

City Council's Finance Committee conducted the first in a series of budget review meetings on June 15, analyzing how money is spent and studying how money can be saved in future budgets.

Committee members reviewed the Finance Department budget during the meeting, along with the budget of the City's administrative positions. Finance Director Debra Miller gave a presentation on her department's budget, using a format that the committee agreed should be used by other City department heads during their upcoming budget meetings.

"The word 'savings' has been brought up (during budget discussions), so I provided a list of what kinds of savings the finance department has worked on in 2010 and 2011," Miller said.

Miller's presentation also included a list of ways that revenue is generated for the department, what department functions have been evaluated for outsourcing, what functions should not be outsourced and a list of future planning goals.

"This format is very helpful," said City Council and Finance Committee member Tom Counts. "It's very responsive to what we've been talking about."

Miller's list of savings included the following:

- Bank Fees – changing financial institutions is expected to lower banking fees, saving the City between \$600 and \$2,000 annually.
- Credit Card Fees – changing credit card machines will lower the cost per transaction, providing an estimated annual savings of \$300-\$800.
- Printing Costs – Annual savings between \$160 and \$250 will be realized by recycling and reducing the amount of paper used and lowering the number of payroll checks needed with mandated direct deposit.

The department's biggest revenue generation has come from delinquent tax collection (revenue generated to date in 2011 is \$55,793) and the department's efforts to find investments that will earn greater interest (revenue generated to date in 2011 is \$12,802).

The "outsourcing" portion of Miller's presentation included information on finance department work that is done in-house, work that is outsourced and those functions that provide a mix of both. Functions currently outsourced include income tax collection, which is done through the Regional Income Tax Agency (RITA), and employee benefit bidding, which is done through Wells Fargo Insurance Co. Miller said the City would need approximately two trained staff members to bring the income tax collection in-house, along with special software, storage and counter facilities. RITA provides several functions that the City could not replicate, Miller said. Wells Fargo handles the benefit bidding because the City does not have a separate human resource department.

In-house work that Miller said should not be outsourced due to fiscal accountability or obligated rationale includes accounting, debt management, financial reporting and public records management. Committee and Council member Richard Cline commended Miller on the outsourcing information she provided.

“I liked your discussion of outsourcing,” Cline said. “It’s given us a rationale of how we got here, along with an explanation.”

Miller concluded her report by citing future goals for the department. They include upgrading the City’s financial system capabilities and enhancing City functions by being able to accept online payments for things such as permits, programming and alarm registration.

City Manager Steve Lutz provided a brief budget report on the administration department, which includes two employees along with copier supplies and expenses. He said the City has saved money by expanding the duties of the secretary/receptionist rather than outsourcing those additional duties.

Future Finance Committee budget analyses are scheduled as follows:

- July 12 – Engineering, City Clerk, City Council and Public Information departments
- Aug. 9 – Public Service/Parks and Recreation and Development departments
- Sept. 13 – Building Department
- Oct. 11 – Police and IT departments

Finance Committee meetings begin at 7 p.m. at the Municipal Building (47 Hall St.) and are open to the public.