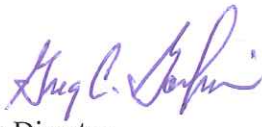


## MEMORANDUM

Date: July 25, 2012  
From: Greg C. Gaskins, Chief Financial Officer   
To: Randy Harrington, Budget and Evaluation Director  
Subject: Finance FY13 Final Strategic Operating Plan

Finance is pleased to submit its FY13 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 FY13 Final SOP require further conversation, please feel free to call or schedule a meeting so that we can further discuss the Finance Department's FY13 strategic planning efforts.

### Attachments

cc: Justin Amos  
Finance Leadership Team

**FY 2013**

**FINAL**

**STRATEGIC OPERATING PLAN**

**July 25, 2012**

**FINANCE DEPARTMENT**

**Greg C. Gaskins, CFO**

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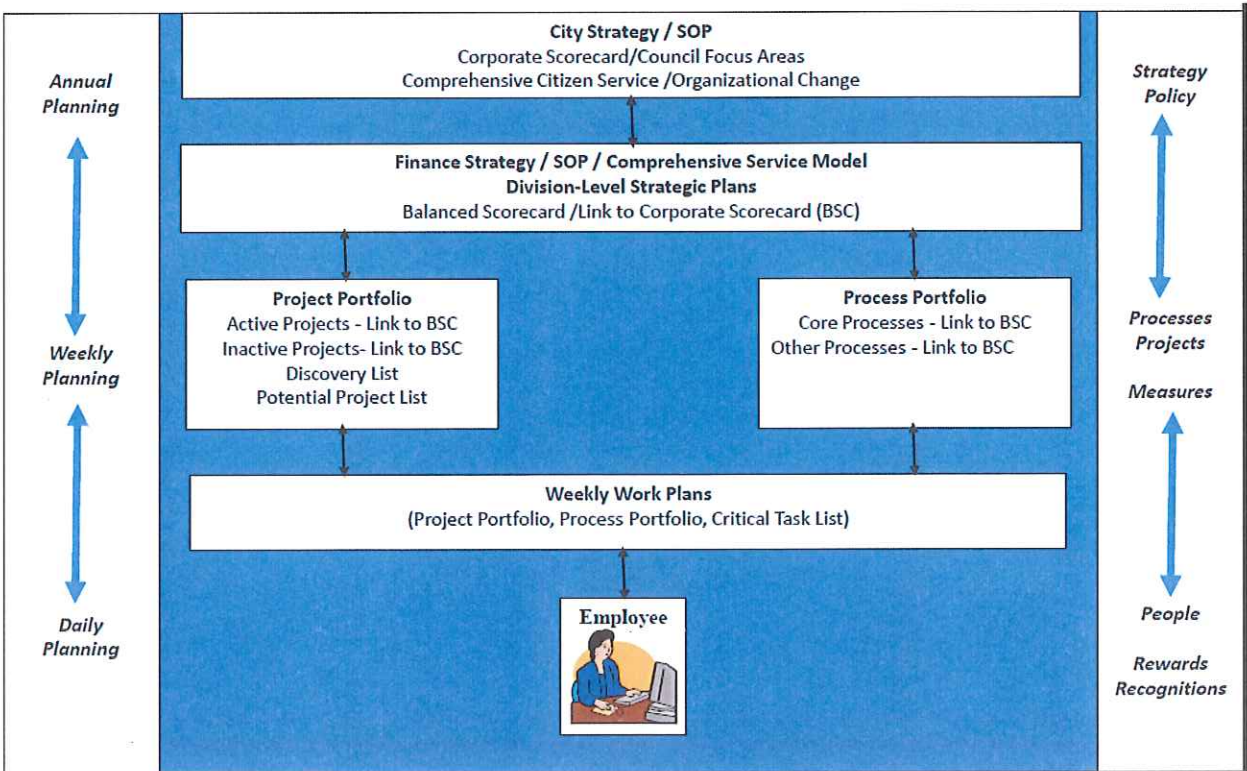
## INTRODUCTION

The Chief Financial Officer (CFO) extends 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 across the organization. The CFO provides leadership to the Finance Department to ensure that all departmental activities and services are in alignment with, and in full support of, the City Council and City Manager’s 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 both federal and state general statutes concerning the care of public moneys and maintenance of records.

The Finance Department continues to make progress in implementing new policies and processes to respond to the City Manager’s directive for organizational change. Finance is changing how we communicate, how we use and share resources, how we define success, how we lead in the organization and how we lead in the community. A new comprehensive service model has been implemented to ensure the changes that the department is making are in keeping with the City Manager’s organizational change initiative and address the dynamic needs of the community.

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 effectively planned and managed.

*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 FY13 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 for FY13 is provided below.

<b>FUND</b>	<b>FY13 REQUESTED AMOUNT</b>	<b>FY13 APPROVED AMOUNT</b>	<b>FY13 POSITIONS</b>
<b>General Fund</b>	<b>\$9,876,915</b>	<b>\$9,971,519</b>	<b>81</b>
<b>Risk Management Fund</b>	<b>\$3,009,007</b>	<b>\$3,009,006</b>	<b>27</b>
<b>Total</b>	<b>\$12,885,922</b>	<b>\$12,980,525</b>	<b>108</b>

## VISION

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

- A corporate approach to collectively addressing the needs of customers
- 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 a decade ago, Finance's vision remains completely valid and applicable today:

### **"Quality employees providing quality service"**

While the vision of the Finance Department remains unchanged, its policies and procedures have been modified to respond to the City Manager's directive for organizational change in order to effectively match the pace and address the complexity of the community we serve. Finance is retooling its service models and corporate policies to ensure its processes and policies align with the corporate approach. Finance will focus on providing comprehensive citizen service in a collaborative manner to deliver responsive solutions that meet customers' expectations for current and future 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

Over the past two fiscal years, Finance has worked closely with the City Manager to revamp its strategic plan to focus on a corporate approach to achieving comprehensive citizen service. Achievement of Finance's vision is best understood by examining the "what, who, when and why" of the Finance Strategic Plan. The Finance Strategic Plan links the City Manager's directive for organizational change to 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 Plan is a long-term, flexible management strategy that will guide the Finance Department 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 Plan has been designed – and has been implemented - as a management strategy that will provide a roadmap for use by all levels within the Finance organization. Full implementation of the strategic plan will concurrently benefit our external and internal customers by providing Finance personnel with the tools they need to provide comprehensive customer service from a corporate perspective.

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

**WHY:** As discussed in the "Introduction," 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 corporate approach is essential if Finance is to move to the next level. The Finance Strategic Plan has been developed to provide unity of effort as we strive to enhance the quality of services we provide.

## KEY ISSUES AND CHALLENGES

- **ERP Implementation.** Finance continues to be actively engaged in the ERP project, including the ongoing investment of time and staff resources in support of system implementation. Representatives from across the department, including the Chief Financial Officer and Deputy Director, are heavily involved in all aspects of the project. In anticipation of departmental strains during system implementation, Finance has assigned specific positions to devote most, if not all, of their time to ERP. Finance is currently in the process of expanding cross-training efforts for changes that will occur as ERP project implementation progresses to ensure staff is engaged in the project from a system support and operability standpoint. With fewer staff available to continue the day-to-day operations of the department, staff will be cross-trained and retired staff or outside contractors may be asked to serve as backfill resources to ensure essential functions are not compromised over the course of the ERP project.
- **Risk Loss Fund Management.** Although there have been isolated successes, costs associated with risk loss continue to increase by approximately 25% annually. These rapidly escalating costs are driven largely by the individual behavior of City employees. In order to reduce human, economic and legal risk every department needs to emphasize the importance of modifying behavior and organizational practices to reduce losses incurred by the City.
- **CATS Project Control System.** Finance will continue to provide assistance to CATS in implementing a new Project Control System for the Blue Line Extension (BLE). The new system should provide a central location for most of the BLE data, including the financial data imported from the City's general ledger. Design and implementation of this system will require significant resource time during a period with many competing resource demands.
- **New Governmental Accounting Standards Board (GASB) Requirements.** In recent years, the GASB has dramatically increased the number and complexity of standards of governmental accounting and financial reporting. Each new statement requires research and planning in order to implement necessary changes. In FY13 Finance will be preparing for implementation of three new statements: GASBS 60: Accounting and Financial Reporting for Service Concession Arrangements (FY2013), GASBS 61: The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34 (FY2013) and GASBS 63: Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (FY2013). Successful implementation of these standards is required in order to receive an unqualified opinion from the external auditors. Additional statements are currently in draft status; Finance intends to review these drafts and provide comments to the GASB in order to influence the final standard issued.
- **Investment Portfolio Management.** Managing the City's investment portfolio has become increasingly challenging in the current unprecedentedly low interest rate environment. The City's nearly \$2 billion portfolio is earning approximately 65bp (.65%), compared to five years ago when we were earning 5%. This dramatic drop in interest income has an impact of approximately \$30 million to the City's investment portfolio annually.
- **Rising Professional Services Contract Costs.** Contract costs for technology and professional services related to the utility management system, bill provider services, collection agency services, remittance processing services and the cashiering system continue to rise. Professional services contracts are based on volume and rate increases over the life of the contract. Finance has difficulty containing expenses, and cannot discontinue professional services contracts for billing, revenue recovery and mail payment processing. If rising costs



force maintenance support contracts to be discontinued, essential technology systems will not be supported. The City does not currently have the staff resources or skills to perform these functions in-house.

- **Accounting Policies.** As a result of the ERP project and an IRS audit, certain needs continue to be identified for citywide accounting policies. Updates to existing policies or the development of new policies will require collaboration among departments to define the corporate issues and best practices. The Finance Liaison Committee will be utilized to facilitate departmental input into policy development and to ensure adherence to the policies/processes once established.
- **US Postal Service.** Finance continues to take steps to reduce postage costs by using processes that allow the City to receive discounted postage rates and offering electronic bill presentment options through PC online banking and the citizen web portal. In December 2011 the US Postal Service announced that it will be cutting its network of processing facilities by over half and adjusting service standards. Once they are in effect, these changes will add at least one additional day to the delivery period for customers to receive their utility bills and letters. The delay will also impact the receipt and deposit of customers' mailed-in payments to the City, thereby impacting interest earned. US Postal Service postage rates increased in both April 2011 and January 2012. Postage rates are attributable to the costs to mail bills and letters for City services.
- **Emphasis on True Risk Control.** Rising costs associated with loss have highlighted the concern that true risk control is not receiving the necessary emphasis to affect real and meaningful change in the City's loss patterns. Historical loss producing scenarios continue to recur; giving reason to believe that departmental loss control goals are either not a priority or that the goals set were not aggressive enough to achieve a sizeable reduction in loss. Consideration should be given to mandating more stringent loss control goals at the Department Director level.
- **Special Event Preparation.** Finance continues to be heavily involved in assisting with preparations for special events scheduled to take place in 2012. Finance is working to ensure appropriate insurance coverage is in place to reduce liability during the event, and is collaborating with other departments to ensure all grant related activities are in accordance with federal guidelines. The department has also worked diligently to ensure its Business Continuity Plan is up-to-date; ensuring that all employee contact and vendor information is updated, alternate facility plans and critical responders are identified and trained on how to act should the need to enact the plan arise.
- **E-business Team.** The Finance E-business Team continues to be challenged with new and existing projects in support of the Citywide E-business Policy: 1) Transitioning CATS Ticket Vending Machines to the state contract when the gateway provider, Skipjack, is certified to SunTrust/First Data's payment platform in fall 2012; 2) Collaborating with the Airport, CATS and CDOT to ensure their software providers are in compliance with Cardholder Activated Transaction requirements; 3) Preparing departments to become compliant with Europay Mastercard Visa (EMV) chip-based technology by October 2015, which improves security for card-present transactions.
- **GASBS 45 - Other Post-Employment Benefits (OPEB) /Long-Term Investment Program (LTIP).** Although the accounting and reporting standard for OPEB was implemented with the FY2008 CAFR, the work related to the funding and long-term investments for these benefits

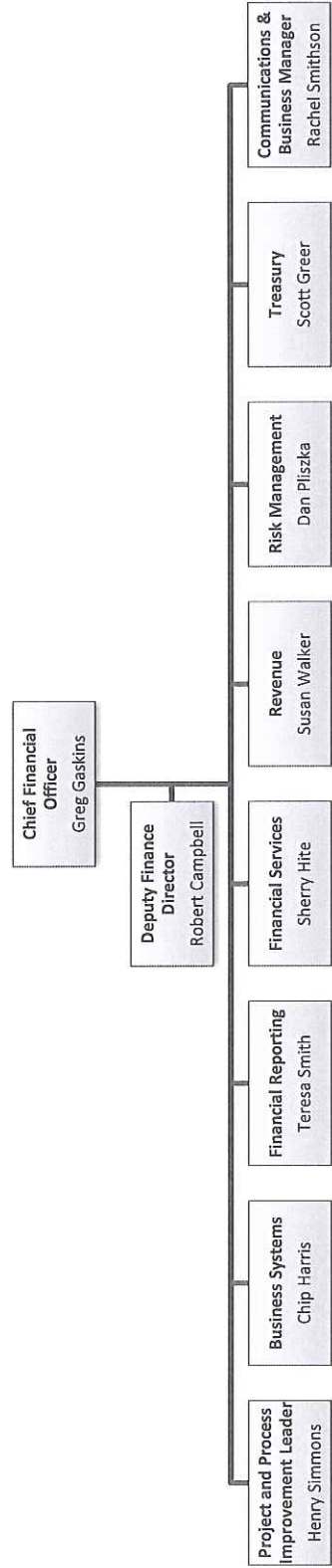
is still in process. Work on the LTIP began during FY11 and will continue during FY13. This program will require additional monitoring and reporting.

- **Transition from Wachovia to Wells Fargo.** The conversion of the City's depository banking relationship from Wachovia to Wells has resulted in a number of issues for the Finance Department. One issue that Finance has worked to resolve involved "e-box" payment processing for the City utility bills. Resolution of this issue involved manual data entry from Finance Staff and extensive collaboration with representatives from Wells Fargo. Another issue that Finance is currently working to address is the Wells Fargo's handling of the City's investment safekeeping. Finance continues to work closely with Wells Fargo staff to address these issues so that the impact to the customer and the City's assets is minimized.
- **911 Reporting.** Finance prepares the annual NC911 Primary Public Safety Answering Point Report with assistance from Budget & Evaluation, Police and Fire. The uncertainty of the NC911 Board determinations has been a challenge as each of the submitted reports (January-June 2008, FY09, FY10 and FY11) has required changes due to certain costs being disallowed. In addition, the funding model and the rules regarding eligibility were new in FY12.
- **Increasing Demands to Support the Utility Management System (UMS).** The Finance UMS Team continues to play a significant role in the implementation of the "40 Point Customer Service Improvement Plan" and Utilities Customer Service Optimization, as directed by the City Manager. Many significant system and operational improvements have been made, resulting in improvement of customer service from both Utilities and 311. As is often the case, one improvement reveals opportunities for additional system enhancements. As the system has been automated, and system functionality has been integrated to improve meter reading accuracy along with related field activities, new needs and opportunities have surfaced. As new technology to improve the customer experience, such as GetABBY Interactive Voice Response, outbound calling, and a citizen web portal are put into production, customer demands and expectations continue to increase. These opportunities are driving expectations to deliver increasingly complex solutions on multiple projects at the same time with limited staff resources.
- **Emphasizing Safety with the Production of Services.** The Executive Level Risk Task Force has successfully produced several of its desired results, but it has not been able to shift the organizational perception that the production of services is more important or incongruous with safety. This perception issue can be closely correlated with rising charges to the risk loss fund. Costs incurred by the risk loss fund continue to exceed annual departmental budget contributions to the fund. The organization needs to begin developing methods to safely produce services to protect the City's human and financial resources.
- **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.
- **Medicare Section 111 Reporting.** Medicare Section 111 is a very time intensive process. Failure to properly report could result in substantial regulatory fines. In an effort to ensure that future fines associated with Medicare Section 111 are not incurred, a Reporting Coordinator position may need to be added to Risk Management.

- **Changing Demographics.** Demographics are changing in the community, and as a result staff has identified the need to improve communication with Latino customers. An instructor from CPCC will be onsite to teach Finance staff basic Spanish key words and definitions for water, sewer and storm water customer-related issues.
- **Storm Water Collections.** Finance will continue to collaborate with Shared Services, County Storm Water and outside agencies to implement a pilot to improve the semi-annual storm water collections process in FY13.
- **Vehicle Crashes.** The rate of vehicle crashes in the City's fleet continues rise dramatically. During FY12, the City experienced the highest rate of vehicle accidents that we have had in the past eight fiscal years. Although the rise in crashes may be in part attributable to the increased number of vehicles, the rate of crashes per million miles driven is also projected to be at one of the highest levels in the past fiscal years. The number of vehicle crashes must be reduced to protect the safety of employees and reduce the negative impact to the Risk Loss Fund.
- **Workers' Compensation.** The current workers' compensation laws and promulgated administrative processes are difficult to manage and are seemingly counterproductive to the original intent of the law. Workers' compensation costs continue to rise, yet little work is being done by the Department of Labor to reform this program. The State of North Carolina did pass reforms in 2011 that are considered significant, but it will take almost a decade to assess the impact of these reforms on costs.
- **Charlotte Vehicle Operations Center (CVOC) Utilization.** With the number of accidents involving City of Charlotte automobiles and heavy machinery on the rise, it is becoming increasingly apparent that additional driver safety training and instruction is necessary. Departments need to take advantage of the services offered at CVOC and work to more stringently enforce the City's Driver Policy, report and take action when safety issues arise, ban cell phone use while operating a City vehicle or machinery and take other precautions to reduce the number of vehicle collisions.
- **Continued Increases in Frequency of Loss and Cost of Risk.** Despite citywide efforts to control the frequency and cost of loss, the City continues to have increasing loss trends. Over the last eight years, the City has spent an average of \$9.8 million per year on loss costs. Over the past three fiscal years that average has grown to \$11.3 million. Even though significant progress has been made on things such as return-to-work for injured employees, loss frequency remains high.
- **Workers' Compensation Electronic Data Interchange Regulations.** Beginning in January of 2013, the North Carolina Industrial Commission will require the submission of Workers' Compensation data in an electronic format. In order to comply with this new requirement, Finance will have to modify some of its data handling capabilities. Finance hope that the recent upgrade to the claims software will help adequately respond to the new requirement with minimal disruptions in productivity.
- **Sympro Debt Management Software Implementation.** The Sympro debt management software implementation project has continued to encounter problems with data conversion and rounding. The implementation of the "General Ledger Interface" was planned for completion by the close of FY12, but additional glitches have postponed the launch of the new system until FY13.

- **Managing Investment Portfolio in Low Interest Rate Environment.** The City's nearly \$2 billion portfolio is currently earning approximately 65 basis points (.65%), compared to five years ago when we were earning 5%. This dramatic drop in interest income has dramatically impacted the City's finances by approximately \$30 million annually.
- **Trust Accounts for Investments.** Finance discovered that Wells Fargo may be improperly handling the City's investments that are being held in trust. If left unresolved, this circumstance could lead to an audit finding for FY11. Finance is currently in the process of analyzing the options of moving City investments into a trust holding account either with Wells Fargo or another banking institution.
- **Workload and Complexity.** The financial crisis of 2008 has led to additional regulations, oversight and complexity for investing and debt issuance. This added work has stressed the resources in the Treasury Division. Added to this are the limitations accompanying current austerity measures required to maintain financial stability. As the year has progressed we have been further challenged to meet ever growing demands placed on the Treasury Division. I have considered requesting an additional staff resource to generalize and be able to manage projects from all aspects of treasury operations.

**FINANCE DEPARTMENT  
ORGANIZATION CHART**



## STRATEGIC ACCOMPLISHMENTS

In response to the City Manager's directive for organizational change, the Finance Department has shifted its strategic planning focus from "Run the Business" to the "Three C's": Change, Collaboration, and Comprehensive Citizen Service." Each of Finance's initiatives are now associated with one of the elements of the "three C's."

### Change

- **Organizational Change:** Finance's transition to the strategic principle of "Comprehensive Citizen Service," involves the ongoing implementation of the Finance Comprehensive Services Model, which uses Ken Miller's "widget" methodology to develop a series of new policies and procedures that help clarify cross-departmental roles and responsibilities. Work to implement the Comprehensive Services Model has improved communication with other departments and has helped to address perception issues across the organization.
- **Enterprise Resource Planning:** Finance remains actively engaged in the ERP Project. Representatives from across the department, including the Chief Financial Officer and the Deputy Director, are heavily involved in all aspects of the project. Finance employees assisted with vendor selection and contract negotiation, have helped to develop the project's team structure, serve as Team Leaders and Process Leaders, serve as Subject Matter Experts and continue to assist with business process mapping. The Finance Department is committed to ensuring the ERP implementation process is a success, and will continue this strong commitment for the duration of the project.
- **Special Event Planning:** In collaboration with Police, Finance has worked to develop a cash process for per diem payments to out of town public safety staff. Finance has also developed a payment card solution for extraordinary purchases that may need to be made during special events. Work is currently underway to ensure customers are aware of alternate payment locations, including West Service Center and the recently rolled-out Authorized Payment Locations. Law Enforcement and Workers' Compensation insurance policies have been procured to cover officers directly involved in providing special event security services.
- **Managed Return to Work Program:** Finance staff has worked closely with the Executive Level Risk Management Task Force to implement a Managed Return to Work Program, which has resulted in more than a 70% reduction in lost time due to injuries. The success of the Managed Return to Work Program is proof that the enhanced emphasis on mitigating risk across the organization can have a significant impact on the Risk Loss Fund. The Managed Return to Work Program received the Fiscal Year 2011 State Treasurer's Award for Excellence in Accounting and Financial Management; Charlotte was selected for this prestigious award because of the significant savings the program had on Workers' Compensation costs. Finance is currently working to develop similar methodologies for other risk factors in the future.
- **Management of the Long Term Investment Program (LTIP):** In early FY12, \$35 million was invested in the LTIP. Finance staff has implemented the administrative functions of the LTIP, including recurring public meetings and a reporting formula. In April 2012 the City completed a refunding of the 2002 General Obligation Bonds which yielded a 17% savings or approximately \$9 million. This funding will be invested in the LTIP over the next three years. Finance intends to prepare legislative alternatives for the next General Assembly to help realize the full potential of the program and provide greater diversity.

- **Capital Improvement Program Support:** After a long period of inactivity, FY12 has seen a substantial increase in debt issuance activity. Thanks to the City's strong financial management practices and AAA credit rating, Charlotte is able to issue debt at extremely low interest rates which greatly reduces the cost of capital projects. Lower capital costs are a major benefit to citizens and result in the ability to construct a higher volume of capital projects without necessarily requiring a tax increase:
  - *Water/Sewer Revenue Bond Refunding* – 8/3/2011, \$105,628,644, refunding of 2001 Water/Sewer revenue bonds, with a net present value savings of \$18.9 million. This reduction lowered the cost of debt and improved cash flow; allowing Charlotte Mecklenburg Utilities to have a lower than anticipated rate increase and maintain the capacity to hire additional employees to improve customer service in FY12.
  - *Airport Revenue Bonds* - 11/9/2011, \$141,270,000 general airport and \$60,295,000 in rental car facility bonds. Airport revenue bonds help finance major improvements at the airport that enhance the customer experience and ease of navigation at the facility. Practices associated with the Airport Debt Management Policy, that were used when issuing the airport revenue bonds, assisted in the airport receiving the highest rating of any airport in the United States from Moody's.
  - *City Facility and Equipment Certificates of Participation* - 1/4/2012, \$39,989,000 estimated sale to cover City equipment and facility construction. These Certificates of Participation will be used to finance major projects, such as the new Fire Headquarters building and Steele Creek Police Precinct, expansion that will greatly improve the scope and quality of the services provided to citizens.
  
- **Upgrade Citywide Financial Reports:** Finance successfully upgraded the MPC 7.2.5 database to PM 10. This is the software that provides citywide financial reports such as the funds availability to all City departments.

### Collaboration

- **New Airport Credit Entity:** On November 9, 2011, the City completed the financing of \$202 million in new airport bonds to fund improvements to the airfield, including the rehabilitation of Runway 18C/36C and terminal complex. This was one of the City's most successful airport financings; with a total interest cost of 4.57% and 5.98% for the general aviation revenue bonds and taxable special facility bonds, respectively. The deal included the creation of a new credit entity for the construction of a consolidated rental car facility secured by contract facility charge revenues. The financing team utilized industry best practices and took advantage of existing fund balance to help lower the interest rate for the new credit over 100 basis points from the initial estimates. Steps taken to improve airport debt management, such as the implementation of the Airport Debt Management Policy, resulted in a ratings upgrade from Moody's Investors Service for the airport's General Airport Revenue Bond (GARB) from A1 to AA3. This upgrade puts Charlotte-Douglas International in the highest rating tier of any airport in the United States.
  
- **Auction Support:** Finance staff collaborated with Shared Services/Asset Recovery and Disposal and Rogers Realty to process payments at four auctions in FY12. Cashiers collected \$658,671 at the Rolling Stock auctions on September 24, 2011, and \$531,160 on April 14, 2012. Collections were \$41,850 at the Unclaimed Property auctions on October 1, 2011, and \$40,005 on April 21, 2012.
  
- **Successful Completion of Airport VCAP:** In FY12 the City successfully completed a "Voluntary Compliance Agreement Program" (VCAP) submission to the Internal Revenue Service for accounting errors discovered in the 2004 Airport Revenue Bond issue. The VCAP process, which was initiated in FY2010, was accepted by the IRS and returned to the City with no additional actions or penalties.

Finance staff collaborated with the Airport during the duration of the VCAP process to ensure the project cost allocation to the bond funds correctly followed the allocation set out in the VCAP.

- **Billing, Collection and Deposit Policy (FIN 12):** On May 7, 2012, the City Manager signed the Billing, Collection and Deposit Policy (FIN 12). The new policy standardizes business process for billing, collection and depositing functions across the organization. Development of FIN12 was a collaborative process; involving input from a team of Finance staff, the Finance Liaison Committee and the Manager's Cabinet.
- **SharePoint Conversion:** The Finance SharePoint Team successfully transitioned the Finance C-Net site from the 2007 to 2010 platform by the December 12, 2011 deadline. All documentation was reviewed and updated, and information paths and links were tested and re-mapped. Go-live for the new SharePoint 2010 site occurred on January 17, 2012.
- **Knights Baseball Stadium in Uptown Charlotte:** During the second half of Fiscal Year 2012, the Finance Department actively participated in the analysis and development of a viable financial plan to bring the Charlotte Knights back to uptown Charlotte. This long rang plan included substantial work to initiate a tax increment grant financing plan and then converting the financing methodology to a structured occupancy tax model. Finance collaborated with multiple City departments, and both outside parties and financial partners, to develop a plan that the City Council was able to understand and subsequently approve.
- **Business Continuity:** Finance's Business Continuity Team is currently in the process of updating its Business Continuity Plan. This update includes a review of mission essential functions, alternate facilities to continue the department's core functions and identifying and cross training essential staff to perform critical tasks should a disruptive event occur. Once the new plan is in place, the Business Continuity Team will meet on a quarterly basis to review the entire plan and ensure all of the information is as current and relevant as possible.
- **Assist Mecklenburg County to Improve Tax Collections:** The Finance Department led a collaborative effort to provide the City's vendor file to Mecklenburg County Tax Office so they could cross-reference against their Business Privilege License tax file to identify non-payers. Finance also collaborated with the City Attorney and Corporate Security Officer to develop a process to ensure the appropriate level of security for restricted data was in place. The Finance Department established a partnership with Mecklenburg County Tax and CMPD to collect revenue at the West Service Center location. The annual agreement has been updated
- **Red Line Task Force Participation:** Finance staff has been closely observing the progress of the financing model sponsored by the State of North Carolina for the Red Line commuter rail project from uptown Charlotte to Mooresville. Finance intends to collaborate more closely with CATS as this project progresses.
- **Blue Line Extension Risk Management Process:** Finance worked closely with Parsons-Brinkerhoff and JPA Associates on various financing components of the Blue Line extension. In addition, Finance staff participated in the "lessons learned" process and provided comprehensive analysis of the funding model. Finance has engaged transportation bankers and serves as a liaison with CATS on this issue. Finance will also be soliciting proposals in order to select an insurance broker that will run the Owner Controlled Insurance Program (OCIP) for duration of the project.



- **Blue Line Extension Project Software – e-Builder:** Finance participated with CATS and the vendor to outline integration requirements between e-Builder and GEAC. Financial data is one of the components that will be centrally located in the new software to assist in tracking and reporting of the BLE project.
- **Mayor’s Youth Employment Program (MYEP):** Finance is proud to participate in the MYEP program again this year to develop a promising local high school student in a professional setting. The Revenue Division has an intern working in the Revenue Recovery area to cultivate their customer service skills and assist citizens with paying utility bills.
- **FY11 Year End Processing:** The year-end processing for FY11 was very successful. A detailed project plan and speedy processing on the State’s mainframe continues to be beneficial. Finance staff successfully utilized online reports for detailed balancing at various stages of the process. This allowed us to eliminate the need and dependency of scheduling IKON resources late at night to print balancing reports.
- **Implementation of the CMUD Customer Service Optimization Plan:** The UMS Team continues to work very closely with Utilities and 311 on a daily basis to continue to implement the Customer Service Optimization Plan. Improvements implemented include:
  - Process design, system configuration, testing, training, and implementation of advanced metering technology pilots for two different AMR vendors (Itron 100W and Badger Orion) is underway. This technology provides interval readings and leak detection to improve billing accuracy, customer service and efficiency of field resources.
  - New pending payments form that allows staff to see electronic payments made to SpeedPay before they are posted in the billing system as an extension of their existing workflow instead of having to login to another application. This enhances customer service for customers needing payment arrangements to restore service.
  - Outbound calling implemented via GetABBY for water/sewer/storm water accounts that are approaching cut off for delinquency. This replaces a one-way outbound dialer with robust functionality that will automatically transfer the customer to SpeedPay for immediate payment or to a 311 representative for assistance. Statistics will be collected that will monitor the disposition of the calls.
- **Implementation of CityWorks, Work and Asset Management (WAM) Solution for CMUD:** Completed multiple rounds of testing for the interface between UMS and the new CityWorks WAM solution for CMUD Field Operations. This provides integration of customer initiated service orders from UMS to WAM so that service orders can be passed seamlessly and also provide more work-in-progress information to CSR’s for improved customer service.
- **Implementation of new Water/Sewer Rate Methodology for CMUD:**
  - Provided an extensive amount of data to CMUD’s new rate consultant (Red Oak) in support of the new water/sewer availability fee. This fee allows CMUD to shift more of its revenues to the fixed component by charging flat fees based on connection size in lieu of variable consumption-based fees.
  - Performed very detailed analysis and made a revised methodology recommendation to deal with an issue that surfaced shortly after implementation concerning customers with large connection sizes but low usage. These customers were experiencing very high increases in their bill. Our solution was approved by CMUD management and implemented.

- **Year End Accrual:** Finance staff scanned or paid 4,534 invoices in the four business days following June 30 so that FY11 expenses could be accurately reflected in the correct fiscal year. Another 1,000 invoices were accrued.
- **CRVA Financial Plan:** Finance is working closely with the new management of the Charlotte Regional Visitor's Authority in helping them restructure operations and create a sustainable financial plan to continue to maintain and operate their facilities.

### Comprehensive Citizen Service

- **Storm Water Collections:** The Finance Department is working with City and County Storm water and a third party collection agency to implement a pilot program to improve collections for customers who are billed semi-annually. The targeted date of completion is FY 13.
- **Wachovia to Wells Fargo Transition:** Finance staff successfully managed the conversion from Wachovia to Wells Fargo as part of the October 2011 merger between the two banks. The hard work of City staff contributed greatly to the success of this transition. Some major issues were discovered following the conversion, including the receipt of over 11,000 customer online payments dropping to checks due to a banking error from October - December. Approximately 1,100 customers did not receive paper utility bills either after deactivating their eBill service or closing their bank accounts using WellsFargo.com from October - May. Finance staff manually entered payments and adjustments so customers were not cut-off or assessed late fees/penalties. Staff is also working with the bank and Kubra (utility billing software vendor) to ensure customers receive their bills in a timely manner.
- **West Service Center Transition:** Cash handling services at West Service Center have successfully transitioned from Charlotte-Mecklenburg Police Department (CMPD) to the Finance Department. This transition required collaboration from CMPD, Finance, Mecklenburg County and CharMeck 311. Renovations have been completed and the workspace has been reconfigured to be more efficient and comfortable for staff. Cash handling procedures and documentation have been updated to reflect the operational changes. Finance staff worked with Utilities and County Storm Water for approval to accept credit cards effective July 2012 to enhance customer service.
- **Web Portal Project:** Finance Staff has been collaborating with other departments to design, develop and test the City's new web portal. Utilities' customers will have the capability of linking their water, sewer and storm water accounts to their City portal account; and then view 24 months of their billing, consumption and payment history. Customers can continue to pay their utility accounts using Western Union Speedpay, or utilize the new ACH payment option offered by Kubra.
- **Enhancements to Billing Services:** City Council approved the Kubra billing services contract renewal on August 22, 2011, permitting for the Phase II implementation of Electronic Bill Presentment and Payments (EBPP). EBPP will enhance 311 Customer Service and support the 40 Point CMUD Customer Service Improvement Plan. The new electronic billing services are scheduled for soft rollout on June 27, 2012, in parallel with the Citizen Web Portal project. Customers enrolled in EBPP will have access to the City's website for viewing and paying their bills electronically. Other options will be to receive bills through secure email delivery and schedule bill reminders. The new EBPP customer service enhancements will streamline the bill pay and presentment process, and provide similar features to those available from private sector utilities.
- **Authorized Payment Locations:** During FY11, the UMS Executive Team approved the establishment of Authorized Payment Locations (APLs) to provide customers with the convenience of paying their utility bills at approximately 125 locations throughout Mecklenburg County. Finance selected two

vendors (Western Union and Global Express), and finalized the contract with Western Union in September 2011.

Finance is currently collaborating with Corporate Communications on a marketing plan for customers to be informed about this new payment channel. APLs will serve as a significant customer service enhancement, and reduce the workload of both 311 Customer Service and Crisis Assistance Ministry. The City and its customers will benefit from the quick transfer and application of payments. APLs will also enable City staff to access vendors' data to provide streamlined customer service. APLs will be rolled out to citizens by the end of June

- **E-business Team:** The Finance E-business Policy has proven to be vital for the advancement and completion of projects since its effective date in January 2011. During FY12, the E-business Team was engaged in multiple projects: 1) the installation of self-service kiosks for Airport parking was completed in April 2012, with the exception of long-term lot #3 because of construction. There will be four cashier booths available out of 30 exit lanes; 2) Finance and CDOT completed the pay-by-cellphone project for on-street parking in April 2012. Customers can conveniently pay for parking using their mobile phones; 3) The E-business Team is collaborating with the CATS Ticket Vending Machine (TVM) software provider, ACS, and the gateway provider, Skipjack, to be certified to SunTrust/First Data's payment platform. Once certified, the TVMs will be able to transition from Elavon Merchant Services to the State contract for a cost savings on payment card processing fees. Finance is also working in collaboration with CATS to enhance security controls at the machines. The project is targeted for completion by Fall 2012; 4) Finance and Shared Services will add point-of-sale terminals at the rolling stock and unclaimed property auctions beginning in September 2012; 5) Point-of-sale terminals for utility payments will be added at West Service Center, effective July 1; 6) Finance has partnered with the Airport, CATS and CDOT, along with their software vendors, to ensure their solutions are in compliance with Cardholder Activated Transaction (CAT) requirements; 7) the E-business Team will begin working with departments who initiate card-present transactions to assist with compliance of Europay MasterCard-Visa chip-based payment card technology. In the next few years, card issuers will deploy chip-based cards in the United States. The new technology will improve security by replacing the magnetic strip with an embedded computer chip.
- **ACH Receipts (PC Banking), Phase II:** Finance continues to work with representatives from Wells Fargo to develop an automated solution that will expand utility customer payment channels for PC banking. A payment delivery file will be created allowing commercial utility customers to initiate ACH payments through their bank web portals. Once completed, the project will also enhance the customer experience by offering yet another alternative to pay utility bills.
- **iNovah Expansion:** The iNovah cashiering system is expanded to departments to help improve the cash receipting process and provide seamless customer service. Finance and Shared Services/IT began work with Airport administration staff in March 2012 to add the iNovah cashiering system as part of their collection efforts. The project was completed in June 2012.
- **Insurance Broker Selection:** Following the development and review of responses to a Request for Proposals (RFP) for insurance broker services, Wells Fargo Insurance Services was selected as the City's new service provider. In January 2012 Wells Fargo replaced Marsh, USA, in January 2012 as the City's new insurance broker. The decision to rebid brokerage services resulted in a \$211,586 annual savings for the City, County and Charlotte-Mecklenburg Schools. To-date the transition from Marsh to Wells Fargo has been very successful, and Risk Management is very pleased with the quality of work and customer service that Wells Fargo has provided.

- **MMSEA Compliance:** Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) became effective on July 1, 2009. In order to comply, Finance has to maintain information for five separate Responsible Reporting Entities and report on them quarterly. To-date Finance has not missed a single MMSEA deadline and has not received any regulatory penalties. Accuracy is important because there are significant penalties for non-compliance.
- **FY11 Comprehensive Annual Financial Report (CAFR):** Finance completed the FY11 Comprehensive Annual Financial Report by the October 31, 2011 deadline. The CAFR contains financial statements which received an unqualified opinion and the Single Audit. The CAFR was presented to City Council on January 9, 2012. The external auditor did not issue a letter of recommendations and noted that this was a “very clean audit.” The City’s excellent financial management and financial reporting practices are an important component in maintaining our AAA bond rating.
- **Completion of Statutorily Required State Reports:** Finance completed numerous mandated reports throughout FY12, including separately audited financial statements for Airport, Risk Management, and Firefighters’ Retirement System; Letter to the North Carolina (NC) Department of Environment and Natural Resources; NC Report of Deposits and Investments; NC Powell Bill Expenditures; NC Annual Financial Information Report; NC Unclaimed Property; NC Municipal Street Fiscal Data; NC911 PSAP; OMB Circular A-133 Data Collection; financial portions of the FTA National Transit Database and related NC 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. These reports are due in very close proximity to the CAFR, and are a major undertaking for staff to prepare, review and submit.
- **27<sup>th</sup> Consecutive Certificate of Achievement for Excellence in Financial Reporting:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending June 30, 2011. This was the twenty-seventh consecutive year that the City achieved this prestigious award which recognizes excellence in governmental accounting and financial reporting. The award demonstrates transparency and a spirit of full disclosure. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.
- **Governmental Accounting Standards Board (GASB) Standard Setting Process:** Finance submitted a comment letter to the GASB regarding its Preliminary Views document on Economic Condition Reporting: Financial Projections. The comment letter is a crucial part of the standards setting process because it is the primary means the City has to communicate support or disagreement with the Board on its proposals. Participating in the standard setting process will allow the City to have a voice in future standards that are established by the GASB.
- **RiskMaster Upgrade:** In FY12 Finance completed an upgrade and conversion to the Risk Management Information System (RMIS). The conversion transitioned the system from a client-server model to a web-based system. The change was necessitated by the fact that the old system will be phased out and no longer supported by the vendor. In the long-run, the web version should allow for greater flexibility, ease of use and eventual access by others for reporting and query capabilities.
- **Direct Deposit Capability for Workers’ Compensation:** At the suggestion and request of the widow of a recently deceased Police Department employee, the Finance recently implemented a direct deposit program to pay out long-term workers’ compensation payments. This is an outstanding customer service

improvement over issuing individual checks by providing an added convenience for those receiving long-term payments.

## 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 and initiatives as they relate to the City's corporate strategy:

**CHANGE** Finance is continuing its efforts to help transform organizational operations from the "Run the Business" mentality to a corporate-minded perspective. This change has involved the development and refinement of policies, procedures and communication strategies that help clarify cross-departmental roles and responsibilities. Efforts such as the Contract Processing Policy (FIN 4), Accounts Payable Payment Policy (FIN 6) and Citywide Grants Policy have helped facilitate a more corporate minded perspective in all of the services Finance provides. Finance will continue to work with other departments to identify possible areas where roles and procedures need to be better defined to make cross-Departmental collaboration as smooth and beneficial as possible.

**COLLABORATION** Collaboration is the cornerstone of Finance's day-to-day operations. Without corporate level collaboration the City would not be able to provide a unified organizational response to the challenges it faces. As a support Department, Finance works closely with other Departments and the financial community to ensure sound financial management. While some of our services relate strictly to the financial community (e.g., managing the City's \$2.3 billion cash and investment portfolio and \$4.1 billion in outstanding debt), the majority of our efforts involve working closely with and supporting the services provided by other Departments. Finance encourages both interdepartmental and intradepartmental collaboration to ensure the best possible work product is prepared and delivered to customers. Work with the Finance Liaison Committee, UMS Executive Team, and the various ERP Project Teams are just a few examples of ongoing interdepartmental collaboration. Finance's internal project teams also help foster intradepartmental collaboration by utilizing teamwork to yield the maximum benefits possible from the diverse skill sets and backgrounds of Finance employees.

**COMPREHENSIVE CITIZEN SERVICE** Emphasizing a corporate approach to comprehensive citizen service remains Finance's top priority. The implementation of the new Finance Comprehensive Services Model underscores the importance placed on closely collaborating with other Departments and providing the highest possible levels of service to our customers – internal as well as external. This new model, which focuses on delivering responsive solutions to meet customers' current and future expectations, is Finance's principal management road map. Work to create the Comprehensive Services Model has improved communication with other departments, helped to address perception issues and develop solutions for better meeting the needs of customers.

**SERVICE DELIVERY: What We Do and Who Our Customers Are**

Administration . . .	Accounting . . .	Business Systems . . .	Revenue . . .	Risk Management . . .	Treasury . . .
<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 Department 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 Department</p> <p>Serves as the main point of contact for all finance-related matters and issues</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>Provides support for the Utility Billing System (UBS) "BANNER Advantage Suite"</p> <p>Provides support for UBS related systems and interfaces</p> <p>Provides support for the GEAC Financial System</p> <p>Provides support for financial related systems and interfaces</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>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>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>Mayor and City Council</p> <p>Other City departments</p> <p>Legislative and Oversight Bodies</p> <p>Investors and Creditors</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 departments 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 over 70,000 vendor payments each year.

**Business Systems.** The Finance Department provides functional, analytical and business process support to all Finance divisions as well as to other departments. Finance utilizes important management tools such as the Utility Billing System to assist with billing and the day-to-day operations of 311, Charlotte-Mecklenburg Utilities Department and Storm Water for both the City of Charlotte and Mecklenburg County.

**Revenue.** In accordance with State statute, Finance is responsible for the receipt and deposit of all moneys received by the City. The Finance Department works closely with Internal Audit to ensure that internal controls over cash collections provide for strong security with regards to City moneys. Finance staff work to ensure that all moneys are given the proper treatment in the City's official accounting records. Finance also bills and collects approximately 278,004 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 risk financing, risk retention and insurance placement for the City of Charlotte, Mecklenburg County, Charlotte-Mecklenburg Board of Education and other small, public agencies. Additional risk management 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 (also referred to as "the 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 \$2.4 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 DEPARTMENT  
TREND DATA & KEY SERVICE INDICATORS**

<b>Key Service Indicator</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>Vendor Payments- # of Checks Written</b>	70,158	73,657	73,761	71,883	68,362	70,344
<b>Vendor Payments - # of Invoices Paid</b>	143,563	142,648	142,957	135,814	133,680	139,624
<b>Outstanding Debt Managed (in millions)</b>	\$3,290	\$3,480	\$3,705	\$4,181	\$4,083	\$4,148
<b>Cash &amp; Investments Portfolio Managed (in millions)*</b>	\$1,851	\$2,454	\$2,286	\$2,718	\$2,427	\$2,638
<b>Number of Participants in PC Banking + Number of Participants in ACH Expressed as a Percentage of all Utility Customers</b>	30.5%	34.8%	41.4%	45.8%	47.2%	47.6%
<b>Debt Setoff Collections</b>	\$313,594	\$407,118	\$618,474	\$462,206	\$663,978	\$641,531
<b>Total Authorized Staffing</b>	103	106	106	106	108	108

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

# Finance FY13 Balanced Scorecard Report

Reporting Period: July 1, 2012 to June 30, 2013

Corporate Objective	Departmental Initiative (* indicates Focus Area Initiative)	Measure (\$ 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 Departments to ensure secure payment options for citizens.	\$ Coordinate completion of the online Self Assessment Questionnaire (SAQ)	Complete	Lead	Complete			
	R1. Maintain AAA Rating	\$ Prepare financial statements in conformity with generally accepted accounting principles in order to contribute to receiving an unqualified opinion from the external auditors	10/31/11	Lead	10/31/12			
	R2. Deliver Competitive Services	\$ Provide quarterly updates to KBUs of Loss Metrics for their Department	Complete	Lag	6/30/13			
R3. Maintain AAA Rating R4. Invest in Infrastructure	Strategically pursue debt refunding opportunities when market conditions generate optimal savings	Analyze and review funding proposals for indication of savings by June 30, 2012	Complete	Lag	06/30/13			
	E1. Achieve Positive Employee Climate	\$ The completion of the Wellness Program by June 30, 2012	Complete	Lead	06/30/13			
E2. Achieve Positive Employee Climate	Finance Department will interact with customers will have access to hand sanitizer	\$ Completion of the Wellness Works Walk Around by June 30, 2012	Complete	Lead	6/30/13			

**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 Departmental Initiative column indicates Focus Area initiative  
\$ indicates incentive pay measure

## REQUEST FOR RESOURCES

**Fiscal Year 2013 Base Budget:** Finance requested a budget allocation of **\$12,885,922** for FY13. Note: In an effort to control spending the Finance Department tried to contain costs associated with all Changes to Current Level (CCL). These CCL's are associated with factors that are out of the Department's control; such as 10% annual contract escalations and postage rate changes. One Service Level Change was submitted for FY13 that totaled \$14,040.

### Changes to Current Level -Approved

1. **Other Miscellaneous Contract Services -\$219,459.80.** \$197,485.60 of this request is for the Revenue Division (center 20300) to cover UMS Management Team-approved contractual obligations, consulting services and GetABBY outbound calling. Additional departmental contracts such as Lexis Nexis and Pacer all have 5-10% annual contract escalations that the City must pay in order to continue receiving these valuable services.
2. **Technology Supply/Service. -\$28,794.80.** \$26,097 of this increase is for the Revenue Division (center 20300) to cover UMS Management Team-approved enhancements, maintenance and support to the Ventyx UMS supporting software/hardware.
3. **Postage - \$55,661.** \$55,212.96 of the request is for the Revenue Division (center 20300) to offset increased postage rates that occurred in both calendar year 2011 and 2012, and to account for an increased number of mailings annually.

### Service Level Changes -Approved

1. **Utility Management Services 4.3 Upgrade. -\$14,040.** The 4.3 upgrade to the Utility Management System will provide for enhanced functionality in the new Call Center Express module that will provide for on screen workflows to assist Customer Service Representatives at 311 and the Charlotte-Mecklenburg Utilities Department with faster system navigation. This upgrade will allow City staff to provide faster and more efficient customer service.

**Operating Expense Projections**

**FY2013**

**0101 General fund**

**19999 - Finance Consolidated**

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
010 PERSONAL SERVICES ADJUST	-	-	-	-
011 SALARY AND WAGE - REGULAR	4,440,807.00	4,387,699.81	4,413,597.00	25,897.19
012 OVERTIME	25,549.00	25,549.08	25,549.00	(0.08)
013 SALARY AND WAGE - TEMP	1,834.00	-	-	-
014 SALARY & WAGES-PART-TIME	-	-	-	-
020 EMPLOYEE MERIT PAY	-	-	67,182.00	67,182.00
083 RETIREE INSURANCE PREMIUM	314,756.00	336,867.96	336,868.00	0.04
084 UNEMPLOYMENT COMP OR TAXES	6,000.00	6,000.00	6,000.00	-
085 SOCIAL SECURITY TAX	340,290.00	336,062.67	343,184.00	7,121.33
086 EMPL INSURANCE PREMIUM	490,293.00	514,836.12	500,175.00	(14,661.12)
087 EMPLOYEES RETIREMENT EXP	305,527.00	295,730.96	302,005.00	6,274.04
089 OTHER EMPLOYEE FRINGE BEN	5,584.00	5,276.70	5,277.00	0.30
097 401K RETIREMENT EXPENSE	129,964.00	131,630.98	134,424.00	2,793.02
<b>Personal Services Total</b>	<b>6,060,604.00</b>	<b>6,039,654.28</b>	<b>6,134,261.00</b>	<b>94,606.72</b>
111 TELECOMMUNICATIONS	20,637.00	19,878.00	19,878.00	-
112 KBU TELECOMMUNICATIONS	25,419.00	27,169.68	27,170.00	0.32
113 POSTAGE	1,121,224.00	1,176,885.72	1,176,886.00	0.28
131 PRINTING AND PUBLISHING	60,881.00	63,287.28	63,287.00	(0.28)
136 TECHNOLOGY SUPPLY/SERVICE	1,127,695.56	1,156,490.36	1,156,490.00	(0.36)
142 RENTAL OF LAND & BUILDINGS	250,245.00	263,322.84	263,323.00	0.16
151 M&R-EQPT-NON-SELF-PROPELLE	8,618.00	9,956.04	9,956.00	(0.04)
161 TRAVEL AND MEETINGS	21,929.00	22,975.08	22,975.00	(0.08)
163 EMPLOYEE REIM, TRAINING EX	4,989.00	4,989.00	4,989.00	-
164 TRAINING CONF & MEETINGS	38,476.00	39,818.04	39,818.00	(0.04)
176 TEMPORARY HELP FEES	-	-	-	-
179 FEES - OTHER	3,300.00	3,300.00	3,300.00	-
191 DUES, SUBS., & PROF LIC	7,510.00	10,898.04	10,898.00	(0.04)
193 BUDGET REDUCTION	-	-	-	-
196 SUBSIS, CARE & SUPPORT	-	-	-	-
199 OTHER MISC CONTRACTUAL SRV	1,014,302.44	1,233,762.24	1,233,760.00	(2.24)
271 OFFICE SUPPLIES	28,660.00	30,756.36	30,756.00	(0.36)
298 OTHER SPECIAL DEPT SUPPLY	10,006.00	17,055.96	17,056.00	0.04
611 INSURANCE PREMIUMS	42.00	33.96	34.00	0.04
615 WORKERS COMPENSATION	3,700.00	3,483.00	3,483.00	-
<b>Operating Expense Total</b>	<b>3,747,634.00</b>	<b>4,084,061.60</b>	<b>4,084,059.00</b>	<b>(2.60)</b>
960 Departmental Charges	-	-	(246,801.00)	(246,801.00)
<b>TOTAL</b>	<b>9,567,460.00</b>	<b>9,876,915.36</b>	<b>9,971,519.00</b>	<b>94,604.12</b>

# Operating Expense Projections FY2013

## 0101 General fund

### 0020200 - Finance-Accounting

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
011 SALARY AND WAGE - REGULAR	1,541,700.35	1,531,553.52	1,547,838.00	16,284.48
012 OVERTIME	11,315.00	11,315.04	11,315.00	(0.04)
014 SALARY & WAGES-PART-TIME	-	-	-	-
020 EMPLOYEE MERIT PAY	-	-	21,686.00	21,686.00
084 UNEMPLOYMNT COMP OR TAXES	-	-	-	-
085 SOCIAL SECURITY TAX	117,940.32	117,163.80	120,069.00	2,905.20
086 EMPL INSURANCE PREMIUM	205,802.00	216,104.04	209,950.00	(6,154.04)
087 EMPLOYEES RETIREMENT EXP	106,068.87	103,226.70	105,786.00	2,559.30
097 401K RETIREMENT EXPENSE	45,373.89	45,946.60	47,086.00	1,139.40
<b>Personal Services Total</b>	<b>2,028,200.43</b>	<b>2,025,309.70</b>	<b>2,063,730.00</b>	<b>38,420.30</b>
111 TELECOMMUNICATIONS	8,521.00	8,085.00	8,085.00	-
112 KBU TELECOMMUNICATIONS	7,896.00	7,896.00	7,896.00	-
113 POSTAGE	37,000.00	36,999.96	37,000.00	0.04
131 PRINTING AND PUBLISHING	43,200.00	43,200.00	43,200.00	-
136 TECHNOLOGY SUPPLY/SERVICE	390,084.56	340,085.04	340,085.00	(0.04)
142 RENTAL OF LAND & BUILDINGS	111,878.00	94,857.96	94,858.00	0.04
151 M&R-EQPT-NON-SELF-PROPELLE	500.00	500.04	500.00	(0.04)
161 TRAVEL AND MEETINGS	2,400.00	2,400.00	2,400.00	-
163 EMPLOYEE REIM, TRAINING EX	1,000.00	999.96	1,000.00	0.04
164 TRAINING CONFR & MEETINGS	13,900.00	13,899.96	13,900.00	0.04
179 FEES - OTHER	3,300.00	3,300.00	3,300.00	-
191 DUES, SUBS., & PROF LIC	5,000.00	5,000.04	5,000.00	(0.04)
193 BUDGET REDUCTION	-	-	-	-
199 OTHER MISC CONTRACTUAL SRV	14,771.00	14,771.04	14,771.00	(0.04)
271 OFFICE SUPPLIES	15,526.00	15,525.96	15,526.00	0.04
298 OTHER SPECIAL DEPT SUPPLY	8,000.00	8,000.04	8,000.00	(0.04)
<b>Operating Expense Total</b>	<b>662,976.56</b>	<b>595,521.00</b>	<b>595,521.00</b>	<b>-</b>
<b>960 Departmental Charges</b>	-	-	(170,878.00)	(170,878.00)

<b>TOTAL</b>	<b>2,524,833</b>	<b>2,449,952.74</b>	<b>2,488,373.00</b>	<b>(132,457.70)</b>
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# Operating Expense Projections FY2013

## 0101 General fund 0020000 - Finance-Administration

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
011 SALARY AND WAGE - REGULAR	498,181.00	494,377.00	494,377.00	-
020 EMPLOYEE MERIT PAY	-	-	11,985.00	-
083 RETIREE INSURANCE PREMIUM	314,756.00	336,867.96	336,868.00	0.04
085 SOCIAL SECURITY TAX	38,481.00	38,187.07	39,104.00	916.93
086 EMPL INSURANCE PREMIUM	30,265.00	31,779.96	30,875.00	(904.96)
087 EMPLOYEES RETIREMENT EXP	34,275.00	33,321.00	34,129.00	808.00
089 OTHER EMPLOYEE FRINGE BEN	4,837.00	4,800.11	4,800.00	(0.11)
097 401K RETIREMENT EXPENSE	14,945.00	14,831.30	15,191.00	359.70
<b>Personal Services Total</b>	<b>935,740.00</b>	<b>954,164.40</b>	<b>967,329.00</b>	<b>13,164.60</b>
111 TELECOMMUNICATIONS	934.00	1,206.00	1,206.00	-
112 KBU TELECOMMUNICATIONS	1,671.00	3,235.68	3,236.00	0.32
113 POSTAGE	215.00	469.80	470.00	0.20
131 PRINTING AND PUBLISHING	1,485.00	2,878.32	2,878.00	(0.32)
142 RENTAL OF LAND & BUILDINGS	34,611.00	49,698.96	49,699.00	0.04
151 M&R-EQPT-NON-SELF-PROPELLE	268.00	1,260.00	1,260.00	-
161 TRAVEL AND MEETINGS	1,719.00	1,700.04	1,700.00	(0.04)
164 TRAINING CONFR & MEETINGS	13,138.00	12,980.04	12,980.00	(0.04)
191 DUES, SUBS., & PROF LIC	268.00	3,096.00	3,096.00	-
199 OTHER MISC CONTRACTUAL SRV	6,207.00	14,294.16	14,294.00	(0.16)
271 OFFICE SUPPLIES	792.00	2,238.00	2,238.00	-
298 OTHER SPECIAL DEPT SUPPLY	1,006.00	8,055.96	8,056.00	0.04
611 INSURANCE PREMIUMS	42.00	33.96	34.00	0.04
615 WORKERS COMPENSATION	3,700.00	3,483.00	3,483.00	-
<b>Operating Expense Total</b>	<b>66,056.00</b>	<b>104,629.92</b>	<b>104,630.00</b>	<b>0.08</b>

<b>TOTAL</b>	<b>1,001,796.00</b>	<b>1,058,794.32</b>	<b>1,071,959.00</b>	<b>13,164.68</b>
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**Operating Expense Projections**  
**FY2013**  
**0101 General fund**  
**0020500 - Business Systems Division**

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
011 SALARY AND WAGE - REGULAR	920,893.65	913,863.60	913,864.00	0.40
020 EMPLOYEE MERIT PAY	-	-	12,572.00	12,572.00
084 UNEMPLOYMENT COMP OR TAXES	-	-	-	-
085 SOCIAL SECURITY TAX	70,484.68	69,947.03	70,909.00	961.97
086 EMPL INSURANCE PREMIUM	78,689.00	82,628.04	80,275.00	(2,353.04)
087 EMPLOYEES RETIREMENT EXP	63,357.13	61,594.39	62,442.00	847.61
089 OTHER EMPLOYEE FRINGE BEN	477.00	476.59	477.00	0.41
097 401K RETIREMENT EXPENSE	26,164.11	27,415.90	27,793.00	377.10
<b>Personal Services Total</b>	<b>1,160,065.57</b>	<b>1,155,925.55</b>	<b>1,168,332.00</b>	<b>12,406.45</b>
111 TELECOMMUNICATIONS	4,019.00	4,107.00	4,107.00	-
112 KBU TELECOMMUNICATIONS	7,062.00	7,062.00	7,062.00	-
113 POSTAGE	422.00	422.04	422.00	(0.04)
131 PRINTING AND PUBLISHING	2,103.00	2,103.00	2,103.00	-
136 TECHNOLOGY SUPPLY/SERVICE	33,742.00	33,741.96	33,742.00	0.04
142 RENTAL OF LAND & BUILDINGS	24,211.00	35,082.96	35,083.00	0.04
151 M&R-EQPT-NON-SELF-PROPELLE	830.00	830.04	830.00	(0.04)
161 TRAVEL AND MEETINGS	14,679.00	14,249.04	14,249.00	(0.04)
163 EMPLOYEE REIM, TRAINING EX	542.00	542.04	542.00	(0.04)
164 TRAINING CONFR & MEETINGS	7,158.00	7,158.00	7,158.00	-
191 DUES, SUBS., & PROF LIC	-	-	-	-
199 OTHER MISC CONTRACTUAL SRV	13,162.00	13,161.96	13,162.00	0.04
271 OFFICE SUPPLIES	1,425.00	1,425.00	1,425.00	-
298 OTHER SPECIAL DEPT SUPPLY	1,000.00	999.96	1,000.00	0.04
<b>Operating Expense Total</b>	<b>1,110,355.00</b>	<b>1,20,885.00</b>	<b>1,20,885.00</b>	<b>-</b>
<b>TOTAL</b>	<b>1,270,420.57</b>	<b>1,276,810.55</b>	<b>1,289,217.00</b>	<b>12,406.45</b>

**Operating Expense Projections  
FY2013  
0101 General fund  
0020300 - Finance-Revenue Division**

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
011 SALARY AND WAGE - REGULAR	930,303.00	905,660.60	910,513.00	4,852.40
012 OVERTIME	14,234.00	14,234.04	14,234.00	(0.04)
013 SALARY AND WAGE - TEMP	-	-	-	-
014 SALARY & WAGES-PART-TIME	-	-	-	-
020 EMPLOYEE MERIT PAY	-	-	11,113.00	11,113.00
084 UNEMPLOYMNT COMP OR TAXES	6,000.00	6,000.00	6,000.00	-
085 SOCIAL SECURITY TAX	71,189.00	69,283.03	70,504.00	1,220.97
086 EMPL INSURANCE PREMIUM	133,166.00	139,832.04	135,850.00	(3,982.04)
087 EMPLOYEES RETIREMENT EXP	64,005.00	61,041.54	62,118.00	1,076.46
089 OTHER EMPLOYEE FRINGE BEN	270.00	-	-	-
097 401K RETIREMENT EXPENSE	26,989.00	27,169.82	27,649.00	479.18
<b>Personal Services Total</b>	<b>1,246,156.00</b>	<b>1,223,221.07</b>	<b>1,237,981.00</b>	<b>14,759.93</b>
111 TELECOMMUNICATIONS	4,899.00	4,278.96	4,279.00	0.04
112 KBU TELECOMMUNICATIONS	5,776.00	5,775.96	5,775.00	0.04
113 POSTAGE	1,083,231.00	1,138,443.96	1,138,444.00	0.04
131 PRINTING AND PUBLISHING	11,753.00	12,105.96	12,106.00	0.04
136 TECHNOLOGY SUPPLY/SERVICE	703,869.00	782,313.32	782,313.00	(0.32)
142 RENTAL OF LAND & BUILDINGS	61,641.00	64,842.00	64,842.00	-
151 M&R-EQPT-NON-SELF-PROPELLE	5,920.00	6,097.92	6,098.00	0.08
161 TRAVEL AND MEETINGS	2,326.00	2,325.96	2,326.00	0.04
163 EMPLOYEE REIM, TRAINING EX	3,447.00	3,447.00	3,447.00	-
164 TRAINING CONFR & MEETINGS	2,580.00	2,580.00	2,580.00	-
176 TEMPORARY HELP FEES	-	-	-	-
191 DUES, SUBS., & PROF LIC	780.00	890.04	890.00	(0.04)
196 SUBSIS, CARE & SUPPORT	-	-	-	-
199 OTHER MISC CONTRACTUAL SRV	956,415.44	1,153,901.04	1,153,899.00	(2.04)
271 OFFICE SUPPLIES	7,909.00	8,067.36	8,067.00	(0.36)
298 OTHER SPECIAL DEPT SUPPLY	-	-	-	-
<b>Operating Expense Total</b>	<b>2,850,546.44</b>	<b>3,185,069.48</b>	<b>3,185,067.00</b>	<b>(2.48)</b>
960 Departmental Charges	-	-	(75,923.00)	(75,923.00)
<b>TOTAL</b>	<b>4,022,268.44</b>	<b>4,332,367.99</b>	<b>4,347,125.00</b>	<b>(61,165.55)</b>



## Operating Expense Projections

**FY2013**

**0101 General fund**

**0020100 - Finance-Treasury**

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
010 PERSONAL SERVICES ADJUST	-	-	-	-
011 SALARY AND WAGE - REGULAR	549,729.00	542,245.09	547,005.00	4,759.91
013 SALARY AND WAGE - TEMP	1,834.00	-	-	-
020 EMPLOYEE MERIT PAY	-	-	9,826.00	9,826.00
085 SOCIAL SECURITY TAX	42,195.00	41,481.74	42,598.00	1,116.26
086 EMPL INSURANCE PREMIUM	42,371.00	44,492.04	43,225.00	(1,267.04)
087 EMPLOYEES RETIREMENT EXP	37,821.00	36,547.33	37,530.00	982.67
097 401K RETIREMENT EXPENSE	16,492.00	16,267.36	16,705.00	437.64
<b>Personal Services Total</b>	<b>690,442.00</b>	<b>681,033.56</b>	<b>696,889.00</b>	<b>15,855.44</b>
111 TELECOMMUNICATIONS	2,264.00	2,201.04	2,201.00	(0.04)
112 KBU TELECOMMUNICATIONS	3,014.00	3,200.04	3,200.00	(0.04)
113 POSTAGE	356.00	549.96	550.00	0.04
131 PRINTING AND PUBLISHING	2,340.00	3,000.00	3,000.00	-
136 TECHNOLOGY SUPPLY/SERVICE	-	350.04	350.00	(0.04)
142 RENTAL OF LAND & BUILDINGS	17,904.00	18,840.96	18,841.00	0.04
151 M&R-EQPT-NON-SELF-PROPELLE	1,100.00	1,268.04	1,268.00	(0.04)
161 TRAVEL AND MEETINGS	805.00	2,300.04	2,300.00	(0.04)
164 TRAINING CONFR & MEETINGS	1,700.00	3,200.04	3,200.00	(0.04)
191 DUES, SUBS., & PROF LIC	1,462.00	1,911.96	1,912.00	0.04
199 OTHER MISC CONTRACTUAL SRV	23,747.00	37,634.04	37,634.00	(0.04)
271 OFFICE SUPPLIES	3,008.00	3,500.04	3,500.00	(0.04)
<b>Operating Expense Total</b>	<b>57,700.00</b>	<b>77,956.20</b>	<b>77,956.00</b>	<b>(0.20)</b>

<b>TOTAL</b>	<b>748,142.00</b>	<b>758,989.76</b>	<b>774,845.00</b>	<b>15,855.24</b>
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**Operating Expense Projections  
FY2013  
6302 Risk management - operations  
0054900 - Risk Management**

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
010 PERSONAL SERVICES ADJUST	-	23,577.36	-	(23,577.36)
011 SALARY AND WAGE - REGULAR	1,423,716.00	1,395,648.29	1,389,468.00	(6,180.29)
012 OVERTIME	-	-	-	-
020 EMPLOYEE MERT PAY	-	-	20,071.00	20,071.00
083 RETIREE INSURANCE PREMIUM	12,106.00	12,711.96	12,712.00	0.04
084 UNEMPLOYMENT COMP OR TAXES	-	-	-	-
085 SOCIAL SECURITY TAX	107,840.00	106,767.11	107,343.00	575.89
086 EMPL INSURANCE PREMIUM	151,325.00	158,900.04	154,375.00	(4,525.04)
087 EMPLOYEES RETIREMENT EXP	96,985.00	94,066.66	94,574.00	507.34
097 401K RETIREMENT EXPENSE	42,290.00	41,869.45	42,095.00	225.55
<b>Personal Services Total</b>	<b>1,834,262.00</b>	<b>1,833,540.87</b>	<b>1,820,638.00</b>	<b>(12,902.87)</b>
102 UNEXPENDABLE APPROPRIATION	2,368.00	-	10,919.00	10,919.00
111 TELECOMMUNICATIONS	7,444.00	6,771.96	6,772.00	0.04
112 KBU TELECOMMUNICATIONS	8,800.00	9,600.00	9,600.00	-
113 POSTAGE	9,500.00	9,999.96	10,000.00	0.04
131 PRINTING AND PUBLISHING	12,800.00	12,999.96	13,000.00	0.04
136 TECHNOLOGY SUPPLY/SERVICE	66,400.00	81,000.00	81,001.00	1.00
146 AUTOMOBILE & OTHER ALLOWAN	300.00	300.00	300.00	-
151 M&R-EQPT-NON-SELF-PROPELLE	3,000.00	3,000.00	3,000.00	-
152 M&R-EQPT-MOTORIZED	3,000.00	3,000.00	3,000.00	-
153 M&R-BUILDINGS	3,000.00	3,500.04	3,500.00	(0.04)
161 TRAVEL AND MEETINGS	5,000.00	5,000.04	5,000.00	(0.04)
163 EMPLOYEE REIM, TRAINING EX	1,000.00	999.96	1,000.00	0.04
164 TRAINING CONFIR & MEETINGS	19,800.00	19,800.00	19,800.00	-
165 KBU RENTAL OF LAND & BLDGS	213,264.00	190,029.96	190,030.00	0.04
170 PROFESSIONAL & TECH SRVCS	27,000.00	27,000.00	27,000.00	-
171 PRO FEE-ACCTG&AUDTING	9,000.00	6,000.00	6,000.00	-
179 FEES - OTHER	3,900.00	3,900.00	3,900.00	-
191 DUES, SUBS., & PROF LIC	5,000.00	5,799.96	5,799.00	(0.96)
199 OTHER MISC CONTRACTUAL SRV	19,500.00	27,750.00	27,750.00	-
251 MOTOR FUELS AND LUBRICANTS	300.00	300.00	300.00	-
271 OFFICE SUPPLIES	27,200.00	27,200.04	27,200.00	(0.04)
298 OTHER SPECIAL DEPT SUPPLY	5,600.00	5,600.04	5,600.00	(0.04)
611 INSURANCE PREMIUMS	-	-	-	-
615 WORKERS COMPENSATION	-	-	-	-
<b>Operating Expense Total</b>	<b>453,176.00</b>	<b>449,551.92</b>	<b>460,471.00</b>	<b>10,919.08</b>
940 REIMBURSED EXPENSES	474,809.00	474,809.04	474,809.00	474,809.00
<b>Grants &amp; Contributions Total</b>	<b>474,809.00</b>	<b>474,809.04</b>	<b>474,809.00</b>	<b>474,809.00</b>
<b>TOTAL</b>	<b>2,762,247.00</b>	<b>2,757,901.83</b>	<b>2,755,918.00</b>	<b>472,825.21</b>

## Operating Expense Projections FY2013

### 6302 Risk management - operations 0054902 - Defensive Driving Range

	FY 2012	FY 2013 Requested	FY 2013 Approved	Difference
010 PERSONAL SERVICES ADJUST	-	3,096.00	-	(3,096.00)
011 SALARY AND WAGE - REGULAR	104,630.00	107,228.18	110,324.00	3,095.82
012 OVERTIME	-	-	-	-
020 EMPLOYEE MERIT PAY	-	-	2,650.00	2,650.00
085 SOCIAL SECURITY TAX	7,925.00	8,203.00	8,406.00	203.00
086 EMPL INSURANCE PREMIUM	12,106.00	12,711.96	12,350.00	(361.96)
087 EMPLOYEES RETIREMENT EXP	7,128.00	7,227.17	7,406.00	178.83
097 401K RETIREMENT EXPENSE	3,108.00	3,216.83	3,296.00	79.17
<b>Personal Services Total</b>	<b>134,897.00</b>	<b>141,683.14</b>	<b>144,432.00</b>	<b>2,748.86</b>
102 UNEXPENDABLE APPROPRIATION	-	-	1,697.00	1,697.00
111 TELECOMMUNICATIONS	802.00	1,214.04	1,214.00	(0.04)
112 KBU TELECOMMUNICATIONS	4,140.00	4,140.00	4,140.00	-
113 POSTAGE	20.00	20.04	20.00	(0.04)
131 PRINTING AND PUBLISHING	-	500.04	500.00	(0.04)
136 TECHNOLOGY SUPPLY/SERVICE	1,500.00	2,000.04	2,000.00	(0.04)
146 AUTOMOBILE & OTHER ALLOWAN	1,800.00	2,000.04	2,000.00	(0.04)
147 UTILITIES	22,000.00	18,999.96	19,000.00	0.04
152 M&R-EQPT-MOTORIZED	4,500.00	4,500.00	4,500.00	-
153 M&R-BUILDINGS	5,000.00	6,000.00	6,000.00	-
154 M&R-LAND & WATER AREAS	14,000.00	12,500.04	12,500.00	(0.04)
156 M&R-BUILDING RENOV & CONST	3,085.00	3,084.96	3,085.00	0.04
164 TRAINING CONFR & MEETINGS	6,000.00	6,000.00	6,000.00	-
199 OTHER MISC CONTRACTUAL SRV	27,000.00	29,000.04	29,000.00	(0.04)
251 MOTOR FUELS AND LUBRICANTS	600.00	999.96	1,000.00	0.04
256 OTHER MATERIALS & SUPPLIES	11,000.00	12,999.96	13,000.00	0.04
271 OFFICE SUPPLIES	2,500.00	3,000.00	3,000.00	-
999 GENERAL ADMINISTRATION	-	-	-	-
<b>Operating Expense Total</b>	<b>103,947.00</b>	<b>106,959.12</b>	<b>108,656.00</b>	<b>1,696.88</b>
<b>TOTAL</b>	<b>238,844.00</b>	<b>248,642.26</b>	<b>253,088.00</b>	<b>4,445.74</b>



# 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"> <li>▪ Ventyx/Infor Systems, Operations, Support, Projects</li> <li>▪ Integration with City Works for CMU Field Operations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ventyx/Infor Systems, etc. Delinquency Service Order Management (CS/SOM) Enhanced partnership with Crisis Assistance Ministries</li> </ul>	<ul style="list-style-type: none"> <li>▪ 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</li> </ul>	<ul style="list-style-type: none"> <li>▪ Infor System, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ventyx/Infor Systems, etc.</li> <li>▪ Customer Service (CS/SOM)</li> <li>▪ SBO Support</li> </ul>
Treasury	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing Police &amp; Fire equipment</li> <li>▪ Development &amp; review of financial policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing Neighborhood Infrastructure &amp; Loan programs</li> <li>▪ Development &amp; review of financial policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financing Storm Water, Water and Sewer, Airport, Transit, Street, Neighborhood Improvement projects and land purchases</li> <li>▪ Recycling of all paper products</li> <li>▪ Participation in the City Clean Air Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund &amp; CATS</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing Street, Transit &amp; Airport projects</li> <li>▪ Development &amp; review of financial policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenue Estimates for General Fund</li> <li>▪ Investment &amp; Management of City funds</li> <li>▪ Financing &amp; Analysis of Economic Development projects</li> <li>▪ Development &amp; review of financial policies</li> </ul>
Revenue	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ West Service Center - Diversification</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ West Service Center – Diversification</li> <li>▪ Collection of Neighborhood Development Payments (affordable housing)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue via PC Banking West Service Center-Diversification Auctions- recycling City resources Selling bus passes Recycling of all paper products Participation in the City Clean Air Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ Sell Bus passes</li> <li>▪ CATS Deposits</li> <li>▪ Collections - Citations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collection of City Revenue</li> <li>▪ Billing for Water, Sewer, Storm Water and other City services</li> <li>▪ West Service Center - Diversification</li> <li>▪ Cashier Functions – Selling bus passes, animal permits</li> <li>▪ Auctions – Recycling City resources</li> <li>▪ Collection of Neighborhood Development Payments</li> <li>▪ Accepting Debt Setoff Payments</li> </ul>

## 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"> <li>▪ Maintain Accounting Records</li> <li>▪ Prepare CAFR</li> <li>▪ Pay Invoices</li> <li>▪ Coordinate Receivables</li> <li>▪ AP Workflow Solution</li> <li>▪ MPC Budget &amp; Reporting</li> <li>▪ 1099's</li> <li>▪ State Report</li> <li>▪ Data Integrity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain Accounting Records</li> <li>▪ Prepare CAFR</li> <li>▪ Pay Invoices</li> <li>▪ Coordinate Receivables</li> <li>▪ AP Workflow Solution</li> <li>▪ MPC Budget &amp; Reporting</li> <li>▪ 1098's</li> <li>▪ 1099's</li> <li>▪ State Report</li> <li>▪ Data Integrity</li> <li>▪ Debt Setoff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain Accounting Records</li> <li>▪ Prepare CAFR</li> <li>▪ Pay Invoices</li> <li>▪ Coordinate Receivables</li> <li>▪ AP Workflow Solution</li> <li>▪ MPC Budget &amp; Reporting</li> <li>▪ 1098's</li> <li>▪ 1099's</li> <li>▪ State Report</li> <li>▪ Data Integrity</li> <li>▪ Debt Setoff</li> <li>▪ Recycling of all paper products</li> <li>▪ Participation in the City Clean Air Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain Accounting Records</li> <li>▪ Prepare CAFR</li> <li>▪ Pay Invoices</li> <li>▪ Coordinate Receivables</li> <li>▪ AP Workflow Solution</li> <li>▪ MPC Budget &amp; Reporting</li> <li>▪ 1099's</li> <li>▪ State Report</li> <li>▪ Data Integrity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain Accounting Records</li> <li>▪ Prepare CAFR</li> <li>▪ Pay Invoices</li> <li>▪ Coordinate Receivables</li> <li>▪ AP Workflow Solution</li> <li>▪ MPC Budget &amp; Reporting</li> <li>▪ 1098's</li> <li>▪ 1099's</li> <li>▪ State Report</li> <li>▪ Data Integrity</li> <li>▪ Debt Setoff</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>▪ CVOC</li> <li>▪ Risk Control; OSHA, Property Safety</li> <li>▪ Claims Data; Infrastructure, Water</li> <li>▪ Equipment Safety &amp; Operating Conditions</li> <li>▪ A.D.A.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Storm Water</li> </ul>	<ul style="list-style-type: none"> <li>▪ 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</li> <li>▪ Recycling of all paper products</li> <li>▪ Participation in the City Clean Air Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Safety</li> <li>▪ Claims</li> <li>▪ Facility Planning</li> <li>▪ OCIP</li> </ul>	<ul style="list-style-type: none"> <li>▪ Arena Support (OCIP)</li> <li>▪ Total Cost of Risk; Enterprise Risk Mgmt. Activity</li> </ul>

## DIVISION-LEVEL STRATEGIC PLANS

As part of the ongoing effort to improve Finance's SOP, it was determined that a long-range plan should be incorporated in to the 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 Department as a whole.

**Finance Department  
Business Systems Division Strategic Plan**

	Alignment
<b>Corporate Strategy</b>	<p>Develop Collaborative Solutions            Enhance Customer Service            Improve Technology Efficiencies            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>
<b>Goal</b>	<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>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>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.).</li> <li>2. Collaborate effectively and enhance relationships with other departments 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 Departments, and promote the UMS collaborative support model.</li> <li>3. Continue to enhance Finance-related business processes by leveraging technology to benefit the Finance Department and striving to extend Finance's role in the control and support of those business processes.</li> <li>4. Assist the Financial Services and Revenue divisions with the strategy to centralize billing, collection, and deposits with particular emphasis on the enhancement of E-business capabilities.</li> <li>5. Promote and leverage diversity to accomplish other division objectives in alignment with corporate strategy.</li> </ol>



**Finance Department  
Financial Reporting Division Strategic Plan**

	<b>Alignment</b>
<b>Goal</b>	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.
<b>Objectives</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 departments for other management decisions.</li> <li>4. Implement new Governmental Accounting Standards Board Statements as required for financial reporting.</li> <li>5. Participate in the City's Enterprise Resource Planning (ERP) project to implement a replacement system that meets the base needs of the financial management business function.</li> <li>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.</li> </ol>

**Finance Department  
Financial Services Division Strategic Plan**

<b>Alignment</b>	
<b>Goals</b>	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
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Review the Accounts Receivable invoicing processes and procedures to ensure that all policies and procedures align with the City's focus on Change, Collaboration, Comprehensive Citizen Service, maintaining the City's AAA rating, and optimizing business processes.</li> <li>2. Review the Accounts Payable payment processes and procedures to ensure that all policies and procedures align with the City's focus on Change, Collaboration, Comprehensive Citizen Service, maintaining the City's AAA rating, and optimizing business processes.</li> <li>4. Assist OCIO and Project Managers in implementing the new Enterprise Resource Planning system.</li> <li>5. Work with the e-Business Team and departments to implement alternative service models for billing, collection, and deposits that comply with NC General Statutes, implement process improvements, and incorporate best practices.</li> </ol>

**Finance Department  
Revenue Division Strategic Plan**

	<b>Alignment</b>
<b>Corporate Strategy</b>	<p>Enhance Customer Service            Deliver Competitive Services            Optimize Business Processes            Develop Collaborative Solutions            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>
<b>Goal</b>	<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>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>3. Continue to work with other Finance Divisions and departments 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.</li> <li>4. Continue to collaborate with other Finance Divisions and departments to expand E-Business receipt and payment solutions for improved customer service.</li> </ol>

**Finance Department  
Risk Management Division Strategic Plan**

	<b>Alignment</b>
<p><b>Corporate Strategy</b></p> <p>Enhance Customer Service            Deliver Competitive Services            Optimize Business Processes            Develop Collaborative Solutions            Achieve Positive Employee Climate            Recruit &amp; Retain a Skilled, Diverse Workforce</p>	
<p><b>Goal</b></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><b>Objectives</b></p>	<p>1. Continuation of the City's Executive Level Risk Management Task Force and its recommendations.</p>
	<p>2. Support Mecklenburg County in the implementation of Enterprise Risk Management (ERM).</p>
	<p>3. Support the Board of Education in activities that will help to reduce the frequency and cost of workers' compensation claims.</p>
	<p>4. Deliver timely, high quality service that meets or exceeds the expectations of our customers and business partners.</p>
	<p>5. Work with the City, County and other agencies/committees to ensure that appropriate risk management action and techniques are implemented in order to bring major special events to successful fruition in 2012.</p>

**Finance Department  
Treasury Division Strategic Plan**

	<b>Alignment</b>
<b>Corporate Strategy</b>	<p>Enhance Customer Service – Enhance service delivery to internal and external customers. Provide services that are courteous, accessible, responsive, and seamless.</p> <p>Deliver Competitive Services – Ensure value and quality of services by being productive and efficient in service delivery. Maximize public resources through competition, privatization, optimization, and process improvement.</p> <p>Develop Collaborative Solutions – Establish internal and external partnerships to solve problems.</p> <p>Improve Technology Efficiencies – Integrate technology into business processes to increase operational efficiencies, improve service delivery and control costs.</p>
<b>Goal</b>	<p>Provide asset management, financing and debt management, revenue forecasting, and project analysis on a citywide basis; and provide effective and efficient services to our customers and internal business partners.</p>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Achieve above market returns within the limitations of State Statutes 159.30, 147.69 and the Treasury Division’s Investment Guidelines.</li> <li>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.</li> <li>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.</li> <li>4. Provide research and analysis related to potential problems or projects as well as historical information to internal and external customers on request.</li> <li>5. Manage the banking relationships for the City as well as cash-flows to sustain operations.</li> </ol>