

*CITY OF FAIRVIEW HEIGHTS, IL.*

# FINANCE DEPARTMENT ANNUAL REPORT

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*FISCAL YEAR*

*MAY 1ST, 2014 – APRIL 30TH, 2015*

*SUBMITTED MARCH 27th, 2015*

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

It is my pleasure to present this annual summary of operations report of the Finance Department for Fiscal Year 2014-2015. 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 to 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. While some of these have a direct monetary benefit to the City (i.e. Bond Refunding), many improvements are realized long-term through better efficiencies or intangible benefits. For example, the City has earned the "Distinguished Budget Award" designation from the Government Finance Officers Association (GFOA) for the second consecutive year. 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. The designation signals to the stakeholders of the City that a commitment has been made towards professional and transparent fiscal management, and to being good stalwarts of taxpayer money.

Our department is unique in that we serve all departments across the City. As I like to say, everything 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 staff throughout the City work with us on a daily basis. I thank everyone for your dedication, interest, and patience in working with the Finance Department.

Special recognition and thanks is due to Michele Isaacson, who upon the end of this fiscal year will be completing her term as City Treasurer. During the past four years she has been instrumental in the success of this department. Michele has made tangible contributions to a number of projects during this time, often quietly behind the scenes. Her efforts, input, and guidance are appreciated and will be missed.

It's my privilege to lead the Finance Department, and provide this annual summary report of our operations. We have a skilled and cohesive team that is dedicated to the work we do, yet there are a number of areas to improve upon in the future. 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, 2014**

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, 2014**. 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, account reconciliations, and a number of Human Resources related tasks. An Accounts Payable Clerk is 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 past twelve months, the Finance Department will have:

- Processed over 4,500 payroll related transactions.
- Processed approximately 3,500 purchase orders, reflecting over 5,000 individual transactions.
- Responded to over a dozen FOIA requests.

The Director of Finance performs duties of the Budget Director 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 2014 – 2015**

- Earned a “non-qualified opinion” from our external auditor for the Comprehensive Annual Financial Report (CAFR – audit) for the fiscal year ending April 2014.
- Fully cross-trained department staff in payroll processing.
- Established and implemented three (3) new funds into the City’s chart of accounts. These were to account for two new proposed Tax Increment Finance (TIF) districts, and the Other Post-Employment Benefits (OPEB) Fund. The OPEB Fund will allow the City to begin addressing the actuarial liability recently implemented into the City’s financial statements per new accounting rules.
- Successfully led a team effort which resulted in over \$98,000 savings from the refunding of the 2003 Food & Beverage Tax Bond. The refunding was possible due to favorable market conditions and a rating upgrade in the previous year.
- Updated the November 2000 version of the City’s Hotel/Motel Tax funding program by inserting a City Council policy, expanding the application for requests, and including post-event reporting forms. The new policy was implemented in time for the FY 2015-2016 request cycle.
- Earned the “Distinguished Budget Award” designation from the Government Finance Officers Association for the Fiscal Year 2014-2015 budget, marking the second consecutive year for this honor.

### **A Look Ahead to FY 2015 – 2016**

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

- To improve the City’s return on investments.
- To update several finance related policies, and improve reconciling procedures.
- To improve the efficiency of the payroll process.
- 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 2015 – 2016, including:

- Explore investment options through professional investment broker services.
- Research the ability to convert to a bi-weekly payroll process, allowing the City to implement the miTime automated time certification program for payroll.
- Provide monthly training to city staff on utilizing existing financial tools.
- 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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