

Finance Department

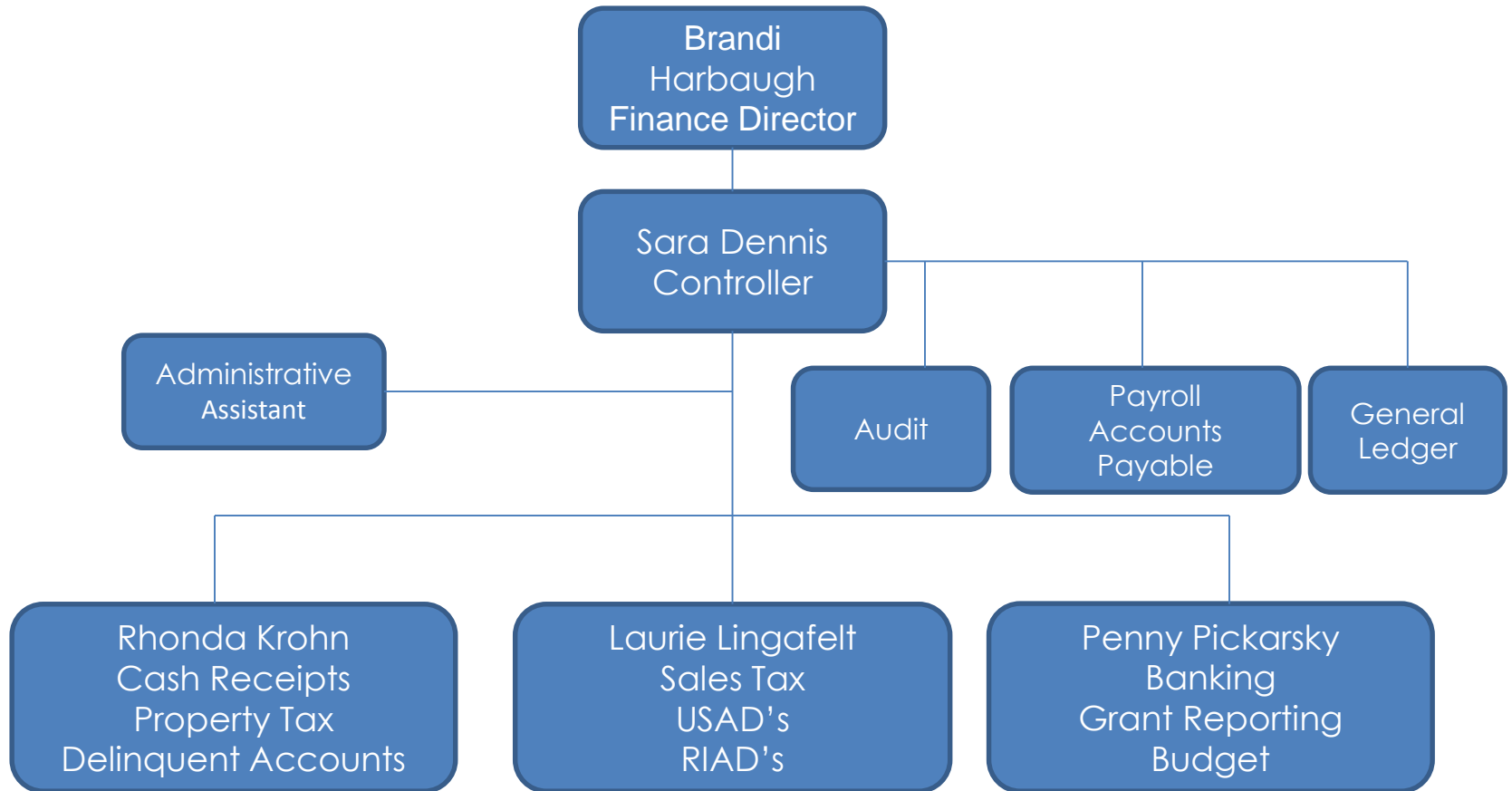
FY2019 Proposed Budget

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Background information

- Four departments
 - Administration
 - Financial services
 - Property tax and collections
 - Sales tax

Finance Department



Background information

- Bill, collect and distribute all property taxes, over 65,000 bills
- Collect and distribute all sales tax, processing 34,000 sales tax returns
- \$35.6 million collected on behalf of the cities (\$26.5 million in sales tax)
- Process all payroll, @ 11,250 checks/direct deposits
- Process all vendor payments, over 22,000 invoices
- Process grant reports, @ 35
- Special assessment accounts billed and maintained, @ 750

FY2018 Key Accomplishments

- Received GFOA Certificates
 - For Excellence in Financial Reporting for Financial Statements (CAFR), 39th consecutive year
 - Distinguished Budget Award, 26th year
 - Popular Annual Financial Report (PAFR), 3rd year
- Online payment of property taxes totaled over \$5.1 Million
- Doubled amount of small claims completed from FY2018
- Reviewed existing sales tax policies and began updating web site documents and training materials
- Reviewed sales tax procedures and implemented changes reducing cost in staff hours and improved efficiencies
- Collaborated with IT Department to implemented paperless timekeeping solution

FY2019 Key Objectives & Budget Highlights

- GFOA certificates
 - CAFR
 - Budget
 - PAFR
- Complete online sales tax filing process
- Begin process of converting special assessments from legacy in-house system to Aumentum system, utilizing modernized technology, allowing more efficient billing and data retrieval
- Major software upgrades for:
 - Financial ERP system (phase I in FY19 and phase II Payroll and HR in FY20)
 - Sales tax system

Expenditure summary by Division - Finance

By Division	FY2018 Approved Budget	FY2019 Proposed Budget	Change
Administration	558,913	502,372	(56,541)
Financial Services	1,062,277	957,810	(104,467)
Property Tax & Collections	1,084,361	1,090,153	5,792
Sales Tax	<u>685,344</u>	<u>646,548</u>	<u>(38,796)</u>
Total	3,390,895	3,196,883	(194,012)
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Decrease of			-5.72%

Expenditure summary - Finance

	FY2018 Approved Budget	FY2019 Proposed Budget	Change
Personnel	2,642,255	2,530,917	(111,338)
Supplies	15,600	15,650	50
Services	727,754	652,593	(75,161)
Capital Outlay	10,186	2,975	(7,211)
Interdepartmental	<u>(4,900)</u>	<u>(5,252)</u>	<u>(352)</u>
Total	3,390,895	3,196,883	(194,012)
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Decrease of			-5.72%

Significant Budgetary Changes

- Personnel down \$111,338, retirement, employee turnover and reduced health insurance elections by employees.
Reclassified Payroll position and reduced auditor position to half-time utilizing efficiencies in processes and individual skill sets.
- Services down \$75,161
 - Contractual services \$10,000
 - Cuts to transportation and training \$20,309
 - Equipment replacement fund payments down due to payoff of sales tax software from FY2013
- Capital outlay down \$7,200

Long-term Issues and Concerns

- Proposed GASB pronouncements and impact to Borough
 - How revenue and expenditures are recorded
- Potential changes from cities regarding sales tax and property taxes rates and exemptions
 - Borough is responsible for implementing and enforcing changes
- Alaska legislature - lack of long term plan