

**CITY OF MINNEAPOLIS**

**FINANCE DEPARTMENT**

**2010-2014 BUSINESS PLAN**

**JANUARY 2011**



## Finance Department

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Policy-makers, Finance Employees and Department Managers:

The Finance Department of the City of Minneapolis has updated its five year business plan for 2010 – 2014. This plan sets our course for the next five years. The next five years call for us to serve our customers and the City with high standards, be innovative, and be adaptable to changing needs of our customers with fewer resources.

Our 2010 – 2014 business plan describes what we do, how we will measure success, and major initiatives. You will see that Finance has shifted away from describing our business lines as operations and decision support to using six service activities. This change more accurately describes the work of Finance staff, our employees should be able to see where they fit in and our customers where we are headed. This new way of describing our business also still encompasses our previous business lines. Finance continues to perform several critical City operations and our service activities all support and contribute to department management decisions.

Each of Finance's six service activities is described on a single page. Leadership, resources, performance measures, relationships, goals, and five-year initiatives is shown for each activity. The service activities are:

1. *Accounting, reporting, and department services*
2. *Buy, order, and pay for goods and services*
3. *Collect revenues, concentrate cash, and invest reserves*
4. *Pay employees*
5. *Risk management and claims*
6. *Strategic financial services*

**The last five years** were marked by major investments in technology, changes in the way we do our work (business processes), and fewer of us to do our work (our workforce was reduced by 15%). We asked much from our employees and they delivered, often under rapidly changing timelines, little training, and not enough preparation.

**The next five years** must put our employees at the top of our priorities. Here's why:

- We will lose some of our most experienced people to retirement in the next ten years: 25% of our employees will be eligible for retirement in five years and 40% in ten years.

- We have not trained our employees to make the most of our technology investments and the business processes this technology supports.

Here are some things we will do:

- Find and develop the next generation of Finance's leaders and experts.
- Prepare our employees with training and job experiences to meet the needs of the City for improved analysis of trends, better communication with decision makers, and best use of technology.

The future will be challenging, but our plan makes us prepared. Please look at our business plan and let me know what you think.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Patrick P. Born". The signature is written in a cursive, flowing style.

Patrick P. Born  
Chief Financial Officer

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## WHO ARE WE?

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### MISSION

Provide essential financial services and guide decisions to ensure the City's lasting vibrancy and financial strength.

### VALUES

#### City of Minneapolis, Values we work by –

##### **Collaborative**

Our strong, strategic relationships with the private sector and governmental entities — local, regional, national and international — deliver results.

##### **Engaged**

Our efforts ensure that residents and employees are engaged, empowered and able to make a difference.

##### **Results-driven**

Our outcome-driven and performance-based focus delivers services that Minneapolis residents, businesses and visitors value.

##### **Informed**

Our drive to learn the facts, seek alternatives, consider the big picture and analyze future implications leads to smart, confident decisions.

##### **Accountable**

Our commitment to openness and responsible action generates trust between residents and their government.

##### **Ethical**

Our responsibility to the public ensures that people at all levels of the organization do the right things for the right reasons.

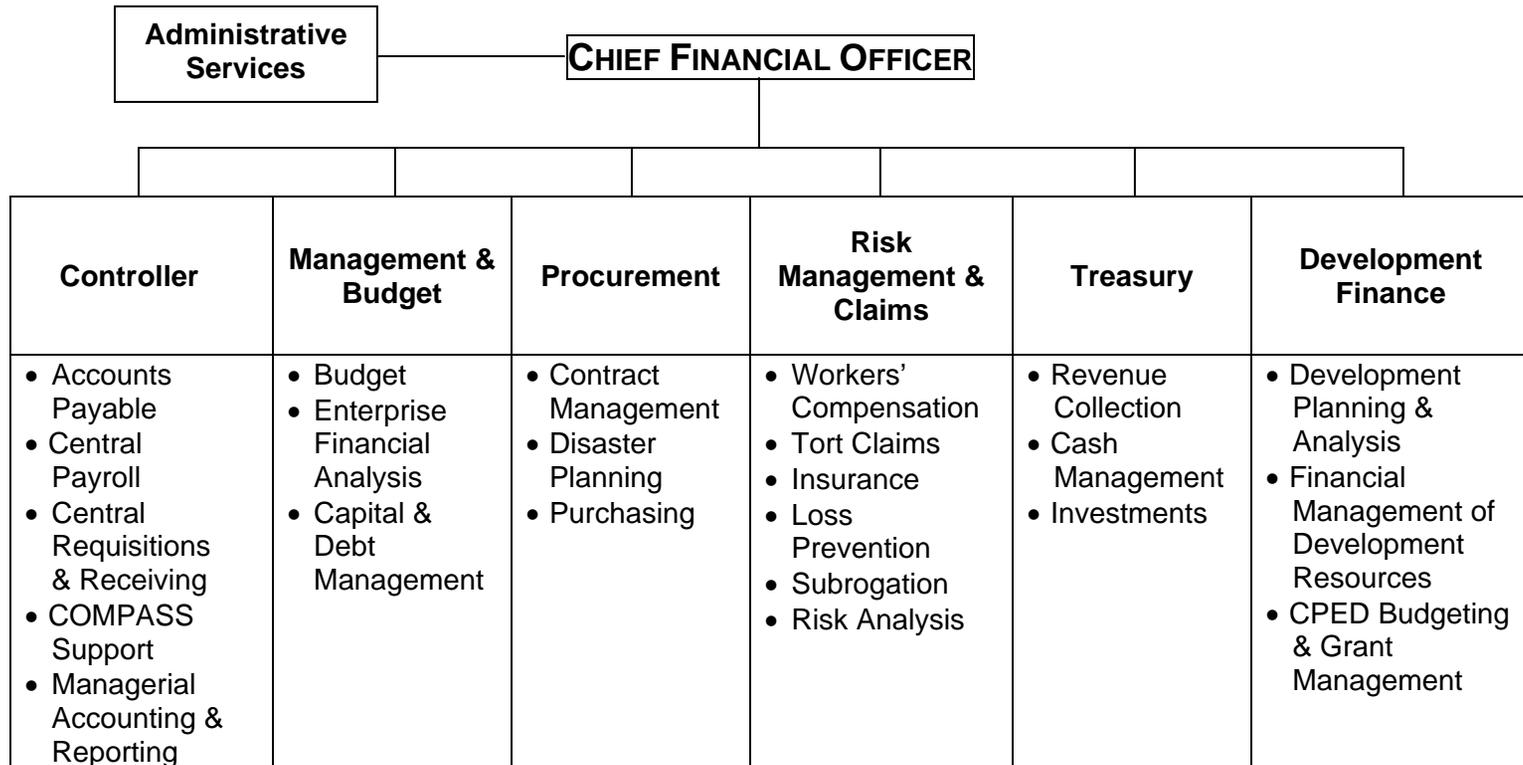
##### **Inclusive**

Our appreciation of diversity and commitment to inclusion creates a vibrant, global community.

##### **Sustainable**

Our commitment to long-term fiscal and environmental stewardship ensures that today's decisions are right for tomorrow.

**DEPARTMENT ORGANIZATIONAL CHART**



# **WHAT DO WE WANT TO ACHIEVE AND HOW WILL WE GET THERE?**

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## **VISION STATEMENT**

Enterprise leaders offering valued services and innovative financial solutions.

## **DEPARTMENT SERVICE ACTIVITIES, GOALS, OBJECTIVES, MEASURES & FIVE-YEAR INITIATIVES**

### **FINANCE SERVICE ACTIVITIES**

- **ACCOUNTING, REPORTING AND DEPARTMENT SERVICES** – monitor and report department revenues and expenditures to managers and policy-makers; prepare City’s quarterly financial report and Comprehensive Annual Financial Report (CAFR); respond to internal and external audits; design and administer rate models that allocate shared costs for internal services; assist managers during the annual budget process; and provide functional support of COMPASS.
- **BUY, ORDER AND PAY FOR GOODS AND SERVICES** – facilitate the purchase of goods and services on the most favorable terms according to state law and City policies; assure contracts are consistent with good business practices and City policies; create requisitions for goods and services, issue purchase orders, document receipt of goods and services, and pay vendors.
- **COLLECT REVENUES, CONCENTRATE CASH AND INVEST RESERVES** – invest City funds, monitor bank accounts and cash balances, make electronic fund transfers and payments, and bill and collect revenue for utilities and do citywide receivable work.
- **PAY EMPLOYEES** – pay employees according to labor agreements, state and federal laws, and City policies.
- **RISK MANAGEMENT AND CLAIMS** – protect City assets, prevent loss of money and injury to City employees, and manage claims for workers’ compensation and tort.
- **STRATEGIC FINANCIAL SERVICES** – lead City annual budget and long-term financial planning process, initiate financial analyses on issues impacting the City Enterprise, and provide financial information and advice to policy-makers and City leadership.

Finance’s six service activities contribute to the City goal of “A City That Works,” which envisions Minneapolis as a model of fiscal responsibility, technological innovation and values-based, results-driven municipal government. An overview of each service activity follows that includes information on: resources allocated to each activity, performance metrics, key relationships, goals, objectives and five-year initiatives. Goals have been developed for each service activity to identify the most important long-term (five-year) ends that Finance is working to achieve. Objectives are short-term (one-to-five years) and outline strategic outcomes that will help Finance reach its goals. Five-year initiatives are very specific, short-term, project-focused activities that will support and contribute to department goals and objectives.

<b>SERVICE ACTIVITY ACCOUNTING, REPORTING AND DEPARTMENT SERVICES</b>	
<b>Description</b>	Monitor and report department revenues and expenditures to managers and policy-makers; prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR); respond to internal and external audits; design and administer rate models that allocate shared costs for internal services; assist managers during the annual budget process; and provide functional support of COMPASS.
<b>City Goals</b>	A City that Works
<b>Finance Leader(s)</b>	Controller Development Finance Director
<b>2010 Finance FTEs</b>	47.0
<b>2010 Annual Cost</b>	\$4,436,402
<b>Metrics</b>	<b>Management Services Survey:</b> Advice and assistance with managing your budget throughout the year; Assistance with annual budget preparation; and Financial planning and analysis services <b>Results Minneapolis:</b> Net assets of internal service funds with workout plans; Alignment of major development projects with designated land use growth areas; and Alignment of CPED program investments with areas of market stress
<b>Key Relationships</b>	Bond Counsel City department managers, including Finance divisions Development finance associations Grantors League of Minnesota Cities Internal Auditor Minnesota State Auditor Neighborhood Revitalization Program Tax increment finance associations
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Provide financial advice and information to City managers to support their services to Minneapolis residents and other City departments.</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Provide financial reporting and accounting services to all City departments.</li> <li>• Direct, manage, and analyze development related finance information and processes to result in informed development decisions including tax increment financing and development grants.</li> <li>• Develop relationships and understand customer department goals and objectives.</li> </ul>

<b>SERVICE ACTIVITY BUY, ORDER AND PAY FOR GOODS AND SERVICES</b>	
<b>Description</b>	Facilitate the purchase of goods and services on the most favorable terms according to state law and City policies; assure contracts are consistent with good business practices and City policies; create requisitions for goods and services, document receipt of goods and services, and pay vendors.
<b>City Goals</b>	A City that Works
<b>Finance Leader(s)</b>	Controller Procurement Director
<b>2010 Finance FTEs</b>	43.0
<b>2010 Annual Cost</b>	\$4,411,513
<b>Metrics</b>	<p><b>Internal:</b> Number of Official Publications; Number of requisitions created, payment vouchers issued and transactions processed using quick invoice; Percent of vendors submitting electronic invoices; Time to Process a Contract; and Through-put for Official Publications</p> <p><b>Management Services Survey:</b> Performance in creating requisitions and purchase orders; Performance paying bills; Purchasing services related to bids and price agreements (over and under \$50,000); and Services related to contract management (over and under \$50,000)</p> <p><b>Results Minneapolis:</b> Best practice payment terms; Cost to pay an invoice; Days to pay an invoice; and Green purchases</p>
<b>Key Relationships</b>	City and Finance staff who do requisitions, receivers and make purchases Vendors and citizens
<b>Goals</b>	<ul style="list-style-type: none"> <li>• The City obtains necessary goods and services on favorable terms and prices.</li> <li>• Purchasing goods and services is conducted according to best practices, State laws and City policies.</li> <li>• Environmental considerations are a part of normal purchasing decisions, consistent with standard practices such as safety, price, performance and availability.</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Simplify and improve business processes surrounding procurement and payment of goods and services.</li> </ul>

<b>SERVICE ACTIVITY COLLECT REVENUES, CONCENTRATE CASH, AND INVEST RESERVES</b>	
<b>Description</b>	Invest City funds, monitor bank accounts and cash balances, make electronic fund transfers and payments, and bill and collect revenue for utilities and do citywide receivable work.
<b>City Goals</b>	A City that Works
<b>Finance Leader</b>	Treasury Director
<b>2010 Finance FTEs</b>	52
<b>2010 Annual Cost</b>	\$6,636,187
<b>Metrics</b>	<b>Internal:</b> Utility eBill Customer Sign-up Rate <b>Management Services Survey:</b> Performance in Collecting Revenues <b>Results Minneapolis:</b> Collections Effectiveness Indicator; Interest Income Earned on Operating Assets; Total Return on Operating Assets; and Utility Billing, Proportion of Electronic Payments
<b>Key Relationships</b>	Accounting, accounts payable, payroll and debt staff in Finance Commercial banks Couriers Debt collection contractors Investment advisors Public Works utility services Treasury software providers and related services
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Collect all funds due the City</li> <li>• Convert collected revenue into investable funds rapidly and efficiently</li> <li>• Invest cash reserves to preserve capital, meet City liquidity needs and achieve appropriate investment returns.</li> <li>• Provide customers with readily accessible account information and convenient payment methods.</li> <li>• Protect the City from potential loss related to electronic fund transfer fraud.</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Continually improve business processes and appropriately manage revenue collection and cash management activities.</li> <li>• Ensure the City meets appropriate industry benchmarks related to the delivery of all Treasury services.</li> <li>• Continually monitor cyber-banking industry trends and ensure that the City implements best practice controls surrounding electronic fund transfers in order to minimize the potential loss to the City due to fraud.</li> </ul>

SERVICE ACTIVITY	PAY EMPLOYEES
<b>Description</b>	Pay employees according to labor agreements, state and federal laws, and City policies.
<b>City Goals</b>	A City that Works
<b>Finance Leader</b>	Controller
<b>2010 FTEs</b>	18.0
<b>2010 Annual Cost</b>	\$2,068,679
<b>Metrics</b>	<p><b>Internal:</b> Percentage of City workforce entering bi-weekly pay through Time &amp; Labor</p> <p><b>Management Services Survey:</b> Performance collecting, auditing and processing bi-weekly payroll</p> <p><b>Results Minneapolis:</b> Payroll cost per FTE</p>
<b>Key Relationships</b>	Accounting and accounts payable staff in Finance
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Payroll services are provided in an effective and efficient manner according to city labor agreements, Fair Labor Standards Act, and federal and Minnesota laws and tax code.</li> <li>• Employee checks are processed timely and without error.</li> <li>• Improve internal controls to reduce risk of fraud and errors.</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Establish and maintain policies and procedures for payroll time collection and processing.</li> <li>• Simplify and improve business processes that support bi-weekly payroll.</li> </ul>

SERVICE ACTIVITY	RISK MANAGEMENT AND CLAIMS
<b>Description</b>	Protect City assets, prevent financial losses and injuries to City employees, and manage claims for workers' compensation and tort liability.
<b>City Goals</b>	A City that Works
<b>Finance Leader</b>	Risk Management Director
<b>2010 Finance FTEs</b>	10.0
<b>2010 Annual Cost</b>	\$2,585,681
<b>Metrics</b>	<p><b>Internal:</b> Actuarial allocation and projections; Insurance costs, subrogation revenue and claims; and Number of corrective actions issues</p> <p><b>Management Services Survey:</b> Advice and assistance with employee safety, OSHA, ergonomics and loss prevention; Services related to investigating and resolving tort claims (under \$25,000); and Services related to workers' compensation claims</p> <p><b>Results Minneapolis:</b> Liability and work comp claims paid</p>
<b>Key Relationships</b>	Brokerage contacts for insurance and actuarial needs City attorney's, human resources and procurement staff City department management staff Medicare Minnesota Department of Commerce Minnesota Special Compensation Fund Minnesota State Auditor Occupational Safety and Health Administration Workers' Compensation Reinsurance Association
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Reduce and minimize loss and risk exposure to the City and protect City assets.</li> <li>• Optimize insurance values.</li> <li>• Reduce accidents involving City employees, and maintain a safe and productive workforce.</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Receive, review and process tort liability, workers' compensation and subrogation claims.</li> <li>• Coach and support the implementation of loss prevention tactics in every department.</li> <li>• Develop Finance's policies, procedures and claims reporting during emergency operations.</li> </ul>

SERVICE ACTIVITY	STRATEGIC FINANCIAL SERVICES
<b>Description</b>	Perform financial analyses and planning on various issues impacting the City Enterprise, provide financial information and advice to policy-makers and City leadership, support informed and strategic decision-making, and develop and administer the annual Citywide process for budget development.
<b>City Goals</b>	A City that Works
<b>Finance Leader</b>	Management and Budget Director
<b>2010 Finance FTEs</b>	8.0
<b>2010 Annual Cost</b>	\$2,033,436
<b>Metrics</b>	<p><b>Management Services Survey:</b> Assistance with annual budget preparation; Financial planning and analysis services; and Services associated with completing major financial transactions or decisions</p> <p><b>Results Minneapolis:</b> General fund performance and Minneapolis debt as a percentage of assessor's estimated market value</p>
<b>Key Relationships</b>	<p>Controller, development finance and treasury division staff</p> <p>Citizens (Capital Long-Range Improvement Committee)</p> <p>Credit rating agencies, financial advisors</p> <p>Department heads</p> <p>Federal and state agencies</p> <p>Mayor and City Council</p> <p>Pension actuaries</p>
<b>Goals</b>	<ul style="list-style-type: none"> <li>• City decision-makers receive and make decisions based on strategic financial information.</li> <li>• Departments manage and prioritize resources to provide services to Minneapolis residents and other City departments.</li> <li>• The City plans for and makes effective use of available financial and personnel resources.</li> <li>• City staff is able to follow user-friendly processes for development of annual operating and capital budgets.</li> <li>• City debt is managed actively to take advantage of market conditions.</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• New budget system technology is easier to use for end users and internal maintenance is simplified.</li> <li>• Long-term financial challenges are identified and City officials are working toward solutions.</li> <li>• Business processes surrounding capital and operating budget simplified through department input.</li> <li>• Identify financial information needs.</li> </ul>

## FINANCIAL RESOURCE PLAN

### STATEMENT OF TRENDS RELATED TO DEPARTMENT FINANCIAL RESOURCES

- **Business Process Improvements:** Through the most recent budget cycle, business process improvements have allowed the Finance department to continue service levels using fewer resources (personnel and financial) and minimize impacts to the department operating budget. The department will continue to make use of process improvements as a strategy for working smarter; however, it may not continue to have the same impact as department resources continue to experience further significant strain.
- **Customer Service:** The primary purpose of the Finance department is to provide financial services to City departments and residents. All department resources are directed toward this end. Our customers expect quality services to meet their specific needs and also expect to work with Finance and do business with the City using quick, intuitive tools they are familiar with such as customized reports or on-line payments.
- **Declining Financial Resources:** The economic recession, reductions in Local Government Aid funding from the State of Minnesota, pressures to slow the growth of property taxes and outstanding revenue collections for services provided to other entities have resulted in fewer financial resources being available to the Finance department. Finance has experienced nine years (2003-2011) of budget reductions totaling \$5.8 million and the loss of 32 FTEs since 2005 (a 16-percent reduction in our workforce). This trend is likely to continue into the future.
- **Technology Systems:** The work environment is becoming increasingly dependent upon technology systems. Technology is a significant driver contributing to increased department costs related to securing, developing and supporting these systems, and the need for staff with higher-level technology skills to maintain and operate these systems.

### FINANCE STRATEGIES FOR ADDRESSING TRENDS IDENTIFIED ABOVE

STRATEGY	IMPACT AREA(S)	TIMELINE	METRICS
Develop and implement the Central Requisitions & Receiving group	* Business Process Improvements * Customer Service * Declining Financial Resources	1st Quarter of 2011	* Number of requisitions created * Management Services Survey: Improvement in scores on performance in creating requisitions * Results Minneapolis: Improvement in scores on best practice payment terms
Develop and implement Quick Invoice functionality in COMPASS	* Business Process Improvements * Customer Service * Declining Financial Resources	1st Quarter of 2011	* Number of transactions processed using the Quick Invoice functionality

STRATEGY	IMPACT AREA(S)	TIMELINE	METRICS
Develop and implement the Time & Labor module in COMPASS	<ul style="list-style-type: none"> <li>* Business Process Improvements</li> <li>* Customer Service</li> <li>* Declining Financial Resources</li> <li>* Technology Systems</li> </ul>	2nd Quarter of 2011	<ul style="list-style-type: none"> <li>* Percentage of City workforce entering bi-weekly pay through Time &amp; Labor</li> <li>* Management Services Survey: Improvement in scores on performance collecting, auditing and processing bi-weekly payroll</li> <li>* Results Minneapolis: New measure, payroll cost per FTE</li> </ul>
Upgrade COMPASS financials and EPM	<ul style="list-style-type: none"> <li>* Customer Service</li> <li>* Declining Financial Resources</li> <li>* Technology Systems</li> </ul>	3 <sup>rd</sup> Quarter of 2013	* Completion of the system upgrade; continuity of system operations
Upgrade enQuesta	<ul style="list-style-type: none"> <li>* Customer Service</li> <li>* Declining Financial Resources</li> <li>* Technology Systems</li> </ul>	3 <sup>rd</sup> Quarter of 2013	* Completion of the system upgrade; continuity of system operations
Improve recovery of General Fund Overhead associated with grants	<ul style="list-style-type: none"> <li>* Declining Financial Resources</li> </ul>	1st Quarter of 2012	* Annual General Fund Overhead Allocation charges calculated through the model as compared to actual fees collected/received
Develop and implement business process and COMPASS functionality to support use of a procurement card	<ul style="list-style-type: none"> <li>* Business Process Improvements</li> <li>* Customer Service</li> <li>* Declining Financial Resources</li> </ul>	2nd Quarter of 2011	* Number of transactions processed using a procurement card
Configure COMPASS to take discounts	<ul style="list-style-type: none"> <li>* Business Process Improvements</li> <li>* Declining Financial Resources</li> </ul>	3rd Quarter of 2012	<ul style="list-style-type: none"> <li>* Number of vendors offering discounts to the City</li> <li>* Annual dollar value of discounts taken by the City</li> </ul>
Reduce complexity in the chart of accounts	<ul style="list-style-type: none"> <li>* Business Process Improvements</li> <li>* Declining Financial Resources</li> </ul>	4th Quarter of 2012	* Examples of changes to chart of accounts and resulting outcomes
Improve report content and quality	<ul style="list-style-type: none"> <li>* Business Process Improvements</li> <li>* Customer Service</li> </ul>	Develop an action plan by 4 <sup>th</sup> Quarter of 2012	* Improvement in scores recorded by City employees on the Management Services Survey

STRATEGY	IMPACT AREA(S)	TIMELINE	METRICS
Explore service reductions and/or distributing certain functions to operating departments, where necessary	* Business Process Improvements * Declining Financial Resources	Develop an action plan by 2 <sup>nd</sup> Quarter of 2011; may be included in department annual budget strategies	* Discuss and explore regularly with Finance Leadership team
Find and make process improvements at Central Stores in consultation with Public Works	* Business Process Improvements * Customer Service * Declining Financial Resources	4th Quarter of 2011	* Examples of where process improvements have been implemented and resulting outcomes

**FINANCIAL RESOURCES: DEPARTMENT BUDGETARY TRENDS 2003-2011**

Year	Current Service Level Cut	Add'l Budget Reduction	Total Reduction	FTE Reduction
2003	\$0	\$230,000	\$230,000	2.0
2003 Revised	\$0	\$1,200,000	\$1,200,000	19.0
2004	\$0	\$0	\$0	0.0
2005	\$150,000	\$197,000	\$347,000	1.0
2006	\$250,000	\$270,000	\$520,000	1.0
2007	\$200,000	\$0	\$200,000	0.0
2008	\$200,000	\$0	\$200,000	0.0
2009	\$200,000	\$1,284,241	\$1,484,241	8.0
2009 Revised	\$0	\$570,000	\$570,000	7.0
2010	\$140,000	\$615,763	\$755,763	5.0
2010 Revised	\$0	\$50,000	\$50,000	0.0
2011*	\$204,000	\$282,589	\$486,589	5.0
<b>Total All Years:</b>	<b>\$1,344,000</b>	<b>\$4,699,593</b>	<b>\$6,043,593</b>	<b>48.0</b>

\*The 5<sup>th</sup> FTE reduction in 2011 was due to customer requested service changes outside of the budget process and is not included in reduction totals.

**FINANCIAL RESOURCES: FIVE-YEAR FINANCIAL DIRECTION**

<b>Fund</b>	<b>2010 Budget</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2014 Budget</b>
General Fund	\$19.759	\$19.293	\$19.750	\$20.218	\$20.919
Self Insurance Fund	\$2.459	\$2.420	\$2.478	\$2.552	\$2.628
Grants*	\$.276	\$.292	\$.292	\$.292	\$.292
<b>Total:</b>	<b>\$22.494</b>	<b>\$22.005</b>	<b>\$22.520</b>	<b>\$23.062</b>	<b>\$23.839</b>

\* Grant funds were estimated to continue at 2011 levels.

**FINANCIAL RESOURCES: 2010-2014 EXPENDITURE/PROJECT LIST**

<b>Expenditure Item/Project</b>	<b>2011 Estimated Expenditure</b>	<b>2012 Estimated Expenditure</b>	<b>2013 Estimated Expenditure</b>	<b>2014 Estimated Expenditure</b>	<b>Total</b>
ACH-IAT	\$30,000	\$0	\$0	\$0	\$30,000
Cognos Upgrade	\$0	\$0	\$TBD	\$TBD	\$TBD
COMPASS Internal Loan	\$1,100,000	\$1,226,500	\$1,290,000	\$1,290,000	\$4,906,500
COMPASS Updates/Patches	\$TBD	\$0	\$0	\$0	\$TBD
COMPASS Upgrade	\$0	\$1,000,000	\$0	\$0	\$1,000,000
Time & Labor Project Internal Loan	\$0	\$133,333	\$133,333	\$133,333	\$400,000
Direct Connect	\$50,000	\$0	\$0	\$0	\$50,000
enQuesta Upgrade	\$0	\$TBD	\$TBD	\$0	\$TBD
MunEase Upgrade	\$0	\$0	\$0	\$0	\$0
One Business Unit	\$TBD	\$0	\$0	\$0	\$TBD
Optical Storage	\$215,000	\$0	\$0	\$0	\$215,000
Parking Ramp Receipts	\$TBD	\$0	\$0	\$0	\$0
Procurement Card	\$50,000	\$0	\$0	\$0	\$50,000
SAS Upgrade	\$TBD	\$0	\$0	\$0	\$TBD
<b>Total:</b>	<b>\$1,445,000</b>	<b>\$2,359,833</b>	<b>\$1,423,333</b>	<b>\$1,423,333</b>	<b>\$6,651,499</b>

## WORKFORCE RESOURCE PLAN

### STATEMENT OF TRENDS RELATED TO FINANCE DEPARTMENT WORKFORCE

- **Business Process Improvements:** Through the most recent budget cycle, business process improvements have allowed the Finance department to continue service levels using fewer resources (personnel and financial) and minimize impacts to the department operating budget. The department will continue to make use of process improvements as a strategy for working smarter; however, it may not continue to have the same impact as department resources continue to experience further significant strain.
- **Customer Service:** The primary purpose of the Finance department is to provide financial services to City departments and residents. A skilled and engaged workforce is the foundation supporting Finance's ability to provide high quality services. Finance values and relies upon its workforce. Recruiting, retaining and engaging staff to voluntarily give more to the organization will have far-reaching benefits.
- **Employee Engagement & Recognition:** Eight-six percent of Finance staff responded to the 2009 Employee Engagement Survey. Based upon results of the survey, Finance identified two focus areas for making improvements. These two focus areas have the potential to make impacts on all aspects of Finance department business functions and department staff in positive ways.
- **Leadership Development:** As financial and personnel resources within Finance have continued to decline and customer demands for services have grown, the need for strategic thinking, problem-solving and leadership within the department has increased.
- **Succession Planning:** Nearly four out of ten Finance staff will be eligible for retirement within the next ten years. Twelve-percent of Finance staff will be eligible to retire in 2011; this number will increase to 27-percent within five-years and 38-percent within the next ten years.
- **Technology Systems:** The work environment is becoming increasingly dependent upon technology and as a result requires higher-level skills for maintaining and maximizing system functionality.

### FINANCE STRATEGIES FOR ADDRESSING TRENDS IDENTIFIED ABOVE

STRATEGY	IMPACT AREA(S)	TIMELINE	METRICS
In response to feedback from Finance staff related to the employee survey, implement an Employee Advisory Committee whose responsibility will be to review and respond to employee concerns/comments, plan employee engagement events and develop department recognition programs	* All trend areas above	1st Quarter of 2011	* Improvement in Finance employee responses to questions on the Citywide Employee Engagement Survey

STRATEGY	IMPACT AREA(S)	TIMELINE	METRICS
In response to feedback from Finance staff related to the employee survey, develop and implement an informal recognition program	<ul style="list-style-type: none"> <li>* Customer Service</li> <li>* Employee Engagement &amp; Recognition</li> </ul>	3rd Quarter of 2011	* Improvement in Finance employee responses to questions on the Citywide Employee Engagement Survey, specifically questions in the Employee Engagement & Recognition Theme
In response to feedback from Finance staff related to the employee survey, take steps to create a Department Newsletter or a technology solution to disperse accurate information	<ul style="list-style-type: none"> <li>* Customer Service</li> <li>* Employee Engagement &amp; Recognition</li> </ul>	2 <sup>nd</sup> Quarter of 2012	* Improvement in Finance employee responses to questions on the Citywide Employee Engagement Survey, specifically questions in the Employee Engagement & Recognition Theme
Establish a more robust performance management system that supports Finance business processes and practices using a model of planning, monitoring and recognizing individual and group performance	* All trend areas above	Develop an action plan by 4 <sup>th</sup> Quarter of 2011	<ul style="list-style-type: none"> <li>* Improvement in Finance employee responses on the Citywide Employee Engagement Survey</li> <li>* Ninety-percent of employee performance appraisals completed on or before due date</li> <li>* Frequent interaction and regular meetings between mgr/supv and their direct reports/work teams to exchange information and discuss performance</li> <li>* Topics covered at regular manager and supervisor meetings in Finance</li> </ul>
Increase staff participation in professional and employee development, and identify on performance appraisal forms	<ul style="list-style-type: none"> <li>* Customer Service</li> <li>* Leadership Development</li> <li>* Retirement Eligibility</li> <li>* Technology Systems</li> </ul>	Develop an action plan by 4 <sup>th</sup> Quarter of 2011	* Staff identifying professional and/or employee development action items on their performance appraisal forms
Commit to cross-train and/or rotate Finance staff once every 2-4 years	<ul style="list-style-type: none"> <li>* Customer Service</li> <li>* Leadership Development</li> <li>* Retirement Eligibility</li> <li>* Technology Systems</li> </ul>	3 <sup>rd</sup> Quarter of 2012	* Staff who are cross-trained and/or rotated in their job class each year
Identify adequate internal back-up staff and strategize succession plans for certain critical Finance positions	<ul style="list-style-type: none"> <li>* Customer Service</li> <li>* Retirement Eligibility</li> <li>* Leadership Development</li> </ul>	3rd Quarter of 2011	* Positions identified and related succession plan strategies developed

STRATEGY	IMPACT AREA(S)	TIMELINE	METRICS
Explore Lominger competencies and how they can be applied within Finance for recruitment, professional development, succession planning and performance management	* Customer Service * Leadership Development * Retirement Eligibility * Technology Systems	Develop an action plan by 4 <sup>th</sup> Quarter of 2011	* Examples of where Lominger competencies are applied and how they are applied
Evaluate technology skills of existing Finance staff in relationship to department technology systems and develop a plan to address training needs identified	* Customer Service * Leadership Development * Retirement Eligibility * Technology Systems	4 <sup>th</sup> Quarter of 2012	* Identification of technology skills needed for department technology systems and related training plan

**WORKFORCE DEMOGRAPHICS: GENERAL OVERVIEW**

	2010
Authorized FTEs	177.0
Number of Positions Eliminated	5.0
Number of Employment Separations	11
Number of Retirements	5
Average Years of Service	14.7
Average Years in Current Position	7.5
Average Age	50
Employees by Gender	
Male	34%
Female	66%
Employees by Ethnicity	
African American	15%
Asian	9%
Hispanic	3%
Native American	2%
White	71%

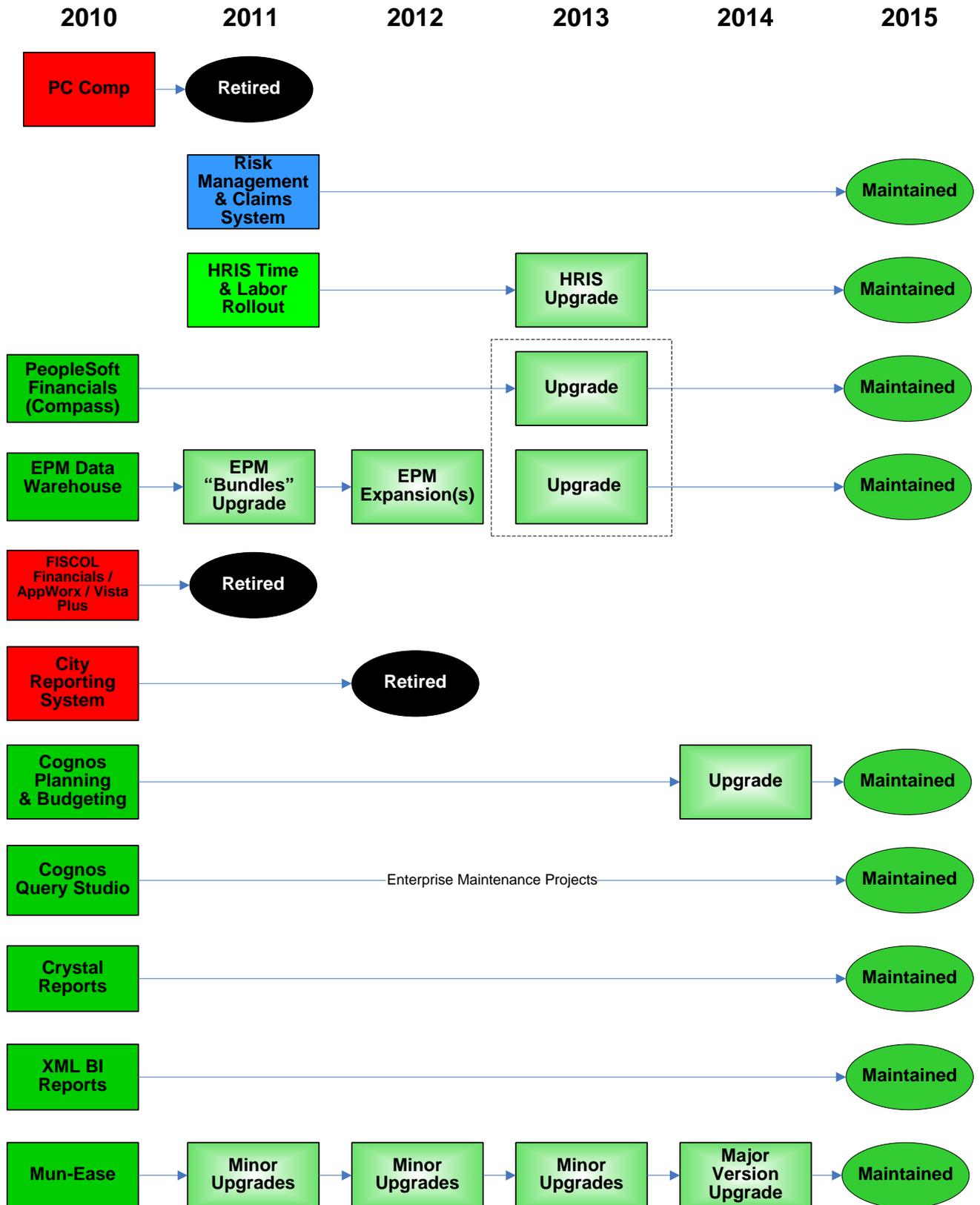
**WORKFORCE DEMOGRAPHICS: RETIREMENT ELIGIBILITY**

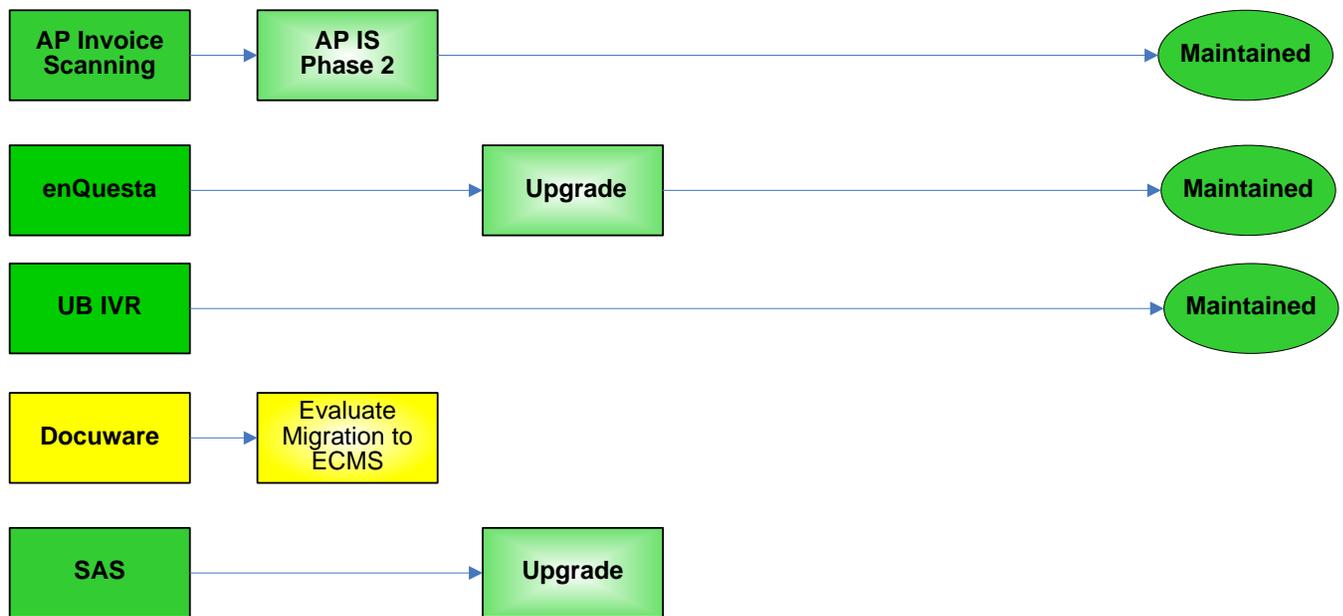
Position Title	Auth FTEs	2010	2011	2012	2013	2014	2015-2020	Total
Account Clerk I	1	1	0	0	0	0	0	1
Account Clerk II	42	7	0	0	1	1	6	15
Account Maintenance Representative	4	0	1	0	0	1	0	2
Account Maintenance Supervisor	1	0	0	1	0	0	0	1
Accountant I	11	1	1	1	0	0	2	5
Accountant II	16	2	0	0	0	0	2	4
Business Applications Manager	2	0	0	0	0	0	2	2
Buyer	2	0	0	0	0	0	1	1
Chief Financial Officer	1	0	0	0	0	0	1	1
Customer Service Representative I	24	2	1	0	1	0	3	7
Customer Service Representative II	3	0	0	0	0	0	2	2
Customer Service Supervisor	4	0	1	0	1	1	1	4
Development Finance Specialist	1	0	0	0	0	0	1	1
Development Process Specialist	1	0	0	0	0	0	1	1
Director, Purchasing	1	0	0	0	0	1	0	1
Director, Risk Management & Claims	1	0	0	0	0	0	1	1
Loss Control Coordinator	1	0	0	0	0	0	1	1
Manager Accounting	7	0	1	0	0	0	2	3
Manager Financial Accounting & Reporting	1	0	0	0	0	0	1	1
Manager Treasury Operations	1	1	0	0	0	0	0	1
NRP/Finance Specialist	1	0	0	0	0	0	1	1
Office Support Specialist I	3	0	1	0	0	0	0	1
Office Support Specialist II	1	0	0	0	0	0	1	1
Program Assistant	5	1	0	0	0	0	1	2
Supervisor Payroll/Accounts Payable	5	2	0	1	0	0	2	5
Workers' Comp Claims Coordinator	3	0	0	0	0	0	1	1
<b>Total:</b>	<b>143</b>	<b>17</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>33</b>	<b>66</b>

\* Note: This chart only reflects positions held by staff who are eligible for retirement between now and 2020.

# TECHNOLOGY RESOURCE PLAN

## APPLICATIONS / SOLUTIONS ROADMAP





**TECHNOLOGY PROJECTS LIST**

<b>Project</b>	<b>Start Year</b>	<b>End Year</b>	<b>Projected Cost</b>	<b>Funding Status</b>
FINANCE- AP Optical Storage Management & Retrieval 880F8630	2008	2011	Approx \$215,000	Finance
FINANCE-Time-and-Labor 880F8004	2009	2011	Approx \$1M	Finance
Remove Multiple Business Units	2010	2011	TBD	Finance
Procurement Cards Implementation	2010	2011	TBD	Finance
FINANCE-Update-Financials-Patches-880F0313	2010	2011	TBD	Finance
Implement International ACH	2010	2011	TBD	Finance
eSettlements / Direct Connect	2010	2012	TBD	Finance
FINANCE-Risk-Mgmt-Claims-System-880F9507	2010	2011	Approx \$512,000	Finance and CLIC
Load Parking Ramp receipts into Financials	2010	TBD	TBD	Finance
Retire FISCOL, AppWorx, Vista Plus	2011	TBD	TBD	Finance
Upgrade SAS to current version	2011	TBD	TBD	Finance
Upgrade Compass Financials and EPM (HRIS dependency)	begin 2012	2013	\$1,000,000+	Finance and CLIC
Cognos Upgrade	begin 2013	2014	TBD	CLIC
Mun-Ease Upgrades	2010 and annually	Annually	TBD	Finance
enQuesta Upgrade	Begin 2012	TBD	Approx \$1,000,000	Finance
Retire FISCOL DW, CRS, City Reporting System	2012	TBD	TBD	Finance

## SPACE RESOURCE PLAN

### STATEMENT OF TRENDS RELATED TO FINANCE DEPARTMENT SPACE

- **Business Process Improvements:** Through the most recent budget cycle, business process improvements have allowed the Finance department to continue service levels using fewer resources (personnel and financial) and minimize impacts to the department operating budget. The department will continue to make use of process improvements as a strategy for working smarter; however, it may not continue to have the same impact as department resources continue to experience further significant strain. To support or facilitate process improvement work, Finance may need to realign or consolidate work unit locations.
- **Customer Service:** The primary purpose of the Finance department is to provide financial services to City departments and residents. Workspace designs and location facilitates work outcomes and provides better access to Finance for external and internal customers. Work unit adjacencies further contribute to organizational goals and quality service provision.
- **Declining Financial Resources:** The economic recession, reductions to Local Government Aid funding from the State of Minnesota, pressures to slow the growth of property taxes and outstanding revenue collections for services provided to other entities have resulted in fewer financial resources being available to the Finance department. This trend is likely to continue into the future. Finance desires to locate department staff in City space at the lowest cost and highest value (design, location and lease costs maximized) possible.

### FINANCE STRATEGIES FOR ADDRESSING TRENDS IDENTIFIED ABOVE

Strategy	Impact Area(s)	Timeline
Establish the Central Requisitions & Receiving work unit in 325M City Hall	* Business Process Improvements * Customer Service * Declining Financial Resources	1 <sup>st</sup> Quarter of 2011
Develop and implement a space plan for Life Safety stage 16 moves (impacts Payroll staff on 2nd Floor of City Hall)	* Business Process Improvements * Customer Service * Declining Financial Resources	2 <sup>nd</sup> Quarter of 2011
Develop and implement a space plan for Life Safety stage 18 moves (impacts accounting staff on 3rd and M Floors of City Hall)	* Business Process Improvements * Customer Service * Declining Financial Resources	4 <sup>th</sup> Quarter of 2012
Explore feasibility and benefits of moving Risk Management and Procurement Division staff to City Hall space or some other location	* Business Process Improvements * Customer Service * Declining Financial Resources	4 <sup>th</sup> Quarter of 2012

STRATEGY	IMPACT AREA(S)	TIMELINE
Explore feasibility and benefits of moving Treasury-Cash Management staff to Public Service Center or some other location to consolidate this Division with Treasury-Utility Billing staff	<ul style="list-style-type: none"> <li>* Business Process Improvements</li> <li>* Customer Service</li> <li>* Declining Financial Resources</li> </ul>	4 <sup>th</sup> Quarter of 2012
Explore feasibility and benefits of moving or realigning other work units or divisions within Finance	<ul style="list-style-type: none"> <li>* Business Process Improvements</li> <li>* Customer Service</li> <li>* Declining Financial Resources</li> </ul>	4 <sup>th</sup> Quarter of 2012