The City paid Professional Recovery Consultants (PRC) and Security Collection Agency (SCA) \$186,817 in FY'09. The fees paid to the new collection agency, SCA, are 16% for 1st placements, a reduction from the 24% paid to PRC. Revenue's three agents currently telephone, write letters and meet with citizens in person to pursue collection. The agents also pursue collection on accounts with a balance of \$500 or more and work with accounts in bankruptcy status. The addition of another agent, will allow staff to pursue collection at the \$250 level or more. This means that accounts with balances less than \$250 will go to the collection agency, thereby reducing collection expense. *Enhance Customer Service, Optimize Business Processes*

19999 - Finance Consolidated	FY2011		
	Requested	Approved	Difference
010 Personal Services Adjustments	(146,595)	(182,024)	(35,429)
011 Salary & Wage - Reg.	4,448,269	4,436,245	(12,024)
012 Overtime	53,945	49,982	(3,963)
013 Salary & Wage - Temp	22,670	5,982	(16,688)
014 Salary & Wages-Part-Time	41,170	38,287	(2,883)
020 Employee Merit Pay		42,018	42,018
083 Retiree Insurance Premium		340,808	340,808
085 Social Security Tax	340,759	343,011	2,252
086 Empl Insurance Premium	464,204	464,204	-
087 Empl Retirement Expns	213,809	284,722	70,913
089 Othr Empl Fringe Bnfts	6,090	5,547	(543)
097 401K Retirement	133,631	89,676	(43,955)
Personal Services	5,577,952	5,918,458	340,506
111 Telecommunications	23,407	23,407	-
112 KBU Telecommunications	28,238	25,419	(2,819)
113 Postage	1,096,089	1,086,815	(9,274)
131 Printing & Publishing	50,391	40,539	(9,852)
136 Technology Supplies/Svcs	1,108,097	1,074,967	(33,130)
142 Rental Of Land & Bldgs	260,827	260,827	-
151 M&R-Equip-Non-Slf-Prop	7,305	7,305	-
161 Travel & Meetings	26,863	21,929	(4,934)
163 Empl Reimb Training Exp	22,822	4,989	(17,833)
164 Training Conf & Meetings	41,211	30,088	(11,123)
176 Temporary Help Fees	5,000	5,000	-
179 Fees - Other	3,300	3,300	-
191 Dues,Subscr, & Prof Lic	12,027	7,381	(4,646)
193 Budget Reduction	-	(91,971)	(91,971)
199 Othr Misc Contr Svcs	1,033,912	1,007,982	(25,930)
271 Office Supplies	35,650	32,980	(2,670)
298 Othr Spec Dept Supply	15,287	14,255	(1,032)
611 Insurance Premiums	703	703	-
615 Workers Compensation	3,637	3,637	-
Operating Expenses	3,774,766	3,559,552	(215,214)
960 Departmental Charges	(238,106)	(238,106)	-
Total Current Year	9,114,612	9,239,904	125,292

20000 - Administration	FY2011		
	Requested	Approved	Difference
011 Salary & Wage - Reg.	479,245	479,245	-
020 Employee Merit Pay		6,418	6,418
083 Retiree Insurance Premium	-	340,808	340,808
085 Social Security Tax	37,029	37,520	491
086 Empl Insurance Premium	29,380	29,380	-
087 Empl Retirement Expns	23,234	31,144	7,910
089 Othr Empl Fringe Bnfts	4,800	4,800	-
097 401K Retirement	14,521	9,809	(4,712)
Personal Services	588,209	939,125	350,916
111 Telecommunications	1,287	1,287	-
112 KBU Telecommunications	2,736	1,671	(1,065)
113 Postage	215	215	(0)
131 Printing & Publishing	4,944	1,485	(3,459)
142 Rental Of Land & Bldgs	34,624	34,624	-
151 M&R-Equip-Non-Slf-Prop	135	135	-
161 Travel & Meetings	2,730	1,719	(1,011)
164 Training Conf & Meetings	9,713	750	(8,963)
191 Dues,Subscr, & Prof Lic	2,245	268	(1,977)
199 Othr Misc Contr Srvcs	7,935	0	(7,935)
271 Office Supplies	923	893	(30)
298 Othr Spec Dept Supply	1,613	1,006	(607)
611 Insurance Premiums	703	703	-
615 Workers Compensation	3,637	3,637	-
Operating Expenses	73,440	48,392	(25,048)
Total Current Year	661,649	987,517	325,868

20100 - Treasury	FY2011		
	Requested	Approved	Difference
011 Salary & Wage - Reg.	535,665	534,738	(927)
020 Employee Merit Pay	-	4,168	4,168
085 Social Security Tax	40,978	41,226	248
086 Empl Insurance Premium	41,132	41,132	-
087 Empl Retirement Expns	25,712	34,220	8,508
097 401K Retirement	16,070	10,778	(5,292)
Personal Services	659,557	666,262	6,705
111 Telecommunications	2,371	2,371	-
112 KBU Telecommunications	3,739	3,014	(725)
113 Postage	385	356	(29)
131 Printing & Publishing	2,400	2,340	(60)
142 Rental Of Land & Bldgs	17,910	17,910	-
151 M&R-Equip-Non-Slf-Prop	1,100	1,100	-
161 Travel & Meetings	3,400	805	(2,595)
163 Empl Reimb Training Exp	3,700	-	(3,700)
164 Training Conf & Meetings	3,400	1,700	(1,700)
191 Dues,Subscr, & Prof Lic	4,111	1,462	(2,649)
199 Othr Misc Contr Svcs	40,130	23,634	(16,496)
271 Office Supplies	4,000	3,008	(992)
Operating Expenses	86,646	57,700	(28,946)
Total Current Year	746,203	723,962	(22,241)

20200 - Accounting	FY2011		
	Requested	Approved	Difference
010 Personal Services Adjustments	(146,595)	(138,844)	7,751
011 Salary & Wage - Reg.	1,602,863	1,615,021	12,158
012 Overtime	11,314	11,314	-
020 Employee Merit Pay		14,353	14,353
085 Social Security Tax	122,661	124,647	1,986
086 Empl Insurance Premium	193,908	193,908	-
087 Empl Retirement Expns	76,964	103,465	26,501
089 Othr Empl Fringe Bnfts	544		(544)
097 401K Retirement	48,102	32,587	(15,515)
Personal Services	1,909,761	1,956,452	46,691
111 Telecommunications	9,126	9,126	-
112 KBU Telecommunications	8,288	7,896	(392)
113 Postage	37,345	28,100	(9,245)
131 Printing & Publishing	29,533	23,200	(6,333)
136 Technology Supplies/Svcs	298,778	265,648	(33,130)
142 Rental Of Land & Bldgs	111,918	111,918	-
151 M&R-Equip-Non-Slf-Prop	500	500	-
161 Travel & Meetings	2,400	2,400	-
163 Empl Reimb Training Exp	1,000	1,000	-
164 Training Conf & Meetings	13,900	13,900	-
179 Fees - Other	3,300	3,300	-
191 Dues,Subscr, & Prof Lic	5,000	5,000	-
193 Budget Reduction	-	(91,971)	(91,971)
199 Othr Misc Contr Svcs	14,800	14,771	(29)
271 Office Supplies	16,000	15,526	(474)
298 Othr Spec Dept Supply	8,000	8,000	-
Operating Expenses	559,888	418,314	(141,574)
960 Departmental Charges	(163,872)	(163,872)	-
Total Current Year	2,305,777	2,210,894	(94,883)

20300 - Revenue	FY2011		
	Requested	Approved	Difference
010 Personal Services Adjustments	-	(43,180)	(43,180)
011 Salary & Wage - Reg.	869,561	846,306	(23,255)
012 Overtime	42,631	38,668	(3,963)
013 Salary & Wage - Temp	22,670	5,982	(16,688)
014 Salary & Wages-Part-Time	41,170	38,287	(2,883)
020 Employee Merit Pay	-	8,269	8,269
085 Social Security Tax	66,542	65,396	(1,146)
086 Empl Insurance Premium	117,520	117,520	-
087 Empl Retirement Expns	41,752	54,283	12,531
089 Othr Empl Fringe Bnfts	270	270	-
097 401K Retirement	26,095	17,097	(8,998)
Personal Services	1,228,211	1,148,897	(79,314)
111 Telecommunications	5,988	5,988	-
112 KBU Telecommunications	6,063	5,776	(287)
113 Postage	1,057,723	1,057,723	-
131 Printing & Publishing	11,411	11,411	-
136 Technology Supplies/Svcs	775,577	775,577	-
142 Rental Of Land & Bldgs	72,155	72,155	-
151 M&R-Equip-Non-Slf-Prop	4,740	4,740	-
161 Travel & Meetings	3,654	2,326	(1,328)
163 Empl Reimb Training Exp	17,580	3,447	(14,133)
164 Training Conf & Meetings	3,040	2,580	(460)
176 Temporary Help Fees	5,000	5,000	-
191 Dues,Subscr, & Prof Lic	671	651	(20)
199 Othr Misc Contr Svcs	957,859	956,415	(1,444)
271 Office Supplies	12,228	11,129	(1,099)
298 Othr Spec Dept Supply	4,674	4,249	(425)
Operating Expenses	2,938,363	2,919,166	(19,197)
960 Departmental Charges	(74,234)	(74,234)	0
Total Current Year	4,092,340	3,993,829	(98,511)

20500 - Business Systems	FY2011		
	Requested	Approved	Diference
011 Salary & Wage - Reg.	960,936	960,936	-
020 Employee Merit Pay		8,810	8,810
085 Social Security Tax	73,548	74,222	674
086 Empl Insurance Premium	82,264	82,264	-
087 Empl Retirement Expns	46,148	61,609	15,461
089 Othr Empl Fringe Bnfts	477	477	-
097 401K Retirement	28,842	19,404	(9,438)
Personal Services	1,192,215	1,207,722	15,508
111 Telecommunications	4,635	4,635	-
112 KBU Telecommunications	7,412	7,062	(350)
113 Postage	422	422	-
131 Printing & Publishing	2,103	2,103	-
136 Technology Supplies/Svcs	33,742	33,742	-
142 Rental Of Land & Bldgs	24,220	24,220	-
151 M&R-Equip-Non-Slf-Prop	830	830	-
161 Travel & Meetings	14,679	14,679	-
163 Empl Reimb Training Exp	542	542	-
164 Training Conf & Meetings	11,158	11,158	-
191 Dues,Subscr, & Prof Lic	-	-	-
199 Othr Misc Contr Svcs	13,188	13,162	(26)
271 Office Supplies	2,500	2,425	(75)
298 Othr Spec Dept Supply	1,000	1,000	-
Operating Expenses	116,431	115,980	(451)
Total Current Year	1,308,646	1,323,702	15,057

54999 - Risk Consolidated	FY2011		
	Requested	Approved	Difference
010 Personal Services Adjustments	23,217	23,217	-
011 Salary & Wage - Reg.	1,496,642	1,496,642	-
012 Overtime	1,155	1,155	-
020 Employee Merit Pay		13,853	13,853
083 Retiree Insurance Premium	11,752	11,752	-
085 Social Security Tax	114,493	115,553	1,060
086 Empl Insurance Premium	158,652	158,652	-
087 Empl Retirement Expns	71,839	95,916	24,077
097 401K Retirement	44,899	30,210	(14,689)
Personal Services	1,922,649	1,946,950	24,301
102 Unexpendable Approp.	-	(127,682)	(127,682)
111 Telecommunications	9,438	9,438	-
112 KBU Telecommunications	12,700	12,477	(223)
113 Postage	8,540	8,540	-
131 Printing & Publishing	12,500	12,500	-
136 Technology Supplies/Svcs	67,900	67,900	-
165 KBU Rental Of Land & Bldgs	213,264	213,264	-
146 Auto & Othr Allowances	2,100	2,100	-
147 Utilities	21,600	21,600	-
151 M&R-Equip-Non-Slf-Prop	3,000	3,000	-
152 M&R-Auto/Equip-Motorzd	7,500	7,500	-
153 M&R-Buildings	26,030	26,030	-
154 M&R-Land & Water Areas	12,900	12,900	-
156 M&R-Bldg Renov & Constr	2,572	2,572	-
161 Travel & Meetings	5,600	5,600	-
163 Empl Reimb Training Exp	1,500	1,500	-
164 Training Conf & Meetings	24,800	24,800	-
170 Prof & Technical Services	27,000	27,000	-
171 Pro Fee-Acctng&Audtng	8,650	8,650	-
179 Fees - Other	4,900	4,900	-
191 Dues,Subscr, & Prof Lic	5,000	5,000	-
199 Othr Misc Contr Svcs	44,600	44,492	(108)
251 Motor Fuels & Lubrcnts	900	887	(13)
256 Other Materials/Supplies	10,000	10,000	-
271 Office Supplies	29,800	28,955	(845)
298 Othr Spec Dept Supply	6,000	5,630	(370)
615 Workers Compensation	11,475	11,475	-
Operating Expenses	580,269	451,028	(129,241)
940 Reimbursed Expenses	356,768	460,980	104,212
Grants And Contributions	356,768	460,980	104,212
960 Departmental Charges	(23,459)	(23,459)	-
Total Current Year	2,836,227	2,835,499	(728)



FINANCE STRATEGY

VISION

QUALITY
EMPLOYEES
PROVIDING
QUALITY
SERVICE



CITY COUNCIL FOCUS AREAS

Community Safety • Housing and Neighborhood Development
Environment • Transportation • Economic Development

COMPREHENSIVE CITIZEN SERVICE

CORPORATE OBJECTIVES

SERVE THE CUSTOMER

RUN THE BUSINESS

MANAGE RESOURCES

DEVELOP EMPLOYEES

Strengthen
Neighborhoods

Provide
Transportation
Choices

Promote
Economic
Opportunity

Develop
Collaborative
Solutions

Enhance
Customer
Service

Optimize
Business
Processes

Maintain AAA
Rating

Deliver
Competitive
Services

Expand Tax
Base &
Revenues

Invest In
Infrastructure

Achieve
Positive
Employee
Climate

Recruit &
Retain Skilled,
Diverse
Workforce

Promote
Learning and
Growth

LINKAGE OF FINANCE WORK TO COUNCIL FOCUS AREAS

DIVISION	COMMUNITY SAFETY	HOUSING & NEIGHBORHOOD DEVELOPMENT	ENVIRONMENT	TRANSPORTATION	ECONOMIC DEVELOPMENT
Business Systems	<ul style="list-style-type: none"> ▪ Ventyx/Infor Systems, Operations, Support, Projects ▪ Hiper/Banner improvements 	<ul style="list-style-type: none"> ▪ Ventyx/Infor Systems, etc. ▪ Delinquency Service Order Management (CS/SOM) 	<ul style="list-style-type: none"> ▪ Collection of City Revenue via PC Banking ▪ West Service Center-Diversification ▪ Auctions- recycling City resources ▪ Selling bus passes and animal permits ▪ Recycling of all paper products ▪ Participation in the City Clean Air Program 	<ul style="list-style-type: none"> ▪ Infor System, etc. 	<ul style="list-style-type: none"> ▪ Ventyx/Infor Systems, etc. ▪ Customer Service (CS/SOM) ▪ SBO Support
Treasury	<ul style="list-style-type: none"> ▪ Revenue Estimates for General Fund ▪ Investment & Management of City funds ▪ Financing Police & Fire equipment ▪ Development & review of financial policies 	<ul style="list-style-type: none"> ▪ Revenue Estimates for General Fund ▪ Investment & Management of City funds ▪ Financing Neighborhood Infrastructure & Loan programs ▪ Development & review of financial policies 	<ul style="list-style-type: none"> ▪ Financing Storm Water, Water and Sewer, Airport, Transit, Street, Neighborhood ▪ Improvement projects and land purchases ▪ Recycling of all paper products ▪ Participation in the City Clean Air Program 	<ul style="list-style-type: none"> ▪ Revenue Estimates for General Fund & CATS ▪ Investment & Management of City funds ▪ Financing Street, Transit & Airport projects ▪ Development & review of financial policies 	<ul style="list-style-type: none"> ▪ Revenue Estimates for General Fund ▪ Investment & Management of City funds ▪ Financing & Analysis of Economic Development projects ▪ Development & review of financial policies
Revenue	<ul style="list-style-type: none"> ▪ Collection of City Revenue ▪ Billing for Water, Sewer, Storm Water and other City services ▪ West Service Center 	<ul style="list-style-type: none"> ▪ Collection of City Revenue ▪ Billing for Water, Sewer, Storm Water and other City services ▪ West Service Center - Diversification 	<ul style="list-style-type: none"> ▪ Collection of City Revenue via PC Banking ▪ West Service Center-Diversification ▪ Auctions- recycling City resources ▪ Selling bus passes and animal permits ▪ Recycling of all paper products ▪ Participation in the City Clean Air Program 	<ul style="list-style-type: none"> ▪ Collection of City Revenue ▪ Billing for Water, Sewer, Storm Water and other City services ▪ Sell Bus passes ▪ CATS Deposits ▪ Collections - Citations 	<ul style="list-style-type: none"> ▪ Collection of City Revenue ▪ Billing for Water, Sewer, Storm Water and other City services ▪ West Service Center ▪ Cashier Functions – Selling bus passes, animal permits ▪ Auctions – Recycling City resources

LINKAGE OF FINANCE WORK TO COUNCIL FOCUS AREAS

DIVISION	COMMUNITY SAFETY	HOUSING & NEIGHBORHOOD DEVELOPMENT	ENVIRONMENT	TRANSPORTATION	ECONOMIC DEVELOPMENT
Accounting	<ul style="list-style-type: none"> ▪ Maintain Accounting Records ▪ Prepare CAFR ▪ Pay Invoices ▪ Coordinate Receivables ▪ AP Workflow Solution ▪ MPC Budget & Reporting ▪ 1098's ▪ 1099's ▪ State Report ▪ Data Integrity 	<ul style="list-style-type: none"> ▪ Maintain Accounting Records ▪ Prepare CAFR ▪ Pay Invoices ▪ Coordinate Receivables ▪ AP Workflow Solution ▪ MPC Budget & Reporting ▪ 1098's ▪ 1099's ▪ State Report ▪ Data Integrity ▪ Debt Setoff 	<ul style="list-style-type: none"> ▪ Maintain Accounting Records ▪ Prepare CAFR ▪ Pay Invoices ▪ Coordinate Receivables ▪ AP Workflow Solution ▪ MPC Budget & Reporting ▪ 1098's ▪ 1099's ▪ State Report ▪ Data Integrity ▪ Debt Setoff ▪ Recycling of all paper products ▪ Participation in the City Clean Air Program 	<ul style="list-style-type: none"> ▪ Maintain Accounting Records ▪ Prepare CAFR ▪ Pay Invoices ▪ Coordinate Receivables ▪ AP Workflow Solution ▪ MPC Budget & Reporting ▪ 1098's ▪ 1099's ▪ State Report ▪ Data Integrity 	<ul style="list-style-type: none"> ▪ Maintain Accounting Records ▪ Prepare CAFR ▪ Pay Invoices ▪ Coordinate Receivables ▪ AP Workflow Solution ▪ MPC Budget & Reporting ▪ 1098's ▪ 1099's ▪ State Report ▪ Data Integrity ▪ Debt Setoff
Risk Management	<ul style="list-style-type: none"> ▪ CVOC ▪ Risk Control; OSHA, Property Safety ▪ Claims Data; ▪ Infrastructure, Water ▪ Equipment Safety & Operating Conditions ▪ A.D.A. 	<ul style="list-style-type: none"> ▪ Storm Water 	<ul style="list-style-type: none"> ▪ Risk Analysis/Loss Control support, Risk Financing for all Environmental Risk Exposures of the City, County and CMS to include: CATS; CMPD; CFD; Storm Water, Water and Sewer, Airport, Street, Neighborhood Improvement projects and land purchases ▪ Recycling of all paper products ▪ Participation in the City Clean Air Program 	<ul style="list-style-type: none"> ▪ Risk Analysis/Loss Control support, Risk Financing for all Environmental Risk Exposures of the City, County and CMS to include: CATS; CMPD; CFD; Storm Water, Water and Sewer, Airport, Street, Neighborhood Improvement projects and land purchases ▪ Recycling of all paper products ▪ Participation in the City Clean Air Program 	<ul style="list-style-type: none"> ▪ Arena Support (OCIP) ▪ Total Cost of Risk; Enterprise Risk Mgmt. Activity



**City of Charlotte
Service Level Change Request Form
FY2011**

Center	Fund	Project Name	Dept Rank
20200 - Accounting	0101	Accounting Clerk II	1

Line Items	FY11
011 Salary & Wage - Reg.	35,667
085 Social Security Tax	2,729
087 Empl Retirement Exprns	1,712
097 401K Retirement	1,070
086 Empl Insurance Premium	6,333
271 Office Supplies	500
544 Office Equipment	2,000

PLEASE NOTE! Please select line items from the drop-down menu in each line item cell. Use the following benefits rates for FY11: Social Security **(085)** = 7.65%, Retirement **(087)** = 4.8%, 401k **(097)** = 3%. The projected health insurance **(086)** rates are \$6,333 in FY11.

Technology Related ?	No
TPET Status ?	
TPET Funded ?	

TOTAL **50,011**

# of FTEs Requested	1	Revenue (\$)		Revenue Source	
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Position Name	Position #	Total FTEs for position
Accounting Clerk II	10600	1

Linkage to Strategic Objective

(List Corporate Objective(s) and explain how this SLC Supports that Objective)

Enhance Customer Service, Develop Collaborative Solutions, Optimize Business Processes - This SLC supports these objectives by increasing our ability to invoice citizens in a timely manner for services provided by the City, also improving our ability to collect from citizens. Finance, working collaboratively with other KBUs, would be able to improve processes in all areas affected.

The impact of this added position would be immediately felt since invoicing backlogs could be addressed and more collection efforts could be started. The ability to expand our services to departments that need it would improve processing efficiency, thus increasing our ability to actually collect for these services.

Impact On Strategic Objective

SLC Justification

City Council increased Code Enforcement staff in July 2005 thus increasing the number of citations issued each year. No corresponding increase was made in the Finance staff that supports the billing and collecting of these citations. This increase alone has significantly strained resources in the already strained Accounts Receivable section. In FY10, a new Accounts Receivable System was installed that will enhance our ability to bill citizens and customers for these and other services provided by City departments, some that are currently being billed by the KBU with little-to-no collection follow-up.



**City of Charlotte
Service Level Change Request Form
FY2011**

Center	Fund	Project Name	Dept Rank
20300 - Revenue	0101	Revenue Collection Agent	2

Line Items	FY11
011 Salary & Wage - Reg.	40,579
085 Social Security Tax	3,104
087 Empl Retirement Expns	1,948
097 401K Retirement	1,217
086 Empl Insurance Premium	6,333
TOTAL	53,181

PLEASE NOTE! Please select line items from the drop-down menu in each line item cell. Use the following benefits rates for FY11: Social Security **(085)** = 7.65%, Retirement **(087)** = 4.8%, 401k **(097)** = 3%. The projected health insurance **(086)** rates are \$6,333 in FY11.

Technology Related ?	No
TPET Status ?	
TPET Funded ?	

# of FTEs Requested	1	Revenue (\$)		Revenue Source	
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Position Name	Position #	Total FTEs for position
Revenue Collection Agent	220800	1

Linkage to Strategic Objective

(List Corporate Objective(s) and explain how this SLC Supports that Objective)

Run the Business (Enhance Customer Service, Optimize Business Processes)

Impact On Strategic Objective

The addition of a Revenue Collection Agent will optimize business processes by allowing Finance the opportunity to pursue collection on accounts with a balance of \$250 or more. This will help reduce the cost that the City pays to an outside collection agency.

SLC Justification

The position of Revenue Collection Agent is needed to pursue collection of past due accounts for City Services before the account is referred to an outside collection agency. The City paid Professional Recovery Consultants (PRC) and Security Collection Agency (SCA) \$186,817 in FY'09. The fees paid to the new collection agency, SCA, are 16% for 1st placements, a reduction from the 24% paid to PRC. Revenue's three agents currently telephone, write letters and meet with citizens in person to pursue collection. The agents also pursue collection on accounts with a balance of \$500 or more and work with accounts in bankruptcy status. The addition of another agent, will allow staff to pursue collection at the \$250 level or more. This means that accounts with balances less than \$250 will go to the collection agency, thereby reducing collection expense.

Strategic Focus Area:							
Project Information	Submitting KBU/Agency:	Finance/Risk Management					
	Submittal Date:	1/22/2010					
	Project Title:	CVOC Classroom/Office Building					
	Project Type:	Construction of Building					
	Construction Type:	Block, Non-Combustible					
	KBU Project Ranking:	1					
	Submittal Contact:	Daniel J. Pliszka					
	Contact Phone:	704-336-4142					
	Contact Email:	dpliszka@ci.charlotte.nc.us					
Description/Justification:	<p>The current structure at CVOC is a temporary construction office trailer. This trailer is now over five years old and is showing excessive wear due to the amount of facility usage. It is quickly reaching an untenable condition. This trailer consists of a small one person office and two bathrooms equaling approximately 500 square feet. The current facility is inadequate for staff office space and one staff member must work off-site due to the lack of office space. There is no classroom space in the current structure.</p> <p>The proposed structure would provide approximately 3600 sq/ft of space, most of that dedicated to classroom space and the observation deck. The classroom space is needed in order to increase efficiencies in training. The observation deck is essential to safety functions of operating the facility and for increase training effectiveness. This would increase the training capability of the facility and the staff, ultimately resulting in fewer vehicle accidents and significant cost saving to the City organization.</p>						
Financial Information	Project Costs	FY11	FY12	FY13	FY14	FY15	5-Year Total
	Planning/Design	\$86,000	\$0				\$ 86,000
	Land Acquisition	\$0	\$0				\$ -
	Construction	\$478,500	\$246,500				\$ 725,000
	Equipment	\$55,000	\$55,000				\$ 110,000
	Other	\$123,252	\$133,839				\$ 257,091
	Total Cost by Year	\$742,752	\$ 435,339	\$ -	\$ -	\$ -	\$ 1,178,091
	Project Revenues	FY10	FY11	FY12	FY13	FY14	5-Year Total
	1						\$ -
	2						\$ -
3						\$ -	
4						\$ -	
Total Revenue by Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Notes	Operating Budget Impact:	Annual ongoing building maintenance and utility costs will increase somewhat with the new, larger building. Actual operating costs are unknown at this time. It is anticipated that the increased training efficiency with the new building will equate to an even greater reduction in vehicle claims cost and more than offset the increased operations costs					
	Location:	Charlotte Vehicle Operations Center					

FINANCE

**E-Business Services
Measure Validation**

Corporate Objective: Increase the Perception of Safety, Develop Collaborative Solutions

KBU Initiatives: C1 & B1 – Collaborate with other KBUs to ensure secure payment options for citizens.

Measure: Coordinate the completion of the online Self Assessment Questionnaire (SAQ)

Units of Measure: Completion of SAQ

Frequency of Update: Annual

Measurement Intent: SAQ is used to determine if the City can continue accepting payment cards for participating departments.

Measurement Formula: SAQ is sent the Qualified Security Assessor (QSA), Ambiron TrustWave

Data Elements and Sources: Each department reviews and attests that their business processes are compliant by submitting individual SAQs to the Finance E-business Team and the Corporate Security Officer for evaluation. A consolidated questionnaire is submitted online to the QSA.

Source For and Approach to Setting Targets: Payment Card Industry Security Standards Council.

Data Contact: Susan Walker, Revenue Manager

Target Setting Responsibility:
Finance/Revenue

Accountability for Meeting Target:
Finance/Revenue

Tracking/Reporting Responsibility:
Finance/Revenue

Notes/Assumptions:

FINANCE
Comprehensive Annual Financial Report
Measure Validation

Corporate Objective: Maintain AAA Rating

KBU Initiative: R1 – Prepare the City’s Comprehensive Annual Financial Report

Measure: Prepare financial statements in conformity with generally accepted accounting principles in order to contribute to receiving an unqualified opinion from the external auditors

Units of Measure: By October 31st of each year

Frequency of Update: Annually

Measurement Intent: Receipt of an unqualified opinion demonstrates and documents that the processes and procedures in place insured data integrity and therefore enables the fair presentation of financial statements in conformity with generally accepted accounting principles

Measurement Formula: Actual opinion date compared to projected completion date

Data Elements and Sources: Tasks; start date; finish date; dependencies; resources; and project plan

Source For and Approach to Setting Targets: Audit opinion to be received from the external auditor

Data Contact: Teresa Smith, Financial Reporting Manager

Target Setting Responsibility:
Finance Director

Accountability for Meeting Target:
Finance Director

Tracking/Reporting Responsibility:
Finance/Financial Reporting

Notes/Assumptions:

Finance
KBE Loss Metrics
Measure Validation

Corporate Objective: Deliver Competitive Services

KBU Initiative: R2 – KBE Loss Metrics

Measure: Provide quarterly updates to KBUs of Loss Metrics for their Department

Units of Measure: Date of Completion	Frequency of Update: Quarterly
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Measurement Intent: Departmental loss metrics are essential in order to focus resources on significant loss causing factors. In years past, measuring the total cost of risk on an organization-wide basis was done. However, that measurement was not specific to the actual loss causing operations of each KBU. Going forward, we will develop and implement loss metrics that are specific to each KBU and will allow a summary comparison of unlike operations. Metrics will include:

1. Injuries per 200,000 employee hours are a risk management industry standard which allows comparison of unlike units by normalizing comparisons of injuries over the number of hours worked. The formula for this calculation is: (# of injuries x 200,000) ÷ number of hours worked.
2. Vehicle accidents per 1,000,000 miles driven are a risk management industry standard which allows comparison of unlike business units by normalizing comparison of losses over the number of miles driven. The formula for this calculation is: (# of vehicle accidents x 1,000,000) ÷ number of mile driven.
3. Number of General Liability incidents per million dollars of budget will allow comparison of unlike business units by normalizing comparison of losses over the annual budget. The formula for this calculation is: (# of general liability claims x 1,000,000) ÷ KBU budget not including capital or debt financing.

Measurement Formula: Provide all four quarterly reports to the major KBUs by June 30, 2011.

Data Elements and Sources: Data Elements: number of injuries; number of vehicle accidents; and, number of general liability claims. Number of hours worked; number of miles driven; and, budget. Sources: Risk management information system; payroll; and fleet management/departmental records.

Source For and Approach to Setting Targets: During FY11 we will provide the loss data and rates as described above. Beyond FY09 we will work with senior management and KBU's to set future performance goals.

Data Contact: Dan Pliszka, Manager – Risk Management Division

Target Setting Responsibility: Finance/Risk Management	Tracking/Reporting Responsibility: Finance/Risk Management
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Notes/Assumptions: Consistent with the City of Charlotte's long-standing application of industry-leading methodology to its risk management efforts, the introduction of Enterprise Risk Management has begun. This approach is intended to enable all operating departments to integrate risk assessment and decision making in their strategic planning and budgeting.

Finance Pursue Debt Refunding Measure Validation		
Corporate Objective: Maintain AAA Rating; Invest in Infrastructure		
KBU Initiative: R3 & R4 – Strategically pursue debt refunding opportunities when market conditions generate optimal savings		
Measure: Analyze and review refunding proposals for indication of savings by June 30, 2011		
Units of Measure: Dollars	Frequency of Update: Annual	
Measurement Intent: Show savings from any refundings that do occur		
Measurement Formula: Difference of debt service prior to refunding and post-refunding		
Data Elements and Sources: Refunding proposals presented by banking partners and staff analysis of debt portfolio		
Source For and Approach to Setting Targets: Banking partners periodically submit refunding proposals for our consideration. These proposals are analyzed for risk changes, savings and opportunity cost. We pursue refunding where market conditions allow sufficient savings relative to transaction costs, risk changes and opportunity costs. Furthermore, we review our debt database semi-annually for potential refunding opportunities. This process can and will often bring substantial savings to the City, providing additional debt capacity for capital projects. However, there is no way to control market conditions. The target is to diligently review potential for refunding as opposed to setting a “savings” target that cannot be controlled.		
Data Contact: Scott Greer, City Treasurer		
Target Setting Responsibility: Finance/Treasury	Accountability for Meeting Target: Finance/Treasury	Tracking/Reporting Responsibility: Finance/Treasury
Notes/Assumptions: Tax laws, bond covenants and economic conditions may limit the frequency of refundings.		

Finance Wellness Hand Sanitizer Availability Measure Validation	
Corporate Objective: Achieve Positive Employee Climate	
KBU Initiative: E1 – Finance employees that interact with customers will have access to hand sanitizer	
Measure: Provide access to hand sanitizer for all Finance employees that interact with customers by June 30, 2011	
Units of Measure: Date of Completion	Frequency of Update: Annually
Measurement Intent: To ensure hand sanitizer is made fully available to affected employees by June 30, 2011	
Measurement Formula: The measure is a completion date	
Data Elements and Sources: Project Tracking Reports	
Source For and Approach to Setting Targets: The Finance Leadership Team Project Tracking Reports	
Data Contact: Robert Campbell, Deputy Finance Director	
Target Setting Responsibility: Finance Leadership Team	Accountability for Meeting Target: Finance Leadership Team
Tracking/Reporting Responsibility: Finance Leadership Team	
Notes/Assumptions	

Finance
Annual Wellness Works Walk Around
Measure Validation

Corporate Objective: Achieve Positive Employee Climate

KBU Initiative: E2 – Finance Department will conduct one Annual Wellness Works Walk Around.

Measure: The completion of the Wellness Works Walk Around by June 30, 2011

Units of Measure: Date of Completion

Frequency of Update: Annually

Measurement Intent: To ensure that the Wellness Works Walk Around is complete by June 30, 2011

Measurement Formula: The measure is the completion date

Data Elements and Sources: Project Tracking Reports

Source For and Approach to Setting Targets: The Finance Leadership Team Project Tracking Reports

Data Contact: Robert Campbell, Deputy Finance Director

Target Setting Responsibility:
Finance Leadership Team

Accountability for Meeting Target:
Finance Leadership Team

Tracking/Reporting Responsibility:
Finance Leadership Team

Notes/Assumptions: Finance Leadership Team members will walk around visiting Finance employees, while handing out healthy food items. The Wellness Works Walk Around will be documented by photos of the event.

DIVISION-LEVEL STRATEGIC PLANS

As part of our continuing effort to improve Finance's SOP, it was determined that a long-range plan needed to be incorporated into our SOP to document and maintain a focus on our future goals. It was also determined that the plans would be developed in the context of "moving to the next level" and "changing our paradigm," and with the ultimate objective of adding the most value to the City organization.

The following pages provide an overview of the detailed division-level strategic plans that have been developed for each of Finance's divisions. These division-level strategic plans were documented using the alignment model in order to ensure their alignment with corporate strategy. The amalgamation of these division-level plans constitutes the long-range strategy for the Finance KBU as a whole.

**Finance Key Business Unit
Business Systems Division Strategic Plan**

	Alignment
<p>Corporate Strategy</p>	<p>Develop Collaborative Solutions Enhance Customer Service Improve Technology Efficiencies Achieve Positive Employee Climate Recruit & Retain a Skilled, Diverse Workforce</p>
<p>Goal</p>	<p>Manage the finance-related systems and interfaces, from both an internal and external perspective, in order to meet or exceed the system-related needs and expectations related to comprehensive citizen service as well as internal business partners at the least possible cost.</p>
<p>Objectives</p>	<ol style="list-style-type: none"> 1. Take aggressive actions to lower the total cost of ownership for the systems that support Finance business processes (financial system, billing systems, cashiering systems, debt management systems, risk management systems, etc.). We must ensure that we have a system to meet the base financial management needs since the stability of the company that owns GEAC is questionable. We are working to develop a methodology to identify a system that meets these base needs in a price efficient manner. 2. Collaborate effectively and enhance relationships with other KBUs while leveraging the SBT/STAT and CIO office to eliminate or reduce the number of duplicate finance-related systems that support business processes in other KBUs, and promote the UMS collaborative support model. 3. Continue to enhance Finance-related business processes by leveraging technology to benefit the Finance KBU and striving to extend Finance's role in the control and support of those business processes. 4. Assist the Financial Services and Revenue divisions with the strategy to centralize billing, collection, and deposits with particular emphasis on the enhancement of eBusiness capabilities. 5. Promote and leverage diversity to accomplish other division objectives in alignment with corporate strategy.

**Finance Key Business Unit
Financial Reporting Division Strategic Plan**

	Alignment
Corporate Strategy	<p>Maintain AAA Rating Enhance Customer Service Deliver Competitive Services Develop Collaborative Solutions Optimize Business Processes</p>
Goal	<p>To centrally manage the City's financial accounting and budgetary control activities by enhancing the Financial Reporting Division's strategic value to the City organization and providing effective and efficient services to our customers and internal business partners.</p>
Objectives	<ol style="list-style-type: none"> 1. Review the Financial Reporting Division's processes and procedures in order to improve effectiveness and efficiency and to ensure that a high-quality product is delivered to customers/internal partners in the timeframe that it is needed. 2. Review the processes and procedures related to the accounting system in order to improve compliance and to ensure that the system facilitates the preparation of financial statements in accordance with generally accepted accounting principles. 3. Reduce the timeframe for completion of the Comprehensive Annual Financial Report (CAFR) to allow it to be used in the initial phases of the annual budget planning process and to improve the timeliness of CAFR information provided to City Council and KBUs for other management decisions. 4. Implement new Governmental Accounting Standards Board Statements as required for financial reporting. 5. Participate in the implementation of a replacement system that meets the base needs of the financial management business function. 6. Review the recruitment and retention efforts related to Accountants in order to improve the quality of the applicants and the candidates selected for employment

**Finance Key Business Unit
Financial Services Division Strategic Plan**

	Alignment
<p>Corporate Strategy</p>	<p>Maintain AAA Rating Enhance Customer Service Deliver Competitive Services Develop Collaborative Solutions Optimize Business Processes Achieve Positive Employee Climate Recruit & Retain a Skilled, Diverse Workforce</p>
<p>Goals</p>	<p>To centrally manage the City's disbursement and billing activities and to provide effective and efficient services to our customers and internal business partners by listening to the voices of the customers, the employees and the process.</p>
<p>Objectives</p>	<ol style="list-style-type: none"> 1. Review the Accounts Receivable invoicing processes and procedures to ensure that all policies and procedures align with the City's Balanced Score Card as they relate to customer service, maintaining the City's AAA rating, optimizing business processes, and developing collaborative solutions. 2. Market Financial Management System-Accounts Receivable to all KBUs in order to optimize business processes, develop collaborative solutions, enhance customer service and improve collection of monies owed to the City. 3. Review the accounts payable payment processes and procedures to ensure that all policies and procedures align with the City's Balanced Score Card as they relate to customer service, maintaining the City's AAA rating, optimizing business processes, and developing collaborative solutions. 4. Assist Office of the Chief Information Officer in implementing new systems that meet the base needs of the financial management business function. 5. Work with other Finance Divisions and KBUs to implement alternative service models for billing, collection, and deposits that comply with NC General Statutes, implement process improvements, and incorporate best practices.

**Finance Key Business Unit
Revenue Division Strategic Plan**

	Alignment
<p>Corporate Strategy</p> <p>Enhance Customer Service Deliver Competitive Services Optimize Business Processes Develop Collaborative Solutions Achieve Positive Employee Climate Recruit & Retain a Skilled, Diverse Workforce</p>	
<p>Goal</p>	<p>To centrally manage the billing, collection, and deposit of City revenues; and provide effective and efficient services to our customers and internal business partners.</p>
<p>Objectives</p>	<ol style="list-style-type: none"> 1. Continue to expand Finance’s payment processing channels and E-Bill solutions for City Services to improve customer service, enhance technological capabilities and provide additional business continuity. 2. Continue to improve internal controls in the Revenue Division; and work with Internal Audit to help ensure that other revenue collection locations throughout the City are audited on a regular basis for improved internal controls. 3. Continue to work with other Finance Divisions and KBUs to define alternative service models for billing, collection and depositing functions; and implement a comprehensive solution that complies with NC General Statutes, improves processes and incorporates best practices. 4. Continue to collaborate with other Finance Divisions and KBUs to expand E-Business receipt and payment solutions for improved customer service.

**Finance Key Business Unit
Risk Management Division Strategic Plan**

	Alignment
<p>Corporate Strategy</p>	<p>Safeguard the Environment Develop Collaborative Solutions Enhance Customer Service Optimize Business Processes Deliver competitive Services Achieve Positive Employee Climate Recruit and Retain Skilled Workforce Promote Learning and Growth</p>
<p>Goal</p>	<p>Assist our customers in the reduction of their losses and total cost of risk through the provision of outstanding risk management services.</p>
<p>Objectives</p>	<ol style="list-style-type: none"> 1. Continue the implementation of <i>Focus on Risk</i> within all major City Key Businesses and within other customers' businesses as desired and directed. 2. Deliver timely, high quality service in the context of <i>Focus on Risk</i> that meets or exceeds the expectations of our customers and business partners. 3. Continue the review, revision and update of all self-insured trust documents to ensure compliance with current operations, laws and standards and at the same time, establish a Charlotte Area Transit System (CATS) specific risk trust. 4. Implement Section 111 of the Medicare Medicaid and SCHIP Extension Act of 2007 (MMSEA) for Worker' Compensation, Property and Casualty claims administration.

**Finance Key Business Unit
Treasury Division Strategic Plan**

	Alignment
<p>Corporate Strategy</p> <p>Enhance Customer Service Deliver Competitive Services Develop Collaborative Solutions Improve Technology Efficiencies</p>	
<p>Goal</p>	<p>Provide asset management, financing and debt management, and revenue forecasting and project analysis on a citywide basis; and provide effective and efficient services to our customers and internal business partners.</p>
	<ol style="list-style-type: none"> 1. Achieve above market returns within the limitations of State Statutes 159.30, 147.69 and the Treasury Division's Internal Investment Guidelines which seek to preserve principal and maintain liquidity. 2. Manage all aspects of the long-term debt program in a manner that minimizes the cost of capital and maximizes debt ratings on outstanding issues. 3. Collaborate with City Council, the City Manager, Budget and Evaluation, Mecklenburg County and others in the production and communication of revenue estimates plus evaluation of potential new revenues. 4. Provide research and analysis related to potential problems or projects as well as historical information to internal and external customers on request. 5. Manage the banking relationships for the City as well as provide cash-flow to sustain operations.