



FINANCE

The Finance Department is comprised of four divisions that are responsible for the financial activities of the City. This includes administration of sales and use tax, special districts, and all accounting functions including payroll, accounts payable, accounts receivable and financial reporting. The Department also manages the City's debt issuance, investment portfolios, pension plans, procurement process and utility billing operation.

OVERVIEW

Administration Division: The Administration Division oversees the functions of the Finance Department, provides financial management services to all city departments and administers the city's retirement plans, procurement process and new in 2015, contract, grants and agreements coordination.

Accounting Division: The Accounting Division manages the annual audit, general ledger system, bank reconciliation process, special district budgets, debt payment and tracking, and revenue collection; processes bi-weekly payroll; accounts for fixed assets; and processes accounts payable checks.

Sales Tax Division: The Sales Tax Division administers all provisions of the Westminster Municipal Code pertaining to sales and use taxes, admissions tax, accommodations tax and franchise fees; conducts field audits of businesses that are engaged in business within the city; and processes tax receipts and handles taxpayer inquiries.

Treasury Division: The Treasury Division manages the investment portfolio for the city and administers the central cashing program for city revenues, the citywide banking contracts, the complete debt portfolio and the utility billing programs for utilities and other fees.

Total Budget by Division

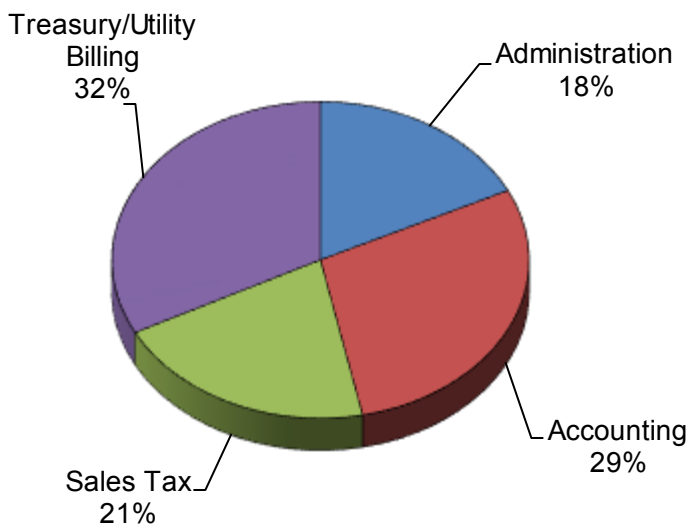
	2013 Actual	2014 Adjusted	2014 Estimated	2015 Adopted	2016 Adopted
Administration	\$406,838	\$424,487	\$400,683	\$521,803	\$521,997
Accounting	\$786,486	\$821,111	\$798,286	\$851,250	\$858,103
Sales Tax	\$583,195	\$606,318	\$590,654	\$606,256	\$606,256
Treasury/Utility Billing	\$837,535	\$928,460	\$915,494	\$957,117	\$965,404
TOTAL	\$2,614,054	\$2,780,376	\$2,705,117	\$2,936,426	\$2,951,760

Total Budget by Division

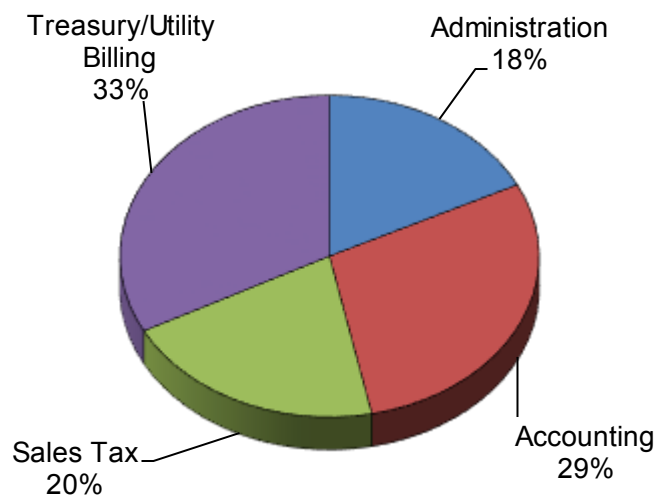
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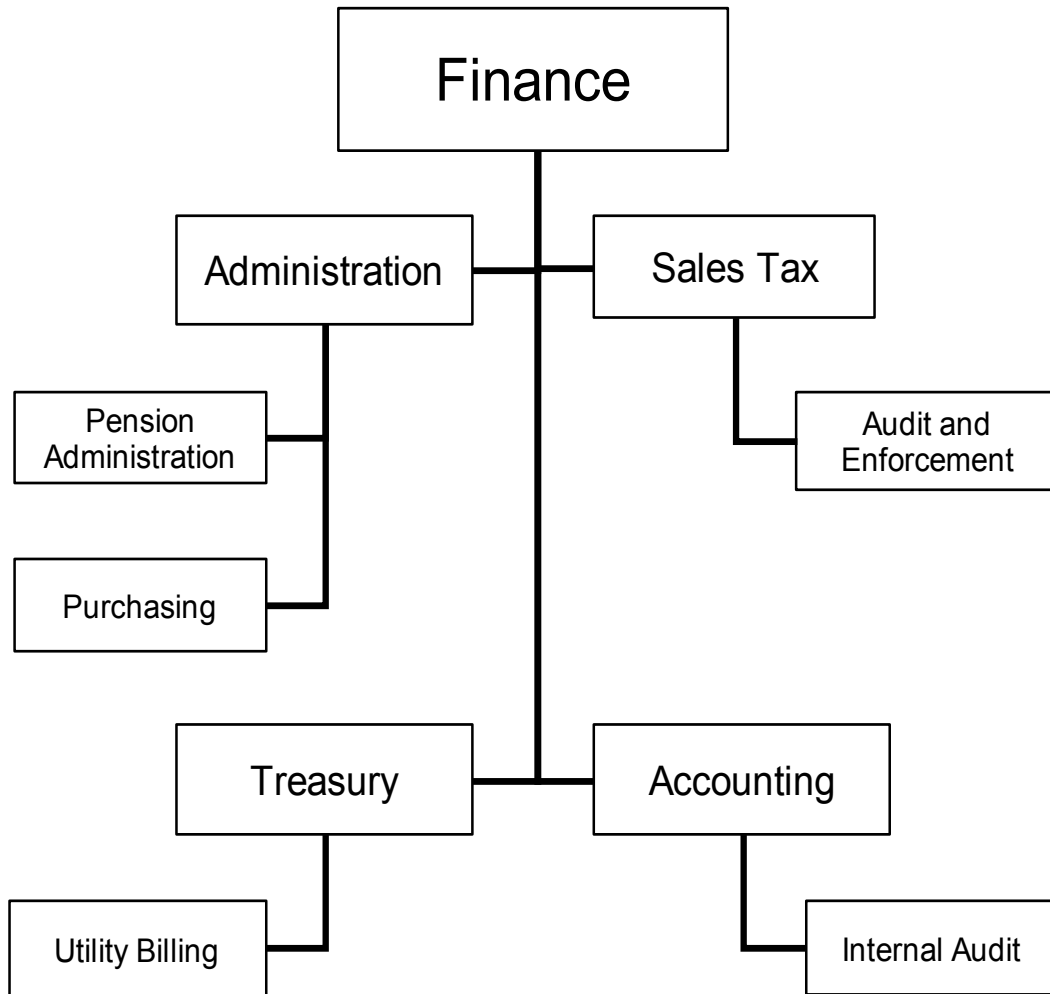
Adopted 2015



Adopted 2016



Quick Fact: As a result of the City Departments following the City’s purchasing procedures, the City saved an average of 19.35%, when compared to all bids submitted, on goods and services that were formally bid out for purchase in 2013.



Staffing (Full-Time Equivalent Employees)

	2013 Authorized	2014 Authorized	2015 Authorized	2016 Authorized
Administration	4.50	4.50	5.50	5.50
Accounting	10.00	10.00	10.50	10.50
Sales Tax	8.25	8.25	8.50	8.50
Treasury/Utility Billing	8.00	8.00	8.00	8.00
TOTAL	30.75	30.75	32.50	32.50

* Staffing totals include positions in the General and Utility funds.

Administration

Overview:

- Assists in the development of strategic financial goals and management of the City.
- Oversees the functions of the rest of the Finance Department and provides clerical support for all Finance divisions.
- Manages and administers the City's retirement plans.
- Provides financial management services to all City departments.
- Assists staff with the development and solicitation of request for proposal and invitation to bid documents, including managing the City's electronic bid platform.
- Regularly monitors/audits purchases greater than \$7,500 but less than \$50,000, for compliance to policies and procedures related to the competitive purchasing process; conducts an annual audit of all expenditures over \$75,000 for compliance related to City Council approval.
- Handles vendor inquiries on to how to do business with the City.
- Assists in ensuring City purchases are done through a competitive purchasing process.
- Handles disposal of City surplus through trade, sale public auction, or donation.
- Assist in the acquisition of vehicles and heavy equipment purchased by the City.

2015 Objectives:

- Add a 1.0 FTE Contract Coordinator position to ensure contract compliance by all parties.
- Review several different types of fee payment methodologies for the pension plan.
- Investigate “Gap Analysis” services for plan participants in the pension plan and deferred compensation plan.
- Review third party administrator services for the pension plan.
- Implement the results of the 15-year vehicle replacement project, which includes an increase or “catch up” in funding, budgeting, and ordering of replacement vehicles and equipment.
- Conduct annual audit to ensure compliance of City’s purchasing procedures.
- Effectively and efficiently dispose of City surplus at public auction.
- Provide expertise in Financing Phase 1 of Westminster Center Urban Reinvestment Project and Transit Oriented Development project.

2016 Objectives:

- Explore hiring a third party administrator to review reimbursement claims within the Retirement Medical Savings Account Program.
- Analyze the impacts of an expected high percentage of participants entering retirement and how to retain assets within the retirement plans.
- Continue to implement the results of the 15-year vehicle replacement project, which includes an increase or “catch up” in funding, budgeting, and ordering of additional vehicles and equipment.
- Conduct annual purchasing audit to ensure compliance of City’s purchasing policies.
- Effectively and efficiently dispose of City surplus at public auction.

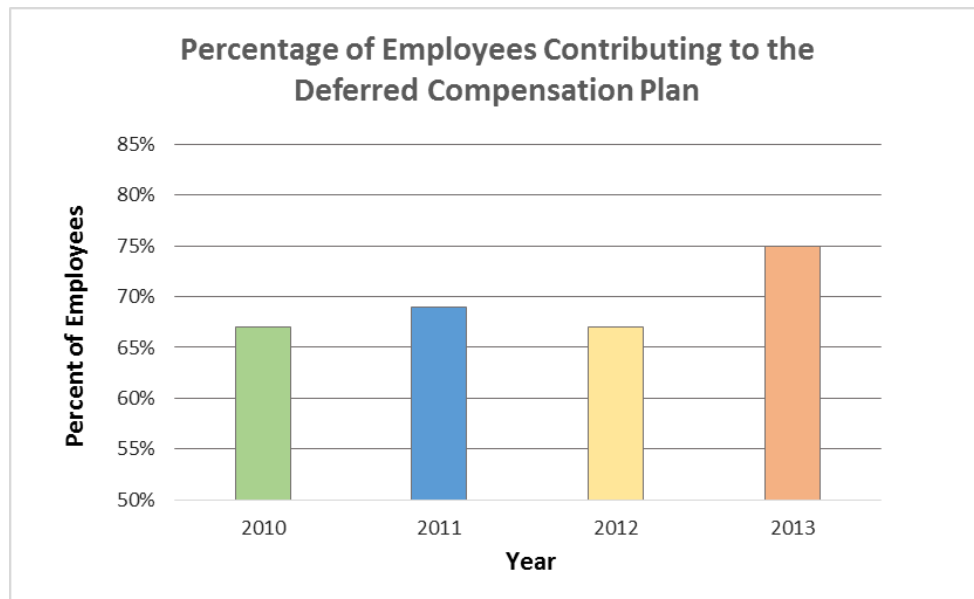
Total Budget by Category

	2013 Actual	2014 Adjusted	2014 Estimated	2015 Adopted	2016 Adopted
Personnel	\$369,757	\$384,584	\$361,399	\$475,009	\$477,609
Contractual	\$27,040	\$28,470	\$28,899	\$31,111	\$30,440
Commodities	\$6,480	\$10,509	\$9,660	\$12,563	\$12,628
Capital Outlay	\$3,561	\$924	\$725	\$3,120	\$1,320
TOTAL	\$406,838	\$424,487	\$400,683	\$521,803	\$521,997



2013/2014 Achievements:

- Amended pension plan documents and filed an application with the IRS for letter of determination to certify the retirement plans offered under the City’s pension plans.
- Updated spending thresholds in City’s purchasing ordinance. Last update was over 12 years ago.
- Worked with City Manager’s Office, City Attorney’s Office, and Finance staff developing, scheduling, and completing organization wide trainings related to the update of spending thresholds in the City’s purchasing ordinance.
- Scheduled and met with individual departments regarding 15-year vehicle replacement project creating a all; encompassing list of vehicles and subsequent replacement schedule.
- Completed Laserfiching (archiving) active employee retirement account files.
- Filled vacant 0.50 FTE Retirement Accounting Technician which will assist with daily operation related to employee pension plans.
- Completed a Request for Proposal for the Pension Plans and Deferred Compensation Plan investment consultant ensuring that funds are managed as cost effectively as possible.
- Converted to on-line voting for Pension Board elections in an effort to boost participation.
- Conducted a two-day Pension Board Workshop.



Performance Measure Snapshot....

Employee participation in the City's Deferred Compensation Plan continues to and is well above the national average. At the end of 2013, 75% of benefited employees voluntarily participated in the deferred compensation plan with an average contribution rate of 6.37%. The National Association of Government Defined Contribution Administrators, Inc. (NAGDCA) reported the average participation rate within a deferred compensation rate was 26% in 2013. The high participation rate within the City's deferred compensation plan can be attributed to the extensive education program offered to City employees that focus on the importance of saving for retirement.

Accounting

Overview:

- Supports the organization in administration of the City's financial resources.
- Accounts for all financial transactions of the City.
- Administers the general ledger, payroll, accounts payable, accounts receivable, fixed assets, and grants.
- Provides financial information to City departments to aid decision-making.
- Performs internal audit function and administers internal controls.

2015 Objectives:

- Receive an unqualified audit opinion from the City's independent audit firm on the City's Comprehensive Annual Financial Report.
- Implement applicable Governmental Accounting Standards Board Statements; GASB 68 Accounting and Financial Reporting for Pensions; and GASB 70 Accounting and Financial Reporting for Non-exchange Financial Guarantees.
- Issue RFP for auditing services.
- Continue critical functions documentation and cross training effort.
- Develop online financial management system training for end users.
- Continue electronic archiving of accounting records.
- Evaluate and update citywide travel policy.
- Automate budget revisions.
- Enable online access to W2s, W4s, and personal banking information.
- Expand application of Automated Clearing House vendor payments
- Review and refine Accounting's post-disaster plan.

2016 Objectives:

- Receive an unqualified audit opinion from the City's independent audit firm on the City's Comprehensive Annual Financial Report.
- Implement applicable Governmental Accounting Standards Board Statements.
- Continue critical functions documentation and cross training effort.
- Begin process of cross-referencing land assets between financial system and Geographic Information System.
- Design and implement a plan to electronically archive historical audit records.
- Continue review and refinement of Accounting's post-disaster plan.
- Evaluate financial management and subsidiary system enhancements.

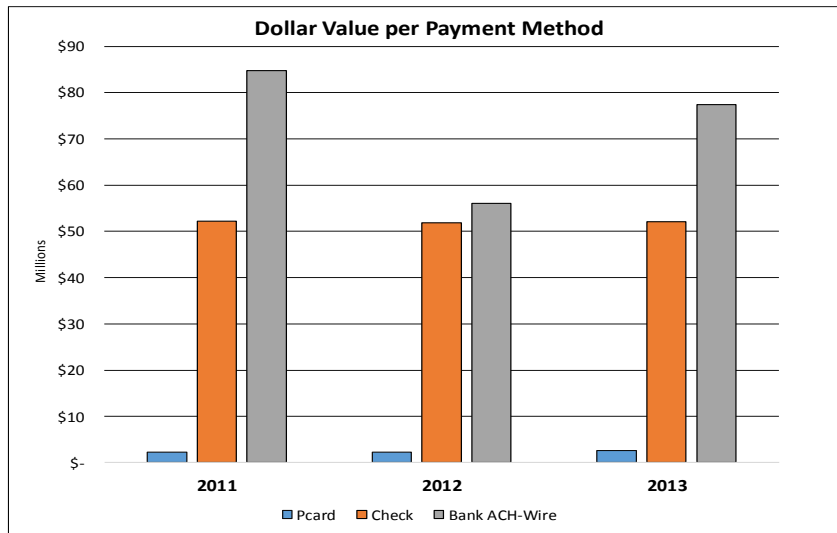
Total Budget by Category

	2013 Actual	2014 Adjusted	2014 Estimated	2015 Adopted	2016 Adopted
Personnel	\$662,311	\$687,093	\$669,959	\$709,554	\$707,052
Contractual	\$121,649	\$131,958	\$126,267	\$139,636	\$148,991
Commodities	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060
Capital Outlay	\$466	\$0	\$0	\$0	\$0
TOTAL	\$786,486	\$821,111	\$798,286	\$851,250	\$858,103



2013/2014 Achievements:

- Received unmodified audit opinion for 2012 and 2013 financial audits, meaning that there were no significant findings of misconduct with the City’s financials.
- Received Certificate of Achievement for Excellence in Financial Reporting Award from the Government Finance Officers Association of the United States and Canada for the City’s 2012 and 2013 Comprehensive Annual Financial Reports.
- Implemented Phase 1 of the Remote Time Entry Project, transitioning roughly 850 non-benefitted positions from paper to electronic timesheets saving \$200,000 over a five-year period and significant staff time.
- Developed best practices to address deficiencies around cash security, customer gift certificates, internal incentives, funds on deposit, cash equivalents, and daily cash receipt deposits.
- Enhanced recording of retainage in financial management system.
- Implemented Governmental Accounting Standards Statement No. 65, items previously reported as assets and liabilities.
- Created documentation and performed cross training on critical functions.
- Electronically archived payroll and accounts payable records.
- Fulfilled proactive internal audit program goals.
- Developed Accounting post-disaster plan.
- Initiated inventory of mobile capital assets.
- Expanded direct deposit service to allow multiple banking institutions.
- Participated in citywide policy updates and training for purchasing, purchasing cards, budgeting and receipting revenues, accounts receivable processing, and taxable fringe benefits.
- Developed new tools to enhance financial reporting.
- Implemented system modifications to support effective system-to-system reconciliations.
- Upgraded document processing software.
- Hired and trained new accounts payable technician.



Performance Measure Snapshot....

Accounting utilizes three distinct payment methods to pay vendors. In 2013, the City processed 11,946 purchasing card payments, 10,433 check payments and 534 direct bank ACH-wire payments. Direct bank payments route directly through the Automated Clearing House and provide advantages to the City of lower processing costs, greater security, and better cash management, as well as timely and secure payments to vendors. The use of direct bank payments was implemented in 2012 specifically to comply with Xcel Energy payment terms. Trends suggest a continued increase in direct bank payments as this option is made available to other City vendors.

Sales Tax

Overview:

- Process all City sales, use, admissions, accommodations and conference center fee returns.
- Perform routine audits of taxpayers doing business in the City.
- Enforce collection of City taxes.
- Provide taxpayer education to maximize voluntary compliance with the City's tax laws.
- Administer Economic Development Agreements.
- Provide accounting, budgeting, and oversight services for all Special Districts.

2015 Objectives:

- Participate on Colorado Municipal League Sales Tax Committee to develop uniform sales and use tax definitions among home rule cities as directed by SJR14-038.
- Meet 2015 Audit/Enforcement budget.
- Successfully assume accounting responsibilities for North Metro Drug Task Force and obtain unqualified audit opinion for 2014-2015 Comprehensive Annual Financial Report.
- Train new Accounting Technician and integrate into Sales Tax Team.
- Provide legal and technical support as needed to City of Aurora in preparing and presenting tax appeal case in District Court.
- Provide accounting support related to Westminster Center Urban Reinvestment Project and Transit Oriented Development urban renewal areas as redevelopment efforts begin in earnest on these two projects.
- Continue to increase utilization of electronic filing by taxpayers.

2016 Objectives:

- Participate with Colorado Municipal League Sales Tax Committee to adopt, without a Tax Payers Bill of Rights election, uniform definitions and related guidance, by August 2016, as directed by SJR14-038.
- Meet 2016 Audit/Enforcement budget.
- Obtain unqualified audit opinion for 2014-2015 North Metro Drug Task Force Comprehensive Annual Financial Report.
- Complete documentation of procedures related to critical functions for Sales Tax Return Processing and Special District Administration.
- Complete drafting of audit manual and finalize document.
- Continue to increase utilization of electronic filing by taxpayers.

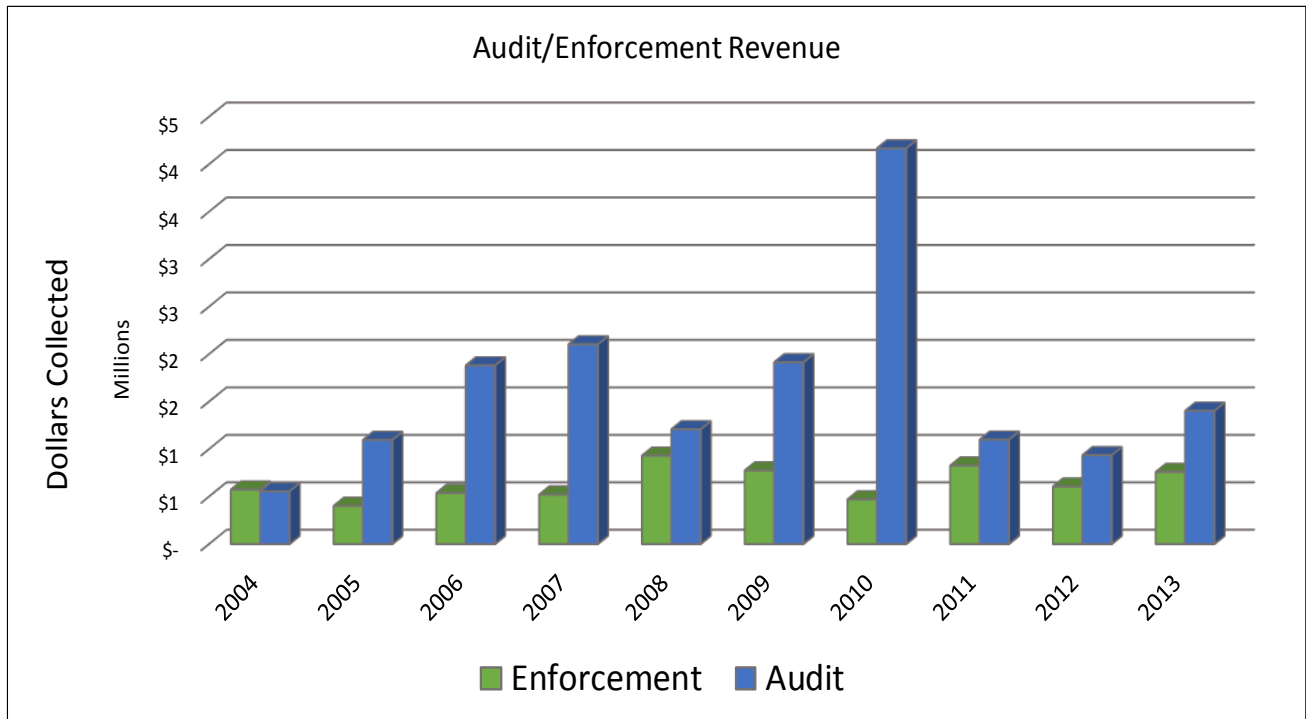
Total Budget by Category

	2013 Actual	2014 Adjusted	2014 Estimated	2015 Adopted	2016 Adopted
Personnel	\$569,961	\$590,967	\$575,670	\$591,121	\$591,121
Contractual	\$12,194	\$15,071	\$14,984	\$15,135	\$15,135
Commodities	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$1,040	\$280	\$0	\$0	\$0
TOTAL	\$583,195	\$606,318	\$590,654	\$606,256	\$606,256



2013/2014 Achievements:

- Collected \$2.2 million in audit and enforcement revenue in 2013.
- Implemented electronic routing of business license applications.
- Maintained sales/use tax delinquency rate below 1% in both 2013 and 2014.
- Successfully integrated new Sales Tax Technician, new Audit Supervisor, and two new Auditors into Sales Tax Team.
- Received favorable decision from District Court in the Xerox case.
- Eliminated mailing of printed return forms to taxpayers.
- Established complete record of assessed valuations and property tax abstracts for Special Districts in Laserfiche.
- Continued to increase usage of electronic sales/use tax filing by taxpayers.
- Recruited and hired new Accounting Technician.
- Closed audit case that had been appealed to District Court.
- Standardized administration and tracking of Economic Development Agreements.
- Assumed accounting responsibility for North Metro Drug Task Force in partnership with the Police Department.
- Adopted City’s standard administrative policies and procedures for all Special Districts.



**Performance Measure
Snapshot...**

The Sales Tax Division has a goal to administer an effective and diverse audit program, while maximizing voluntary compliance. A decline in enforcement collections indicates that taxpayers are filing returns and paying taxes without the City taking any action. Audits generate ongoing additional revenue for the City by assisting taxpayers in identifying areas where they are under-collecting or under-reporting City sales tax. Over \$2.1 million in audit and enforcement revenue was collected in 2013.

Treasury

Overview:

- Manage the City’s debt service obligations.
- Coordinate citywide revenue collection and cash management.
- Administer the City’s Utility Billing operations.
- Oversee the City’s financial assets through portfolio management.
- Provide financial analysis support to all City departments.

2015 Objectives:

- Provide financial and analytical support related to Westminster Center Urban Reinvestment Project and Transit Oriented Development urban renewal areas.
- Complete RFP and selection for underwriter, financial advisor, and investment advisor.
- Provide ongoing administrative support for City’s purchasing card program.
- Present semi-annual Westminster Economic Development Authority revenue forecasts to the City Manager’s Office.

2016 Objectives:

- Release RFP for new cashier system; the current system will not be supported after 2017.
- Release RFP for armored car services.
- Release RFP of banking and lockbox services.
- Continue to provide ongoing administrative support for City’s purchasing card program.
- Continue to provide semi-annual Westminster Economic Development Authority revenue forecasts to City Manager’s Office.

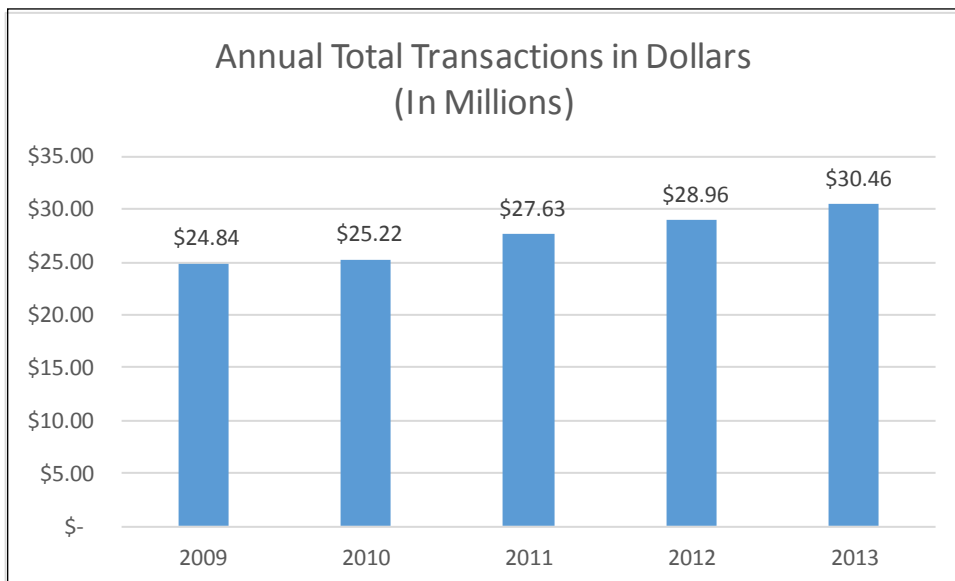
Total Budget by Category

	2013 Actual	2014 Adjusted	2014 Estimated	2015 Adopted	2016 Adopted
Personnel	\$465,458	\$494,105	\$484,862	\$510,093	\$510,092
Contractual	\$347,666	\$401,707	\$398,484	\$414,097	\$421,785
Commodities	\$22,857	\$31,648	\$31,148	\$32,427	\$33,027
Capital Outlay	\$1,554	\$1,000	\$1,000	\$500	\$500
TOTAL	\$837,535	\$928,460	\$915,494	\$957,117	\$965,404



2013/2014 Achievements:

- Successful promotion of Senior Financial Analyst to Treasury Manager position.
- Successful implementation of incentive for e-bill for Utility Billing.
- Refunded the Ice Centre Certificate of Participation resulting in savings for the City.
- Marketed E-Bill program for Utility Bills.
- Strategized WURP financing .
- Administered Purchasing Card Program.
- Secured lease financing of Golf Course maintenance equipment.
- Released an RFP for the City’s Purchasing card account to select the vendor with the most favorable rates and cash-back policy.
- Completed Continuing Disclosure Report related to the City’s financial status for the purposes of bond issuance.
- Implemented Leak Notification Cards as a benefit for water customers to notify them of potential leaks that would result in unnecessary water consumption and expense.
- Integrated Summation 360 Payment Solution providing more information and convenience for the City’s water customers.



Performance Measure Snapshot....

This chart presents the total dollar volume of transactions collected at the City Hall main cashier station. In 2013, over 45,000 transactions were processed. More significant than the total dollar or number of transactions is the ability of the cashiers to complete this task accurately. Over the course of the year, the cashiers were out of balance only five times at



WESTMINSTER