



BUSINESS MANAGEMENT BUSINESS PLAN

July 1, 2018 – June 30, 2019



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OUR MISSION

The mission of the Business Management Department is to safeguard the Town’s assets through appropriate financial controls, facilitate Town operations through accurate and timely processing of financial transactions, provide relevant and timely reporting of the Town’s financial condition, and provide financial information and analysis to support decision making.

FY18 PRIORITIES & ACCOMPLISHMENTS

FY18 Priorities	What was the outcome? What data or performance measure(s) indicate the progress towards this priority?
Banking Services RFP	This project is on hold pending a comprehensive review of Town treasury functions. Banking services are central to the Towns investments, receivables and payables systems. Identifying needs and opportunities in these key systems will help to inform the process of selecting a banking services provider. We anticipate that the RFP will be issued in the third quarter of FY19.
Affordable Housing Bond Referendum	A \$10 million Affordable Housing Bond Referendum was approved by Council and scheduled for November 6, 2018. BMD is working with Housing and CAPA to develop information for voters regarding the intended use of the bonds and their impact on the property tax rate. A successful referendum will provide 7 years of authority to issue the bonds. Issuance of the bonds will require separate approval by Council.
Implementation of MUNIS Contracts Module	The MUNIS Contracts Module went live January 1, 2018. We are in the process of evaluating the implementation and making adjustments to processes to maximize efficiency of the process. The next step is to institute an electronic signature system to further automate the contracting process.
Adoption of Council Level Financial Policies	BMD Staff has been working with our Financial Advisors to review develop Council level policies that support the Town’s credit rating. We are in the process of reviewing bond-rating criteria of the major rating agencies, researching financial policies and standards of other NC triple A credits, and to project debt loads and benchmarks based on our current capital funding plan. Development of Council level debt policies will be coordinated with the next issuance of debt in the second half of FY19.
Improve public perception of value received for tax dollars	BMD continues to prioritize clear and comprehensive communication about the Town’s financial plans and results. This includes participation in the GFOA Budget and CAFR award programs. Meeting the standards of the GFOA programs helps to ensure that the Towns published financial documents provide timely, accurate and complete information to all stakeholders, including taxpayers. In addition, BMD routinely provides financial and economic updates to Council so that they can communicate with constituents regarding the Town’s current financial condition and financial future.

Other Major FY18 Accomplishments

- Affirmation of the Town’s Triple A credit rating from Moody’s and Standard and Poors April of 2018.
- Successful issuance of \$12.5 million of GO Bonds at a very competitive rate of 2.86%.
- Awarded for the GFOA Budget Award for the FY18 Budget Document > 20 consecutive awards to date.
- Awarded for the GFOA CAFR Award for the FY17 CAFR Document > 20 consecutive awards to date.
- Changed payroll cycle for better coordination and improved accuracy of timekeeping
- In collaboration with HRD and Employee Task Force negotiated and implemented employee Healthcare Deductible resulting in a savings of 0.6% in the FY19 Budget.

FY19 PRIORITIES

FY19 Priorities	What is the desired outcome? What data or performance measure(s) will indicate the success of this priority?	Point-Person (if applicable)
Predictable and informed budget development	<ul style="list-style-type: none"> • To create a more predictable budget development process that gives Council informed choices, Business Management staff will undertake the following actions: <ul style="list-style-type: none"> ○ Present information and offer options to Council to develop policies in the following areas: <ul style="list-style-type: none"> ▪ Pre-funding contributions to Other Post-Employment Benefits (OPEB) ▪ Fund Balance usage and targets ○ Collaborate with the Manager’s Office to develop an ongoing budget and financial forecasting process ○ Support HRD in the development of an employee compensation policy to inform budget development 	Amy Oland & Matt Brinkley
Support the execution of the Affordable Housing Investment Plan	<ul style="list-style-type: none"> • Continue to provide information and analysis on the impact of the Affordable Housing Investment Plan to the Town’s cash flow and debt capacity • Support staff in Housing & Community and Communications & Public Affairs to develop sound, factual information on the November 2018 bond referendum for affordable housing 	Amy Oland & David Finley
Improve the user experience for BMD services	<ul style="list-style-type: none"> • Continue to pursue user-focused improvements to Business Management processes based on feedback in the 2018 Business Management Survey. Leverage staff capacity for innovation and technical expertise through the following actions: <ul style="list-style-type: none"> ○ Explore and identify options to provide users with feasible alternatives to paper-based processes; refine processes to increase efficient delivery of services; prepare recommendations in FY19 Q2 ○ Assess methods to improve communication materials and trainings for our business processes; establish consistent timelines to update communication materials and trainings ○ Continue integrating Business Management services and processes in Munis, the Town’s Enterprise Resource Planning system (ERP) 	Brandon Howell

**BUSINESS MANAGEMENT
CORE BUSINESS**



CORE BUSINESS PROGRAMS & SERVICES

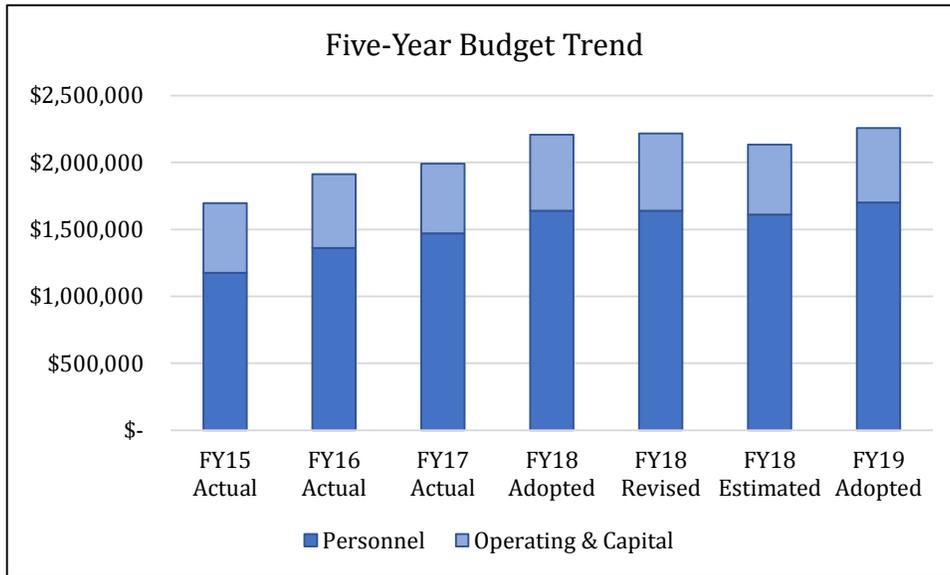
Core Business Programs

The programs listed below are the essential services of the Town that are managed by Business Management. Each program has objectives and performance measures designed to help us track the performance of our core services. While a departmental program may support multiple Strategic Goals, the following is emphasized:

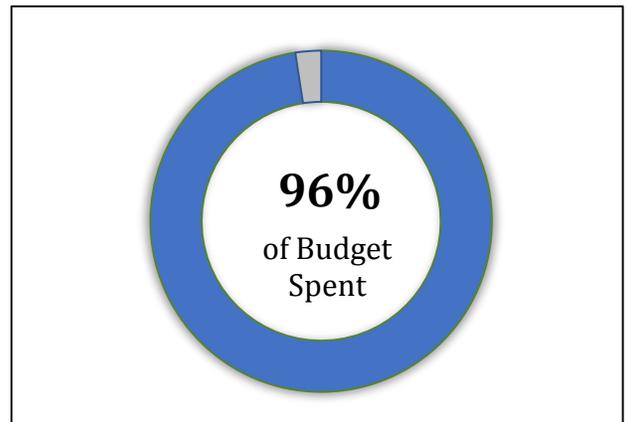
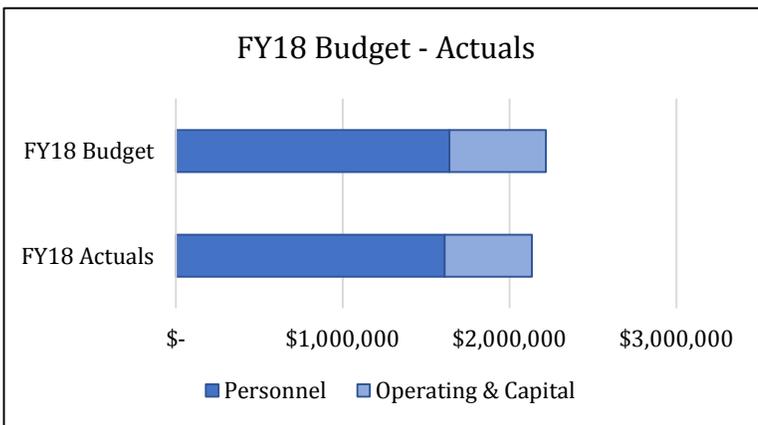
Program	Program Description	FTEs	Cost	Strategic Goal Alignment
Accounting & Financial Reporting	Maintain the Town's financial accounting system, including: recording, aggregating and reporting all of the Town's financial transactions; facilitating the annual audit; producing periodic financial reports including CAFR, grant reports and ad hoc reports.	2.29	\$286,880	Collaborative & Innovative Organization
Billing & Collections	Provide administration and/or oversight of all Town billings and collections, including cashier window operations, in-person collection of property taxes, business license administration, and sale of Town merchandise	2.38	\$298,154	Collaborative & Innovative Organization
Budget	Administer the Town's capital and operating budgets. Includes budget preparation and planning, budget maintenance and monitoring, long-term capital planning, performance measurement and production of budget documents and supporting materials.	3.58	\$448,484	Economic & Financial Sustainability
Financial Planning & Support	Provide financial analysis, research and strategic planning for the Town's financial operations, including: review of agenda items; budget planning and analysis; long-term capital and debt planning; and departmental financial planning support.	2.88	\$360,792	Economic & Financial Sustainability
Liquidity Management	Administer the Town's cash management, investment, banking and debt management functions.	0.35	\$43,846	Economic & Financial Sustainability
Payroll & Payables	Administer the Town's payroll and payables functions, including collecting, correcting and coordinating payroll and payment information to ensure accurate and timely payment of Town obligations. Includes payroll tax compliance, deduction management, timekeeping verification and payment distribution.	4.27	\$534,924	Collaborative & Innovative Organization
Purchasing & Contracts	Administer the Town's purchasing and contracting systems. Includes: facilitating bids and other competitive procurement processes; reviewing all contracts, bids and purchases and disposal of Town assets for compliance with applicable regulations and Town policies.	2.25	\$281,869	Collaborative & Innovative Organization
Total		18	\$2,254,949	N/A

BUDGET SUMMARY

Five-Year Budget Trend



FY18 Budget-Actual Report



FY19 Budget Expansions

Budget Expansion	Cost	What is the desired outcome? What data or performance measure(s) will indicate the success of the expansion?
None	N/A	N/A

PERSONNEL SUMMARY

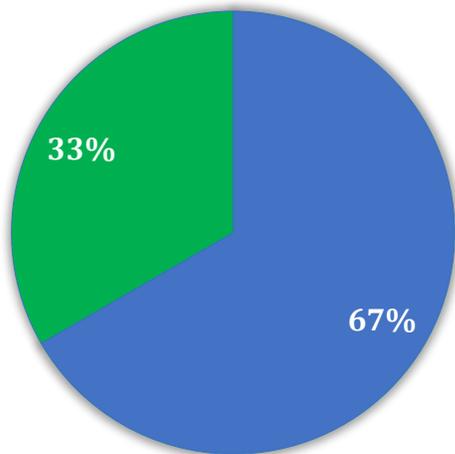
Personnel Data (end of fiscal year data)

	FY17	FY18	FY19*
Number of Current FT Employees	17	18	18
Number of FT Vacancies	1	0	-
Number of FT Hires	1	2	-
Number of FT Departures	2	1	-
Number of FT Retirements	0	0	-
Number of FT Promotions	0	1	-
Turnover Rate (FT Only)	12%	6%	-

*The number of FT employees in the FY19 column represents the number of employees in the department as of their FY19 Business Plan Submission

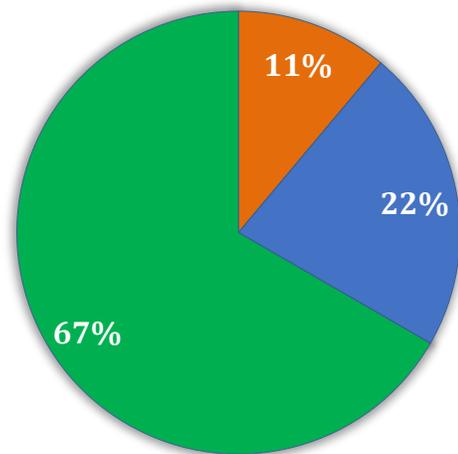
Personnel Demographics (as of FY19 Business Plan Submission)

Gender Breakdown



- Female
- Male

Ethnicity Breakdown



- American Indian or Native Alaskan
- Asian
- Black or African American
- Hispanic
- Native Hawaiian or Other Pacific Islander
- Two or More Races
- White

MISSION-LEVEL MEASURES

Mission-Level Measure 1	FY16 Actual	FY17 Actual	FY18 Actual	FY20 Target
Percentage of community survey respondents satisfied/neutral with "Overall value for your tax dollars & fees"	41%	N/A	46%	44%

Analysis – What are your takeaways from the data?	Initiatives – What actions will you take in response to your takeaways (if any)?
<ul style="list-style-type: none"> The community’s satisfaction rate with the Town is 46%, which is 8 points higher than the national average. In 2015, the community’s satisfaction rate in this metric was 6 points below the national average. In the most recent survey, the community satisfaction climbed 5 points, while the national average fell 9 points. We attribute this climb in satisfaction to our ability to maintain the delivery of excellent services without requiring a tax increase. We anticipate that our results in this metric may change given the tax increase included in the FY19 budget. 	<ol style="list-style-type: none"> To create a more predictable budget development process that gives Council informed choices about taxes, Business Management staff will undertake the following actions: <ol style="list-style-type: none"> Present information and offer options to Council to develop policies in the following areas: <ol style="list-style-type: none"> Pre-funding contributions to Other Post-Employment Benefits (OPEB) Fund Balance usage and targets Collaborate with the Manager’s Office to develop an ongoing budget and financial forecasting process

Mission-Level Measure 2	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Target
Percent of voided/reissued/adjusted payroll checks	0.13%	0.5%	.16%	.3%

Analysis – What are your takeaways from the data?	Initiatives – What actions will you take in response to your takeaways (if any)?
<ul style="list-style-type: none"> Paying people correctly remains one of our most important responsibilities. Most errors occur in timekeeping and the processing of employee status changes. 	<ol style="list-style-type: none"> Continue efforts to eliminate the source of errors through redundant controls and procedures. Continue the development of an electronic time sheet system to reduce the number of human errors

MISSION-LEVEL MEASURES (CONTINUED)

Mission-Level Measure 3	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Target
Receive annual GFOA Award for Financial Reporting	Yes	Yes	Yes	Yes

Analysis – What are your takeaways from the data?	Initiatives – What actions will you take in response to your takeaways (if any)?
<ul style="list-style-type: none"> CAFR continues to meet the standards of excellence established by the GFOA 	<ol style="list-style-type: none"> Use review notes to strengthen report and to address expected changes required by new GASB pronouncements

Mission-Level Measure 4	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Target
Percentage of survey respondents indicating that they are “satisfied” or “very satisfied” with Finance Division service	N/A	83%	N/A	90%

Analysis – What are your takeaways from the data?	Initiatives – What actions will you take in response to your takeaways (if any)?
<ul style="list-style-type: none"> User satisfaction continues to rise in light of our most recent survey results. Areas for improvement include being more pro-active in providing training and instructional materials and continuing to move towards electronic processes. 	<ol style="list-style-type: none"> Explore and identify options to provide users with feasible alternatives to paper-based processes; refine processes to increase efficient delivery of services; prepare recommendations in FY19 Q2 Assess methods to improve communication materials and trainings for our business processes; establish consistent timelines to update communication materials and trainings Continue integrating Business Management services and processes in Munis, the Town’s Enterprise Resource Planning system (ERP) Develop BMD roster to inform employees about who does what.

Mission-Level Measure 5	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Target
Purchase orders issued, as a % of all invoices over \$1,000	99.41%	99.48%		

Analysis – What are your takeaways from the data?	Initiatives – What actions will you take in response to your takeaways (if any)?
<ul style="list-style-type: none"> Town policy requires the issuance of purchase orders prior to transactions for large purchases in order to safeguard against over-spending. This rule is sometimes overlooked for the sake of expediency and as the result of poor planning. 	<ol style="list-style-type: none"> Conduct additional training for purchasing and develop improved communication materials

**BUSINESS MANAGEMENT
STRATEGIC BUSINESS**



STRATEGIC PROJECTS

Strategic Project 1.

Council Strategic Goal		
Economic & Financial Stewardship		

Strategic Project	Target Date for Completion	Project Manager
Development of Pre-funding contributions to Other Post-Employment Benefits (OPEB) policy for Council review to inform budget development	FY19 Q3	Amy Oland

Project Description	Partners
To develop a foundational policy for Council consideration and review for budget development early in the process on: - Pre-funding contributions to Other Post-Employment Benefits (OPEB)	Manager's Office

Project Resources	Budget (in dollars)	Account Number
Financial Resources: Staff resources only	N/A	N/A
Technology Needs: [if applicable, describe technology needs here]	N/A	N/A

Outcomes & Performance Measures	FY19 Q1 Status	FY19 Q4 Target
1. Presentation to Council on options for OPEB policy	Not Complete	Complete
2. Adoption of OPEB policy	Not Complete	Complete

Other notes/comments on this Strategic Project

Strategic Project 2.

Council Strategic Goal
Economic & Financial Stewardship

Strategic Project	Target Date for Completion	Project Manager
Development of Fund Balance usage for Council review to inform budget development	FY19 Q3	Amy Oland

Project Description	Partners
To develop a foundational policy for Council consideration and review for budget development early in the process on: <ul style="list-style-type: none"> - Targets for fund balance levels 	Manager's Office

Project Resources	Budget (in dollars)	Account Number
Financial Resources: Staff resources only	N/A	N/A
Technology Needs: [if applicable, describe technology needs here]	N/A	N/A

Outcomes & Performance Measures	FY19 Q1 Status	FY19 Q4 Target
1. Presentation to Council on options for Fund Balance usage policy	Not Complete	Complete
2. Adoption of Fund Balance usage policy	Not Complete	Complete

Other notes/comments on this Strategic Project

Strategic Project 3.

Council Strategic Goal		
Economic & Financial Stewardship		

Strategic Project	Target Date for Completion	Project Manager
Development of an ongoing budget and financial forecasting process for budget development	FY19 Q3	Amy Oland & Matt Brinkley

Project Description	Partners
The Council reduced the FY19 Manager’s Recommended Budget proposed tax increase to two cent by deferring consideration of the proposed tax increase for the debt management fund and reducing the proposed increase for the General Fund and seeks to establish an ongoing budget and financial forecasting process for budget development in the future	Manager’s Office

Project Resources	Budget (in dollars)	Account Number
Financial Resources: Staff resources only	N/A	N/A
Technology Needs: [if applicable, describe technology needs here]	N/A	N/A

Outcomes & Performance Measures	FY19 Q1 Status	FY19 Q4 Target
1. Presentation to Council on options for budget and financial forecasting	Not Complete	Complete
2. Implement system for budget and financial forecasting based on Council feedback	Not Complete	Complete

Other notes/comments on this Strategic Project

Strategic Project 4.

Council Strategic Goal		
Collaborative & Innovative Organization		

Strategic Project	Target Date for Completion	Project Manager
Improve the user experience for BMD services	Ongoing	Brandon Howell

Project Description	Partners
Explore and identify options to provide users with feasible alternatives to paper-based processes; refine processes to increase efficient delivery of services; prepare recommendations in FY19 Q2	BMD Users

Project Resources	Budget (in dollars)	Account Number
Financial Resources: Staff resources only	N/A	N/A
Technology Needs: [if applicable, describe technology needs here]	N/A	N/A

Outcomes & Performance Measures	FY19 Q1 Status	FY19 Q4 Target
1. Engage users in collaborative process improvement exercises and stakeholder scanning	Not Complete	Complete
2. Prepare recommendations to be shared with Executive Leadership	Not Complete	Complete

Other notes/comments on this Strategic Project