

# Memorandum

## City of Lawrence

### Finance Department

**TO:** Dave Corliss, City Manager

**FROM:** Ed Mullins, Finance Director

**CC:**

**Date:** April 17, 2009

**RE:** 2010 Budget

The 2010 budget request for the Finance Department has been completed. The department provides accounting, payroll, accounts payable, purchasing, investing, miscellaneous and utility billing services. Through utility billing, the Finance Department is often the only contact citizens have with the City of Lawrence. It is important that a good relationship be established by providing a high quality of service. The department provides monthly billing services to approximately 33,000 utility customers, as well as miscellaneous billing for other city departments. Staffing to read the water meters and maintain residential water meters is also part of the department.

We were asked to present two budgets for 2010, one that maintains 2009 spending levels and one that would reduce 2009 spending levels by 5%. Maintaining 2009 spending levels for the General Fund would have an impact on the department's ability to replace staff computers as recommended. Reducing the budget by 5% would have an even greater impact on that ability. As our department is administrative in nature, it is essential to replace aging computers to maintain service levels. The majority of our computers were purchased in 2004 or 2005.

The printing and mailing of utility bills by AB Data, costs to maintain our computer systems, and fuel and maintenance expenses for the operation of the field service vehicles take up a significant portion of the Water and Sewer Fund budget. Because the cost of these things continues to rise, maintaining 2009 spending levels or reducing them by 5%, will have a negative impact on the department. Spending levels for non-contractual obligations make up a small portion of this budget. By maintaining 2009 spending levels or reducing them, we may need to delay vehicle maintenance items, decrease the uniform allowance for employees, and reduce our ability to temporarily increase our staff during student rush. In addition, this fund will be facing the same challenges with computers as described earlier.

The 2010 Water and Sewer Fund budget also includes funds for vehicle replacement, at a reduced price. We hope that we will be able to keep up with the recommended vehicle replacement schedule with reduced funding. Funds to continue the installation

of radio transmit meters have been cut in the 5% reduced budget. This will mean that we will not be able to install as many as planned. In addition to installing the radio transmit meters, on previously installed meters, a supply is also maintained for new developments and replacements. A 5% increase in the transfer to the General Fund is also provided in both requests.

**Program improvements** proposed for the Finance Department in 2010 include:

1. Work Flow - The accounts payable process is paper intensive and time consuming. The process can be improved and automated through the purchase of additional modules to our imaging software. By adding the work flow function, the amount of time spent by all departments in processing payments can be reduced. The estimated first cost of a work flow system is \$31,000.
2. Lap Tops for Field Service – To increase efficiency it is desirable to provide field service representatives the ability to access the utility billing system from the field. This would provide us the ability to issue service orders via a computer and for the field staff to complete work orders online. It may also be possible to incorporate a GIS component to visually see where the service orders are located. The estimated cost of the laptops and wireless service is \$8,580.
3. Remote Deposit Software – To increase payment workflow and realize significant savings software may be purchased for \$6,000 that would allow checks to be deposited electronically.

Your approval of the program improvement packages and base budget is requested. The Finance Department is often the one and only contact citizens have with city staff. It is important that the interaction prove satisfactory to the customer. If you have any questions concerning items in the budget request, please contact me.