



# FINANCE DEPARTMENT

Road to Recovery



November 15, 2017

# Finance Department

What does the Finance Department do?



## CORE ACCOUNTING

- Payroll Processing
- Accounts Payable
- Accounts Receivable/General Billing
- Investments and Cash Management
- Debt Management and Compliance
- Fixed Asset Management
- Internal Controls
- Annual External Audit
- Comprehensive Annual Financial Report (CAFR)
- Provide financial oversight for the Community Redevelopment Agency (CRA) and Safe Neighborhood Districts
- Financial regulatory compliance



## UTILITY BILLING

- Cashiering
- Central Depository for City-wide Receipts
- Customer Self Service (CSS) Administrator
- Utility Billing Customer Account Management
- Bill calculation and creation
- 3<sup>rd</sup> Party Collections Management
- Liens and release of liens
- Bank Drafts and Credit Card Management

# Finance Department Status

What does the Finance Department do?



## METRICS

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- Processes over 30,000 transactions annually
  - Processes close to 7,000 utility bills per month
  - Pays debt service and manage compliance for over \$110 million in debt
  - Pays vendors on average \$8 million dollars per month
  - Records and tracks almost \$140 million in Capital Assets
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# Finance Department Status



## IMMEDIATE ISSUES

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Core Accounting Group – Total of 10 positions:

- 3 vacancies (existing)
  - 3 resignations within the last two weeks (including Finance Director)
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**RESULT: Core Accounting Group at 30% capacity**

# Finance Department Status



## RISKS

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Due to the significant number of vacancies in the Department, we can no longer meet the departmental responsibilities for the core functions of the accounting group, including:

- Payroll processing
  - Paying Vendors
  - Protecting public funds
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**ACTION REQUIRED: Immediate and significant assistance**

# Finance Department Status

## Short-term Issues



### A LITTLE MORE DETAIL

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- Gap in leadership
- Lack of redundancy/backup in critical areas: Payroll & Accounts Payable
- Protection of Public Funds
- Internal controls over assets
- Potential loss of revenue: State Shared Revenues, grants, etc.
- Potential debt non-compliance
- Completing FY 15/16 Audit and CAFR (Comprehensive Annual Financial Report)
- Completion of the Forensic Audit
- Longevity, stability and direction of Department
- Ability to recruit and retain qualified individuals
- Potential impact on ratings and ability to issue future debt
- Timely completion of Audits and CAFRs
- Ability to complete special studies: Impact Fees, 5 Year Financial Plan, etc.
- Current procurement practices hinder immediate response to these financial issues

# Finance Department – Road to Recovery

## First Steps



### FIRST STEPS

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- Recognize unique circumstances and take immediate action to fill positions in order to maintain critical functions.
  - Test potential 3<sup>rd</sup> party management of appropriate Finance Department functions in conjunction with City employees
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# Finance Department – Road to Recovery

## Recommendations



A. Utilize available funding from salary savings for temporary contractors and internal resources to ensure coverage of core functions

➤ Firms engaged with or to be engaged:

- ☐ Plante Moran
- ☐ Government & ERP Implementation Services
- ☐ Debbie Abenmoha
- ☐ Accounting Principals/Ajilon (temp agency)
- ☐ Kforce Staffing and Solutions (temp agency)

➤ Back-up firms:

- ☐ Robert Half/Accounting Temps (temp agency)
- ☐ MuniTemps – Municipal Staffing Solutions (temp agency)
- ☐ Albion Staffing Solutions (temp agency)
- ☐ Alpha 1 Staffing (temp agency)
- ☐ Severn Trent
- ☐ Munilytics



# Finance Department – Road to Recovery

## Recommendations (continued)



- B. Other City Departments to provide support
- C. Perform a national search for a Finance Director/CFO (Celeste Lucia to assist in transition)
- D. Continue to recruit for critical positions
- E. Continue to develop long-term solutions for the Department's operations
- F. Report progress to City Commission



Discussions and Questions

**Thank you!**