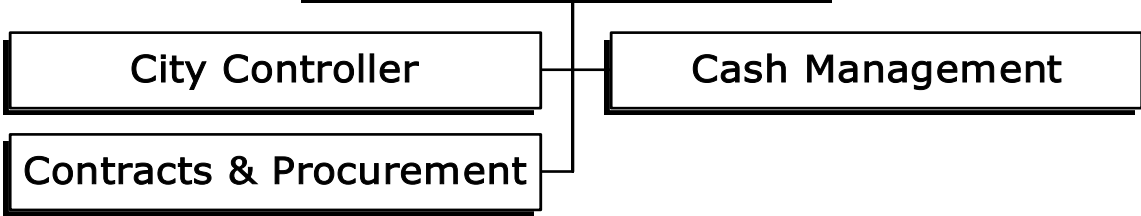


**Financial Services
Department**

City Controller

Cash Management

Contracts & Procurement



Financial Services Department—Budget Overview

Description

The Financial Services Department provides financial reporting and essential support services for all City departments. The Department consists of three divisions: Contracts & Procurement, City Controller, and Cash Management. The Director of Finance manages all three divisions.

Budget Summary by Program

	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
<i>Expenditures</i>					
Administration	149,184	131,064	112,145	110,658	112,091
Contracts & Procurement	451,504	494,854	476,309	465,863	472,143
Controller	1,006,732	989,154	952,855	964,850	913,698
Cash Management	184,998	190,406	208,450	199,238	201,761
Total Expenditures	1,792,418	1,805,478	1,749,759	1,740,609	1,699,693
Percent Change		0.7%	-3.1%	-3.6%	-2.9%
<i>Financing</i>					
General Fund	1,792,418	1,805,478	1,749,759	1,740,609	1,699,693
Total Financing	1,792,418	1,805,478	1,749,759	1,740,609	1,699,693

Significant Features

- An Accountant I position was shifted from Housing and Neighborhood Development (HND) to the Finance Department in 2004. This position provided accounting oversight for the Community Development Block Grant and other federal grant monies received by HND. The proposed 2005 budget eliminates this position, a reduction of \$52,400. Existing staff of HND will provide these services.
- Employees are provided a 1.5 percent salary increase in 2005.
- In 2004, the Financial Services Department continued to emphasize employee development and process improvement. Continuing professional education was encouraged for all non-certified staff, and required training was provided for all certified staff to maintain their individual certifications.
- A 0.75 FTE Office Assistant II position was eliminated in 2004.

Personnel Summary by Program (in Full-Time Equivalents)

	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Proposed 2005
Administration	1.00	1.00	1.00	1.00	1.00
Contracts & Procurement	8.00	8.00	8.00	8.00	8.00
Controller	12.75	12.75	13.00	13.00	12.00
Cash Management	3.00	3.00	3.00	3.00	3.00
Total FTEs	24.75	24.75	25.00	25.00	24.00

Administration Program Details

Budget Summary by Expenditure Category

	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
Personnel Services	85,550	89,955	89,780	90,128	91,666
Contractual Services	60,029	40,059	19,715	19,130	19,025
Commodities	3,605	1,050	2,650	1,400	1,400
Capital Outlay	-	-	-	-	-
Total Program	149,184	131,064	112,145	110,658	112,091

Discussion

The Administration Division provides administrative oversight through the Director of Finance. Responsibilities include establishment and maintenance of proper internal control procedures; assuring fiscal compliance with Federal, State, and local laws and City policies.

Personnel Schedule (in Full-Time Equivalents)

Position Title	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
Director of Finance	1.00	1.00	1.00	1.00	1.00
Total Program FTEs	1.00	1.00	1.00	1.00	1.00

Notes on Budget and Personnel

- There are no significant changes in 2005.

Contracts & Procurement Program Details

Budget Summary by Expenditure Category

	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
Personnel Services	374,497	399,965	410,611	406,290	408,358
Contractual Services	60,597	54,529	58,113	52,053	55,640
Commodities	5,042	3,211	4,645	4,620	8,145
Capital Outlay	-	-	2,940	2,900	-
Depreciation	11,368	37,149	-	-	-
Total Program	451,504	494,854	476,309	465,863	472,143

Discussion

The Contracts and Procurement Division is a centralized purchasing office that provides an efficient, economical and effective method of acquiring goods and services to meet the needs of City departments, while insuring a fair and competitive bidding process with equal opportunity for all interested vendors. This is accomplished with 8.0 full-time employees under the supervision of the Division Director.

Key strategies for 2004:

- Continue to explore e-Procurement methodologies.
- Maintain the City of Topeka Purchasing Manual.
- Implementation of cross-training for all division staff to insure continuity of services in all situations.
- Continuation of process review and improvement to maximize efficiency.
- Look for opportunities to improve the processes used to dispose of salvage.
- Establish training protocol for key personnel in the various departments and require departments to have a central point of contact when working with Contracts and Procurement.

Personnel Schedule (in Full-Time Equivalents)

Position Title	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
Purchasing Director	1.00	1.00	1.00	1.00	1.00
Compliance Inspector I	0.00	0.00	0.00	0.00	0.00
Supervisor III	1.00	1.00	1.00	0.00	0.00
Office Assistant II	2.00	2.00	2.00	2.00	2.00
Office Assistant III	1.00	1.00	1.00	1.00	1.00
Procurement Officer I	2.00	1.00	1.00	1.00	1.00
Procurement Officer II	1.00	2.00	2.00	3.00	3.00
Buyer	0.00	0.00	0.00	0.00	0.00
Total Program FTEs	8.00	8.00	8.00	8.00	8.00

Notes on Budget and Personnel

- In 2004, a Supervisor III position vacated by retirement is reclassified to a Procurement Officer II. There are no significant changes in 2005.

Contracts & Procurement Division Performance Measures

actual	actual	estimate	estimate
2002	2003	2004	2005

Objectives and Performance Measures

Objective:

Provide an equal opportunity to any responsible bidder that is desirous of bidding on goods and services.

<i>Measure:</i> Publish on the Internet all solicitations for goods and services with the exception of emergency water, sewer and road repair	published	published	published	published
<i>Measure:</i> Provide assistance to any bidder desirous of learning what is necessary to bid on goods and services.	achieved	achieved	achieved	achieved
<i>Measure:</i> Work with the Chamber of Commerce, governmental entities and private businesses to foster growth in DBE usage by all within Shawnee County.	n/a	n/a	Bi-Monthly	Bi-Monthly
<i>Measure:</i> Verify wage rates as required on certain projects as stipulated with Davis-Bacon requirements.	November	n/a	November	n/a
<i>Measure:</i> Assist contractors with understanding what the City requires in an affirmative action policy.	n/a	n/a	100%	100%

Objective:

Simplify the process of purchasing for internal and external customers.

<i>Measure:</i> Percentage of vendor solicitation notifications posted/advertised on the Internet	100%	100%	100%	100%
<i>Measure:</i> Implement P-Card purchasing system streamlining the reconciliation process to increase city productivity.	Phase III	Sustain	Sustain	Sustain
<i>Measure:</i> Provide vendor solicitations with complete document packages available for downloading from the City's home page. (excludes engineering specifications, at this time)	80%	80%	80%	80%
<i>Measure:</i> Convert Central Stores from storefront inventory management to desktop ordering/just in time delivery system.	Maintain	Maintain	Maintain	Maintain

Objective:

Favorably compare to procurement performance benchmarks for municipal governments

<i>Measure:</i> Division budget dollars as a percentage of total city procurement dollars to fall within the benchmark range (0.16% to 1.75%)	Achieved	Achieved	Achieved	Achieved
<i>Measure:</i> Average number of purchase orders issued per year falls within the benchmark range (350 to 17,000)	Achieved (11,354)	Achieved (11,185)	Achieved	Achieved
<i>Measure:</i> Average cycle time for informal/fax/phone bids fall within the benchmark range (4 work days to 30 work days)	Achieved	Achieved	Achieved	Achieved
<i>Measure:</i> Average cycle time for formal bids fall within the benchmark range (10 work days to 90 work days.)	Achieved	Achieved	Achieved	Achieved

Activity Indicators

Requests for Proposals/Qualifications	44	43	45	45
Competitive bids - formal	143	115	130	430
Competitive bids - informal	263	343	350	350
Purchase Orders	6,945	6,286	6,500	6,500
Change Orders	5,186	5,086	5,100	5,100

City Controller Program Details

Budget Summary by Expenditure Category

	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
Personnel Services	670,681	677,136	729,226	743,240	695,203
Contractual Services	327,935	305,228	214,729	205,960	210,095
Commodities	8,116	6,790	8,900	15,650	8,400
Capital Outlay	-	-	-	-	-
Total Program	1,006,732	989,154	952,855	964,850	913,698

Discussion

The City Controller Division:

- Maintains the accounting records for all funds, projects and programs including grants;
- Provides internal and external financial reporting, including the Comprehensive Annual Financial Report (CAFR);
- Provides accounts payable, payroll, and other financial services support to all City departments;
- Monitors and assists in reporting grant expenditures;
- Processes all City financial transactions;
- Manages personnel accounting of payroll and benefits, with counseling for retirees and other separating employees regarding KPERS/KP&F retirement plans and COBRA health insurance; and
- Manages the City's bonded indebtedness, including structuring debt issues and assuring continuing compliance with bond covenants.

A major challenge in 2003 was the conversion and implementation of the City's financial statement reporting processes and format to new Governmental Accounting Standards Board (GASB) Statement 34 requirements. This conversion was required effective with 2002 CAFR preparation. It is the Controller's goal to document all division processes and to provide on-going training in those processes for all relevant city personnel.

Personnel Schedule (in Full-Time Equivalent)

Position Title	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
Accounting Manager	1.00	1.00	1.00	1.00	1.00
Accountant I	1.00	1.00	2.00	2.00	1.00
Accountant II	3.00	2.00	2.00	2.00	2.00
Accounting Specialist II	1.00	4.00	4.00	5.00	5.00
Supervisor III	1.00	1.00	1.00	0.00	0.00
City Controller	1.00	1.00	1.00	1.00	1.00
Office Specialist	1.00	0.00	0.00	0.00	0.00
Office Assistant III	1.00	1.00	1.00	1.00	1.00
Office Assistant II	0.75	0.75	0.00	0.00	0.00
Accounting Specialist I	2.00	1.00	1.00	1.00	1.00
Total Program FTEs	12.75	12.75	13.00	13.00	12.00

Notes on Budget and Personnel

- In 2005, an Accountant I position is eliminated. Responsibilities will be shifted to staff at the Department of Housing and Neighborhood Development.

City Controller Division Performance Measures

actual 2002	actual 2003	estimate 2004	estimate 2005
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Objectives and Performance Measures

Objective: Provide timely and accurate financial reports to internal and external customers.

<i>Measure:</i> Achieve an unqualified audit opinion.	Achieved	Achieved	Achieved	Achieved
<i>Measure:</i> Achieve the Government Finance Officers Association's Certificate of Excellence in Financial Reporting for the CAFR.	Award	Award	Award	Award
<i>Measure:</i> Issue interim financial reports by 15th of following month 100% of the time.	90.0%	92.0%	100.0%	100.0%
<i>Measure:</i> Complete the Comprehensive Annual Financial Report and distribute within five months of year end 100% of the time	6 months	10 months	5 months	5 months

Objective: Provide internal customers and staff with tools and resources to access and understand their own department and division financial information.

<i>Measure:</i> Make interim and year end financial reports available on-line by December 2003.	n/a	On-line	Sustain	Sustain
<i>Measure:</i> Provide training to 100% of appropriate City department staff in using the HTE system to track transactions and budgets and in reading the available financial reports.	n/a	50.0%	75.0%	100.0%

Objective: Be a resource to employees, managers, and department heads concerning payroll, benefits, and retirement related personnel issues.

<i>Measure:</i> Respond to payroll, benefits, and retirement questions from employees and managers within 1 business day, 95% of the time.	95.0%	95.0%	95.0%	95.0%
<i>Measure:</i> Provide training and support to 100% of department payroll clerks in payroll transaction reporting (hours, changes in benefits and employee status, etc.)	100.0%	100.0%	100.0%	100.0%

Objective: Comply with financial transaction and reporting requirements of City grants and entitlement programs 100% of the time.

<i>Measure:</i> In cooperation with Legal Department and other administrators, devise a checklist of financial and reporting compliance requirements for each grant.	50.0%	75.0%	80.0%	95.0%
<i>Measure:</i> Initiate and coordinate with other City departments in establishing and updating procedures to ensure that 100% of payments from grant funds are made, drawn promptly and appropriately, and reported in an accurate and timely manner, 100% of the time.	n/a	75.0%	95.0%	100.0%

Objective: Optimize the City's processing of all financial transactions to contain costs, maintain internal controls and strengthen the City's business reputation.

<i>Measure:</i> Hire, train and retain competent and qualified personnel.	Attained	Attained	Attained	Attained
<i>Measure:</i> Continue to streamline vendor payment process, reducing cycle time by another 10%.	30%	50%	60.0%	70.0%
<i>Measure:</i> Ensure that Accounts Payable staff have adequate equipment, materials, and training 95% of the time.	95%	95%	95.0%	95.0%

Cash Management Program Details

Budget Summary by Expenditure Category

	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
Personnel Services	162,683	173,671	175,043	168,706	171,549
Contractual Services	20,929	16,001	30,867	29,107	28,787
Commodities	1,386	734	2,540	1,425	1,425
Capital Outlay	-	-	-	-	-
Total Program	184,998	190,406	208,450	199,238	201,761

Discussion

This division is directed by the City Treasurer and consists of 3.0 FTE positions. The Cash Management Division is responsible to:

- Record and deposit City funds;
- Monitor and assist other City Departments in established cash procedures;
- Invest City monies using professional standards of safety and liquidity to achieve maximum investment yields;
- Compile and publish Quarterly Treasurer's Report;
- Provide input for portions of the Comprehensive Annual Financial Report (CAFR);
- Reconcile all bank accounts to the City's accounting records;
- Monitor daily bank balances and collateralization;
- Serve as the primary contact with the banking community and investment providers;
- Monitor and report on investments and investment earnings.
- Collect and invest funds utilizing professional standards of safety, liquidity, and yield.

Personnel Schedule (in Full-Time Equivalents)

Position Title	Actual 2002	Actual 2003	Adopted 2004	Estimated 2004	Adopted 2005
City Treasurer	1.00	1.00	1.00	1.00	1.00
Accountant I	1.00	1.00	1.00	1.00	1.00
Office Assistant II	1.00	1.00	1.00	1.00	1.00
Total Program FTEs	3.00	3.00	3.00	3.00	3.00

Notes on Budget and Personnel

- There are no significant changes from 2004 to 2005. The budget maintains current services.

Cash Management Division Performance Measures

Objectives and Performance Measures

actual	actual	estimate	estimate
2002	2003	2004	2005

Objective: Protect public funds through investments and cash management that provide for: Safety, Liquidity and Yield.

<i>Measure:</i> Ensure that all deposits are collateralized.	100%	100%	100%	100%
<i>Measure:</i> Ensure that all accounts payable, payroll and debt service needs are met.	100%	100%	100%	100%
<i>Measure:</i> Invest idle funds to exceed the return available on 91-day T-Bills.	100%	75%	75%	75%

Activity Indicators

Receipts issued	14,650	13,888	14,000	14,000
Returned checks processed	13	13	1,350	1,350
Bank reconciliation items processed	97,164	98,869	99,000	100,000