

CITY OF FAIRVIEW HEIGHTS, IL.

FINANCE DEPARTMENT ANNUAL REPORT



FISCAL YEAR

MAY 1ST, 2013 – APRIL 30TH, 2014

SUBMITTED MARCH 21st, 2014

Mayor Mitchell, City Council, City Clerk, and City Treasurer:

It is my pleasure to present this annual operations report of the Finance Department for Fiscal Year 2013-2014 (FY '14). The following pages include the department's mission statement, overview of operations, a bullet-point list of major accomplishments during the past fiscal year, and a look forward into the new fiscal year.

During the past year the Finance Department has accomplished a number of important things, some of which are outlined on the following pages. Yet if I were to place a theme on our year, it would be consistency. FY '14 has been a year where we have begun to settle into a consistent routine. This followed a year in FY 2013 where change was a constant. That year included changes in personnel, accounting structure, and daily tasks that also carried over into the accounting tasks of other departments.

Perhaps the most significant accomplishment during the past year was helping the City earn the "Distinguished Budget Award" designation from the Government Finance Officers Association (GFOA). As noted by the presenter at the City Council meeting, there are a number of benefits to receiving the award. Foremost among them it signals to the stakeholders of the City that a commitment has been made towards professional fiscal management, and to being good stalwarts of taxpayer money. The designation means that our budget and fiscal management efforts reflect the best practice standards of the GFOA by serving as a communications device, policy document, financial plan, and operations guide.

As I like to say, everything in the City flows through the Finance Department. With that in mind, a number of people deserve credit in helping us successfully serve our role as the financial stewards of the City. The elected officials, City Administrator, department directors, and a number of staff from other departments work with us on a daily basis. I thank each and every one of you for your dedication, interest, and patience in working with the Finance Department.

In closing, I'd like to say that it's my privilege to lead the Finance Department. We have a skilled and cohesive team that is dedicated to the work we do, yet always looking to improve. We have a great amount of pride in the work we do. We are looking forward to the next year as we continue in our effort to provide "the highest level of service and responsibility as financial stewards of the City of Fairview Heights."

Respectfully Submitted,



Scott E. Borrer
Director of Finance



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Fairview Heights
Illinois**

For the Fiscal Year Beginning

May 1, 2013

A handwritten signature in cursive script, reading "Jeffrey R. Egan".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Award to **City of Fairview Heights, Illinois** for its annual budget for the fiscal year beginning **May 1, 2013**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

MISSION STATEMENT

The staff of the Finance Department is dedicated to provide the residents of Fairview Heights the highest level of service and responsibility in serving as the financial stewards of the City of Fairview Heights.

Overview of Operations

The Finance Department is responsible for the sound financial management and integrity of the finance system in the administration, development, and monitoring of the operating and capital budgets. Tasks include investments, debt management, monthly reporting, payroll, and accounts payable. The department consults with and advises the City Administrator and elected officials on efficient fiscal management operations as necessary, including the investment and depositing of municipal funds in accordance with City policy and all applicable laws. The Finance Department is also available to assist the public and citizen groups with information requests as needed.

The Finance Department is currently comprised of 3 full-time employees, which includes the Director of Finance. The Director has general management responsibility of the Finance Department, and is designated as an ex-officio member of the Finance Committee but has no voting power. A Staff Accountant is primarily responsible for payroll processing and account reconciliations. An Accounts Payable Clerk is primarily responsible for processing invoices and payments in accordance with the City's purchasing rules and processes.

A number of other tasks also require attention from the Finance Department, including Freedom of Information Act (FOIA) requests and human resources (HR) related tasks.

During the fiscal year, the Finance Department will have:

- Processed over 4,500 payroll related transactions.
- Processed approximately 4,100 purchase orders, reflecting 5,200 transactions.
- Responded to over a dozen FOIA requests.

The Director of Finance performs duties of the Budget Director - in conjunction with the City Treasurer - by compiling a budget containing estimates of revenues available prior to the beginning of a fiscal year, which is applied together with recommended expenditures for the municipality and all of its boards, commissions and departments. The Budget must be approved by the City Council prior to May 1st each fiscal year.

Major Accomplishments During FY 2013 – 2014

- As part of a team with ED Director Malloy and LUD Director Miller, the Finance Department helped in successfully negotiating a sales tax rebate agreement with Fairview Heights LLC as part of a major retail redevelopment project at the former K-Mart site. The agreement provides strong financial protections for the City, yet still accomplished the goals of the project.
- Fully implemented the City's purchasing card program, which has brought increased purchasing efficiency and transparency.
- Earned a "non-qualified opinion" from our external auditor for the Comprehensive Annual Financial Report (CAFR – audit) for the fiscal year ending April 2013.
- Earned the "Distinguished Budget Award" designation from the Government Finance Officers Association for the Fiscal Year 2013-2014 budget.
- Successfully managed a "Request for Proposals/Qualifications" process for auditing services. A contract is currently under consideration by the City Council.
- Received notification of an increased bond rating from one of the major rating services, which will lead to significant savings in the event of future bond issues.

A Look Ahead to FY 2014 – 2015

The Finance Department has the following goals during the upcoming fiscal year:

- To update several finance related policy and procedures.
- To increase the efficiency of the payroll process.
- To begin the establishment of a performance management system.
- To enhance communications, accountability, efficiency, and effectiveness both within and outside the department / organization.

In order to accomplish these goals, the department has several objectives to meet during FY 2014 – 2015, including:

- Issue an RFP for investment broker services.
- Implement and train city staff on miTime – the automated time certification program for payroll.
- Provide monthly training to city staff on utilizing existing financial tools.
- Cross train all employees within the Finance Department.
- Begin the construction of analytical tools that will support balance scorecards and a performance based budgeting system in support of the strategic goals of the City Council and City of Fairview Heights.

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