



BUSINESS MANAGEMENT  
BUSINESS PLAN

2020



JULY 1, 2019 – JUNE 30, 2020  
TOWN OF CHAPEL HILL

# Letter from the Director



FY 2019 was a busy and productive year for the Business Management team. We experienced leadership changes, financial policy adoption, financial certifications, and system improvements.

There were several staffing changes in our department including in key leadership positions. Ken Pennoyer, Business Management Director since 2008 retired in August 2018. I was named Interim Director, and after an extensive recruitment process, was named Director in February 2019. I decided that we needed to think through our organizational structure before filling any vacancies. The first change made was that Matt Brinkley, Budget Manager, was named Assistant Director in June 2019. Matt will continue to manage the budget

process, provide leadership and direction to the finance division and will lead the Town through the development of the 5-year budget plan. We are working through mapping out the next steps in our reorganization process.

In FY 2019, Business Management celebrated several accomplishments:

- Successful adoption of the FY 2020 budget. This budget was framed around the budget resolution 2018-06-13/R-5.1 that helped frame the conversations on: employee compensation, OPEB, balancing revenues and expenditures, fund balance, capital investments, debt management and operational trends, priorities and needs.
- Adoption of Council Level Financial Policies in June 2019. Financial policies are central to a strategic, long-term approach to financial management. They are encouraged by the bond rating agencies and solidify the Town's good financial standing. The Council approved a Debt Policy, Fund Balance Reserve Policy, Cash Management and Investment Policy, and Other Post-Employment (OPEB) Pre-Funding Policy.
- The Town was awarded the GFOA Budget Award for the FY 2019 Budget document (>20 consecutive awards to date)
- The Town was awarded the GFOA Comprehensive Annual Financial Report (CAFR) Award for the FY 2018 CAFR document (>30 consecutive awards to date)
- Continue to pursue user-focused improvements to Business Management processes based on feedback in the 2018 Business Management Customer Service Survey
- Converted all employees to a biweekly payroll cycle so that we could begin the implementation of an electronic timekeeping system that is part of our financial software system, Munis.

As we look ahead to FY 2020, we will work with departments, management, Council and the community to create a budget strategy that balance revenues and expenditures over the long-term. We will work with project managers, the Town's financial advisors and bond counsel, Local Government Commission, and Council to issue debt for several projects on our capital project plan. Lastly, we will continue to improve the user experience received by our internal customers for the services provided by the Business Management team.

– Amy Oland, Director of Business Management

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## Our department provides:

- Accounting & Financial Reporting
  - Billing & Collections
  - Budget
  - Financial Planning
  - Liquidity Management
  - Payroll & Payables
  - Purchasing & Contracts
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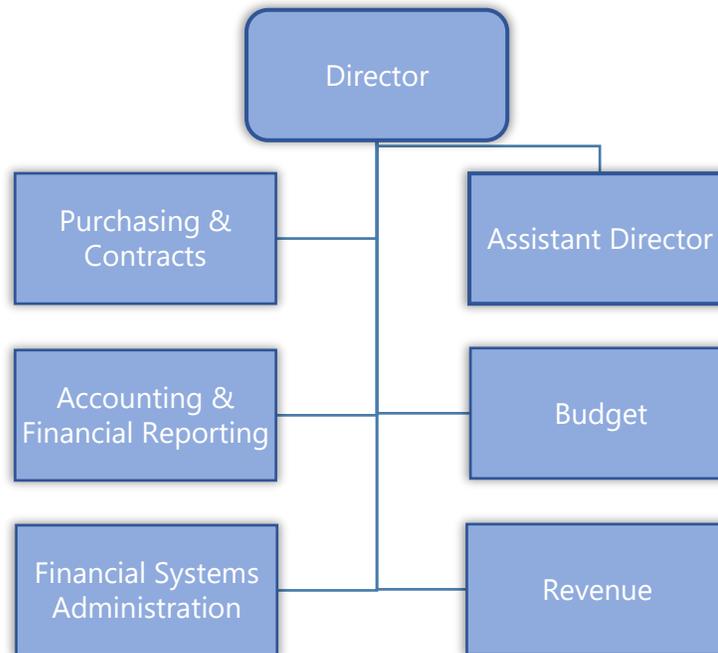
## Our Mission

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.

## Our Guiding & Governing Documents

- FY 2019 – 2020 Adopted Budget
- 2017-2018 Comprehensive Annual Financial Report
- Town of Chapel Hill Financial Policy Guidelines

## Our Department



**Departmental Performance Measures Overview** (mark 'X' if performance from the most recent data collection period is at or above target)

Mission-level Measures		At or above target
1.	Percentage of community survey respondents satisfied/neutral with "Overall value for your tax dollars & fees"	<input type="checkbox"/>
2.	Percent of voided/reissued/adjusted payroll checks	<input checked="" type="checkbox"/>
3.	Receive annual GFOA Award for Financial Reporting	<input checked="" type="checkbox"/>
4.	Percentage of survey respondents indicating that they are "satisfied" or "very satisfied" with Finance Division service	<input checked="" type="checkbox"/>
5.	Purchase orders issued, as a % of all invoices over \$1,000	<input checked="" type="checkbox"/>

Program-level Measures		
Program	Performance Measure	At or above target
Billing and Collections	Same-day deposits as a percentage of all receipts	<input checked="" type="checkbox"/>
Budget	Total budget adjustments as a % of expenditures	<input checked="" type="checkbox"/>
Budget	Projected General Fund revenues as a % of actual	<input checked="" type="checkbox"/>
Payroll & Payables	Percent of voided/reissued vendor checks	<input checked="" type="checkbox"/>
Payroll & Payables	Percent of voided/reissued/adjusted payroll checks *	<input checked="" type="checkbox"/>
Accounting & Reporting	Receipt confirmation from LGC	<input checked="" type="checkbox"/>
Accounting & Reporting	Receive annual GFOA Award for Financial Reporting	<input checked="" type="checkbox"/>
Accounting & Reporting	Consecutive years receiving GFOA Award for Financial Reporting	<input checked="" type="checkbox"/>
Purchasing & Contracts	Purchase orders issued, as a percentage of all invoices over \$1,000	<input checked="" type="checkbox"/>
Purchasing & Contracts	Percentage of contracts with funds encumbered prior to execution	<input checked="" type="checkbox"/>
Liquidity Management	General Fund Debt as a percent of assessed value	<input checked="" type="checkbox"/>
Liquidity Management	10-year payout ratio	<input checked="" type="checkbox"/>
Financial Planning	Percentage of survey respondents indicating that the Finance Division service "meets" or "exceeds" expectations	<input checked="" type="checkbox"/>

DEPARTMENTAL  
STRATEGIC INITIATIVES



## Initiative 1: Create a budget strategy that balances revenues and expenditures over the long-term (5-year budget plan)

Project Managers: Matt Brinkley & Amy Oland

### Strategic Alignment

Departmental SWOC - This initiative addresses: [Challenge # 4](#)

Town Strategic Plan: [Economic & Financial Sustainability](#), Objective 3, Initiative 1

### Actions

**Action 1.1:** Develop theme areas, theme champions, work groups and project template

Action 1.1 will begin in [FY2020](#) and anticipated to end in [FY2020](#)

**Action 1.2:** Work group meetings to gather data, identify trends, needs and gaps in service areas, and share opportunities or trade-offs in program areas

Action 1.2 will begin in [FY2020](#) and anticipated to end in [FY2020](#)

**Action 1.3:** Package information together to share with Council at Council Retreat.

Action 1.3 will begin in [FY2020](#) and anticipated to end in [FY2020](#)

**Action 1.4:** Engage the Council, residents and departments in discussions related to long-term budget needs during the development of the FY 2021 budget and create the 5-year budget plan.

Action 1.4 will begin in [FY2020](#) and anticipated to end in [FY2020](#)

### Performance

Performance Measure 1:	Development of 5-year budget plan
Performance Measure 2:	5-year budget plan guidance during FY 2021 budget process

### Resources

Account Name	FY20 Budget	FY21 Estimate	FY22 Estimate
Staff Resources Only	\$0		
<b>Total</b>			

### Significant Organizational Support

This initiative will need significant communications support from Communications & Public Affairs in FY20	<input checked="" type="checkbox"/>
This initiative will need significant guidance/support from Technology Solutions in FY20	<input type="checkbox"/>
We anticipate requesting <b>new</b> funding/resources in next year's budget to complete this initiative	<input type="checkbox"/>

## Initiative 2: Debt Issuance for Municipal Services Center, Wallace Deck Renovation, Elliott Road Extension, Affordable Housing, Parks Facilities and Stormwater Projects

Project Manager: Amy Oland

### Strategic Alignment

Departmental SWOC - This initiative addresses: **Strength # 1**

Town Strategic Plan: **Economic & Financial Sustainability**, Objective 3, Initiative 1

### Actions

**Action 2.1:** Work with capital project managers to determine project schedules and cash flow needs

Action 2.1 will begin in **FY2020** and anticipated to end in **FY2020**

**Action 2.2:** Town's financial advisors, bond counsel, Local Government Commission and Town staff will collaborate to set calendar of events to align borrowings and to begin debt issuance process

Action 2.2 will begin in **FY2020** and anticipated to end in **FY2021**

**Action 2.3:** Engage the Council and community in conversations regarding the Town's capital needs and debt outlook

Action 2.3 will begin in **FY2020** and anticipated to end in **FY2021**

**Action 2.4:** Timely issuance of debt to support capital program and management of cash flows

Action 2.4 will begin in **FY2021** and anticipated to end in **>FY2022**

### Performance (add more performance measures if needed)

Performance Measure 1:	Capital Projects on schedule
Performance Measure 2:	Capital Projects completion within budget

### Resources

Account Name	FY20 Budget	FY21 Estimate	FY22 Estimate
Staff Resources Only	\$0		
<b>Total</b>			

### Significant Organizational Support

This initiative will need significant communications support from Communications & Public Affairs in FY20	<input checked="" type="checkbox"/>
This initiative will need significant guidance/support from Technology Solutions in FY20	<input type="checkbox"/>
We anticipate requesting <b>new</b> funding/resources in next year's budget to complete this initiative	<input type="checkbox"/>

## Initiative 3: Improve the user experience with BMD services

Project Managers: Brandon Howell

### Strategic Alignment

*Departmental SWOC*- This initiative addresses: [Opportunity # 1](#)

*Strategic Plan*- This initiative addresses: [Collaborative & Innovative Organization](#), [Objective 1](#), [Initiative 3](#)

### Actions

**Action 3.1:** Explore and identify business systems to create user centered process improvements including: options to provide users with feasible alternatives to paper-based processes, training opportunities and improved communication channels.

Action 3.1 will begin in [FY2020](#) and anticipated to end in [FY2020](#)

**Action 3.2:** Engage users in collaborative process improvement exercises and stakeholder scanning.

Action 3.2 will begin in [FY2020](#) and anticipated to end in [FY2020](#)

**Action 3.3:** Refine processes to increase efficient and effective delivery of services.

Action 3.3 will begin in [FY2020](#) and anticipated to end in [FY2021](#)

### Performance

Performance Measure 1:	Customer Satisfaction Percentage
Performance Measure 2:	Number of process improvements completed

### Resources

Account Name	FY20 Budget	FY21 Estimate	FY22 Estimate
Staff Resources Only	\$0		
<b>Total</b>			

### Significant Organizational Support

This initiative will need significant communications support from Communications & Public Affairs in FY20	<input type="checkbox"/>
This initiative will need significant guidance/support from Technology Solutions in FY20	<input type="checkbox"/>
We anticipate requesting <b>new</b> funding/resources in next year's budget to complete this initiative	<input type="checkbox"/>