

Financial Services



Pictured above (left to right), front row: Customer Account Clerk/Cashier Katie Haglund, Treasurer Diane Giddens, Utility Billing Clerk Tim Raich; back row: Staff Accountant Mary Schlicht, Accounts Payable Clerk Vicky Smith, Water Meter Reader Melanie Coats, Chief Financial Officer Gary Simpson, Deputy Treasurer Linda Poole, and Customer Account Clerk/Cashier Stacie Stone.



FINANCIAL SERVICES ANNUAL REPORT FISCAL YEAR 2012

Mission Statement: Through teamwork, Financial Services is committed to achieving excellence in the accounting of all financial transactions, and in providing knowledgeable and courteous customer service to residents, businesses, visitors, City departments, and other governmental agencies.

In accordance with Section 2-80 of the City Code, listed below is a summary of activities for Financial Services for the 2011-12 fiscal year.

Department Description

The Financial Services Department provides administrative support to the City of Marquette government and is comprised of three divisions: Finance, Treasury, and Utility Billing.

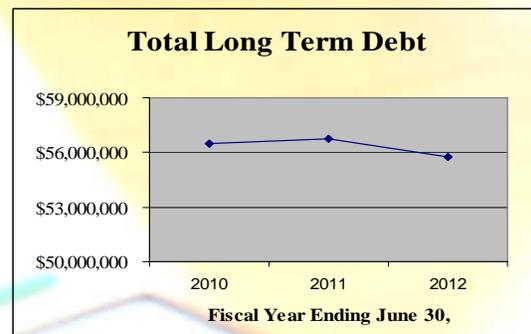
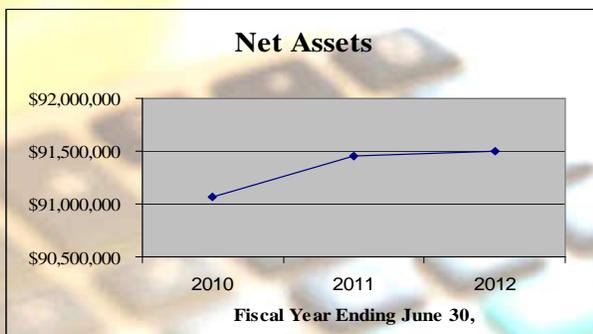
Some of the core functions of the department are preparation of the comprehensive annual financial report (CAFR), accounting for the City's various funds and grants, accounts payable, preparation and monitoring of the budget, cash management and debt management, tax billing and disbursements, billing of utility services, notification of parking ticket violations, collection of the City's revenues, administration of the Police and Fire Retirement System, and providing accounting services for the Peter White Public Library.

Services

Finance – Accounts payable, accounts receivable, central office supplies, bid administration, general accounting, fixed asset accounting, budget administration, financial reporting, cash management, and debt management.

	Fiscal Year Ending		
	<u>6/30/10</u>	<u>6/30/11</u>	<u>6/30/12</u>
<u>Finance Program Statistics:</u>			
# of Accounts Payable checks issued:	5,414	5,345	5,283
\$ of Accounts Payable checks issued:	\$ 34,451,623	\$ 32,091,902	\$ 33,944,983
# of Accounts Receivable invoices issued:	2,102	1,635	1,496
\$ of Accounts Receivable billings:	\$ 1,293,338	\$ 1,692,843	\$ 1,146,661
# of Bids and RFP's administered:	30	53	52
# of Fixed Asset records maintained:	1,078	1,116	1,153 *
\$ of Fixed Asset records maintained:	\$ 176,701,025	\$ 181,596,755	\$ 187,403,855 *
# of Funds maintained:	31	38	37
\$ of Net Assets maintained:	\$ 91,065,645	\$ 91,452,064	\$ 91,500,000 *
\$ of Long Term Debt maintained:	\$ 56,505,866	\$ 56,727,435	\$ 55,734,581

* - estimate



Treasury – Summer and winter property tax collection and administration, special assessment billing and collection, parking ticket and civil infraction notification and collection, and police & fire retirement system administration.

Treasury Program Statistics:	Fiscal Year Ending		
	6/30/10	6/30/11	6/30/12
\$ Total Cash Receipts:	\$ 49,489,420	\$ 50,601,467	\$ 51,711,882
\$ Parking Ticket payments received:	\$ 267,497	\$ 147,688	\$ 108,831
# of Property Tax parcels billed:	6,987	7,654	7,518
% of Tax Billings collected:	95%	95%	96%
# of Landfill Permits (Commercial/Residential):	51	61	80
\$ of Landfill Permits (Commercial/Residential):	\$ 3,315	\$ 3,140	\$ 3,165

Because the City bills and collects taxes on behalf of other governmental units, it is important to note that the City does not keep all of the taxes that are billed out. When a taxpayer receives the summer tax bill, for instance, the City's portion is actually only a little over one-third. The rest is distributed to the other taxing jurisdictions that the City bills. The following chart and graph illustrates this.

2012 Summer Tax Levy

Schools/SET	\$ 10,259,208	39.21%
ISD/Spec. Ed.	1,377,268	5.25%
City/Sr. Millage	9,799,830	37.41%
Library	1,230,460	4.69%
County	3,306,964	12.62%
Heritage Authority	124,914	0.47%
DDA	91,619	0.35%
	<u>\$ 26,190,263</u>	<u>100.00%</u>



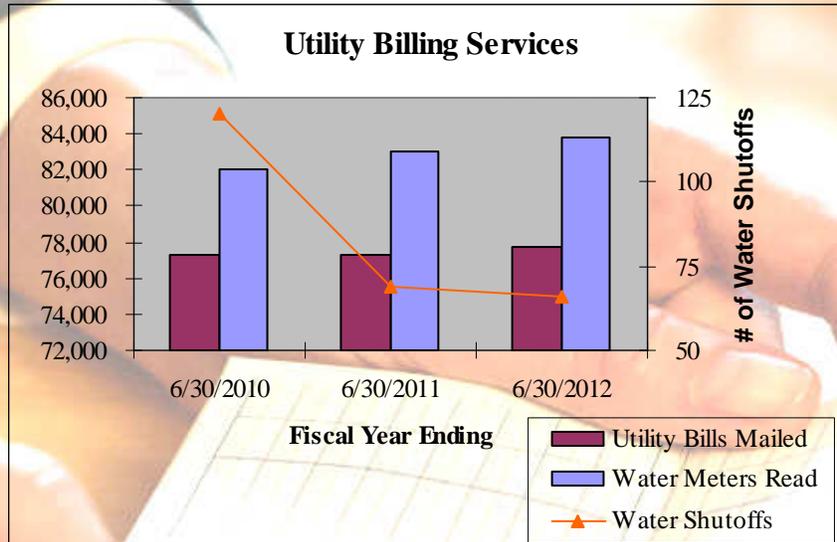
Utility Billing – Monthly meter reading and billing of all water/sewer, stormwater, refuse collection, and landfill bond fee accounts.

Utility Billing Program Statistics:

of Utility Bills mailed:
 # of Water Meters read:
 # of Water Shutoffs (non-payment):

	Fiscal Year Ending		
	6/30/10	6/30/11	6/30/12
# of Utility Bills mailed:	77,252	77,281	77,738
# of Water Meters read:	82,000	83,000	83,800
# of Water Shutoffs (non-payment):	120 [^]	69	66

[^] - implemented door hanger shut off notice



Accomplishments in Fiscal Year 2011-2012

The focus of the Financial Services Department is to provide excellent service to both its internal and external customers. Internal customers are the City departments who rely on the Financial Services Department for financial information including the Mayor, City Commission, and others charged with developing, adopting, and monitoring the City Budget. External customers are the taxpayers, users of the utility system, potential business owners, and others.

The Financial Services Department is continually reviewing processes and procedures in order to provide accurate and timely financial information as well as excellent service to all of its customers.

Some of the more significant accomplishments of the Financial Services Department in fiscal year 2011-2012 include the following:

- **Economic Vitality Incentive Program (EVIP):** Successfully complied with the new requirements of the statutory portion of State Revenue Sharing as outlined by the Governor’s EVIP program to help improve accountability and transparency of municipalities to the public. By complying with all three phases, the City should receive approximately \$308,000.
- **GASB 54 Implementation:** The Financial Services Department fully integrated the new standards of financial reporting of fund balances. This new pronouncement allows the City to express fund balances in portions that are non-spendable, restricted, committed (by the Commission), assigned, and finally, unrestricted. This type of presentation gives a better ‘picture’ to the reader of the financials as to what the City intends to do with it’s fund balance reserves.

- Project Financing: Closed on one bond issue during the fiscal year. On September 22, 2011, the City issued \$2,690,000 in bonds for 2011 Capital Improvements. The purpose of these bonds is paying for major street and/or local street improvements, construction of the Lake Street bike path, and the construction and installation of sanitary sewer lateral replacements. Maintained the current AA bond rating for the City through consultations with Standard & Poor's Rating Agency. Began the process for issuing bonds for the fiscal year 2012 capital improvement projects, currently estimated to be approximately \$4 million. The projects included for fiscal year 2012 are for street improvements, including the extension of McClellan Avenue, Mattson Park Lift Station construction, Sanitary Sewer Lateral replacements and Slip Lining. These bonds are expected to be issued in August 2012. Have also been involved in discussions with the Founders Landing Development Group and Marquette Brownfield Authority for the next phase of development and financing of the Founders Landing project.
- Audit Services: Completed the RFP process for annual audit services for the next three fiscal years. The Financial Services Department recommended, and the City Commission approved, the services of Anderson, Tackman and Co. PLC, of Marquette for a three year contract.
- Grant Administration: The Financial Services Department, working in conjunction with other City Departments, assisted in the financial reporting requirements for over \$1.2 million in grant money received by or passed-thru the City, including the Better Buildings for Michigan program supported by DELEG.
- Lost Files: A significant amount of time has been spent rebuilding and recreating files and spreadsheets that were lost during the file server crash of November 2011. Information Technology Services was able to restore some of the files from backup tapes and in some cases restored older versions that we were able to rebuild from. But by and large, a tremendous amount of time has been devoted to this effort.
- City Charter Review: Participated in the City Charter revision project by reviewing the current City Charter, providing language for suggested changes, and attending several City Charter Review Committee meetings to supply information and answer questions.
- Joint Water Rate Study: Participated in the Joint Water Rate Study between the City and Marquette Charter Township by reviewing and supplying information, participating in conference phone calls, and attending meetings in conjunction with the City's Water Department, Township staff, and the consultants from Baker Tilly.
- Electronic Tax Payments: There are five (5) mortgage companies, banks, and financial institutions paying customer tax bills via electronic payment. The two (2) largest institutions are paying between 400 and 500 tax bills electronically.
- Check-by-Phone: City customers can now make a quasi-electronic payment on parking tickets and civil infractions, pay invoices or utility bills, and pay summer and winter taxes by calling the Treasurer's Office and requesting to pay "check-by-phone."

Ongoing Projects:

- **Financial Software:** Financial Services, in conjunction with assistance from Information Technology Services, went through an extensive RFP process to replace our current Financial Management System. A Michigan vendor, BS&A Software, was selected. The City Commission has approved the selection and provided a budget of an amount not to exceed \$300,000 to convert to the new Financial Management System and upgrade other programs provided by BS&A that are currently utilized by the City. This conversion is scheduled to take place in the fiscal year 2012-2013. Significant security upgrades will also be a part of this project.
- **Over the Counter (OTC) Debit/Credit Card Acceptance:** Treasurer seminars are addressing solutions to the dilemma of municipalities accepting OTC credit card payments as more and more customers prefer using their debit/credit cards instead of cash or check.

Appreciation

Within the context of the ongoing budget challenges, members of Financial Services have done an extraordinary job of “doing more with less” and are to be commended for their accomplishments during the past fiscal year and their continuing commitment to deliver exceptional service to the public, businesses, taxpayers, and City employees. In this vein, Financial Services has been recognized for its outstanding efforts in financial reporting by the Government Finance Officers Associate of the United States and Canada. The Department has received the Certificate of Achievement for Excellence in Financial Reporting for the past 26 consecutive years.

Contact Information

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