



Nevrus P. Nazarko, CPA
Finance Director

CITY OF PONTIAC
DEPARTMENT OF FINANCE
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As identified in Section 2-141 of the Code of Ordinances, the Finance department is responsible for:

2-87 Functions and duties.

The following functions are assigned to the Department of Finance:

- (1) Maintaining the accounting records in accordance with generally accepted accounting principles and such other policies and procedures established by the State of Michigan.
- (2) Assisting in the preparation of the annual budget and monitoring of the budget.
- (3) Administering the City's income tax ordinance.
- (4) Purchasing needs of the City in accordance with the provisions of the Code of Ordinances.
- (5) Investing of surplus funds in accordance with the City's investment policy.
- (6) Administering the information technology needs of the various City departments.
- (7) Processing of employee payroll, remittance of voluntary and involuntary withholdings, and filing of mandated associated reports.
- (8) Assessing any real and personal property in the City in accordance with State law.
- (9) Administering all grants received by the City and assisting with the application for various grants.
- (10) Processing of all debts and bills owed by the City in accordance with debt and remittance schedules and agreements.
- (11) Invoicing and collecting all taxes and receipts owed to the City.

- (12) Monitoring the City's responsibilities for unemployment reporting and compensation.
- (13) Administering all employee and retiree benefits, if provided.
- (14) Administering the City's workers' compensation responsibilities.
- (15) Administering the risk management functions and responsibilities of the City.
- (16) Retaining the financial records of the City in accordance with the record retention and disposal policy of the City.
- (17) All human resource functions, including:
 - a. Recruiting, testing, and assisting in the appointment of qualified persons into municipal service.
 - b. Implementing and monitoring of position classifications and maintenance.
 - c. Developing and implementing employee training programs, education programs, and employee assistance programs.
 - d. Maintaining centralized personnel records and data.
 - e. Advising and counseling City management in the development and application of labor relations policies and practices.
 - f. Monitoring of day-to-day administration of labor relations policies and practices.
 - g. Such other additional related personnel administration and/or labor relation functions as may from time to time be authorized by the Mayor or by ordinance.

Mission and Vision Statement:

The finance department strives for accuracy and efficiency in providing the most accurate financial data in timely manner to the administration, elected officials and Michigan Department of Treasury to accomplish City's goals. We oversee the management of City resources, while adhering to the principles of leadership, customer service, quality, integrity, teamwork, and collaboration. Also we work diligently to ensure the safety and security of City's assets and continuously offer professional and courteous services to our taxpayers.

The finance department for the City of Pontiac, of post- EM era, includes the traditional activities of finance, accounting, treasury, and purchasing as well as "non-traditional" divisions such as information technology and human resources.

Core values:

- Valuing all employees through empowerment, development, and recognition.
- Providing a valued service to taxpayers in a courteous and responsive manner.
- Employ the virtues of truth, integrity, honesty, tolerance, and professionalism.
- Be ethical, creative, and innovative.
- Respect the beliefs and values of others in service delivery.
- Have the courage to initiate and adapt to change.

Some Statistics on various tasks:

FINANCE DEPARTMENT STATS 2014 AND 2015

Item	2014	2015
Cash receipts processed	20,207	21,374
Credit Card receipts	307	638
Parking violation payments	0*	1,118
Journal Entries-Total	13,302	14,243
Payroll Checks	2,744	2,776
AP Checks issued	3,117	3,063
Income Tax refund Checks	10,404	9,585
Income Tax Returns Processed	24,590	25,466
EFT's Processed	8,205	7,618
MR Invoices Created	1,640	1,191
City's Assessed Value	721,586,150	759,259,170
City's Taxable Value	684,563,300	697,981,307
Total Real Estate Parcels	25,482	25,448

Finance Department highlights of 2015:

- City of Pontiac has managed to have a structurally balanced budget for the year ending on 06/30/2015 and projected balanced budgets for the next two years (not taking into account the OPEB liability currently in litigation). Staying within the budgeted expenditures, reducing some of the expenses, and increasing revenue sources allowed the City to end the year on a high note by creating a positive fund balance of 5.6 million dollars in the General Fund bringing the total GF balance up to 10.72 million dollars or 35% of the budgeted expenditures.

- Through coordination with our income tax contractor, Innovative Software, and the State of Michigan Department of Treasury, reconciled the income tax delinquent accounts for the 2013 tax year. We started this process during the 2014 calendar year and continue to make strides in the delinquent income tax collections. As the result, we increased the income tax revenue by \$330,000 compared to the previous calendar year.
- Drafted and received approval from the City Council and the Michigan department of Treasury a new Fund Balance policy that is very comprehensive and protects the fund balances as recommended by best practices and Government Finance Officers Association recommendation.
- We have been working with Mayor Waterman to come up with solutions to resolve the OPEB liability and end lingering litigation related to that liability. We have been proactive in assessing our current OPEB and pension liabilities. Mayor and finance director have been active members of the board of trustees for both pension board as well as VEBA.
- Prepared the City's audit records two weeks ahead of prior year and worked with the City auditors to review and file the City's financial statements timely.
- Implemented GASB 68 for the City which was required for the 6/30/15 annual financial statements.
- Escheated outstanding accounts payable checks to the State of Michigan per State filing requirements and worked with Innovative Solutions to escheat the proper income tax checks to the State of Michigan. This was the first time that City of Pontiac had complied with the requirement in the last 15 years.
- Received an unmodified opinion on our financial statements for the year ending 06/30/2015 (this is the highest level of assurance given by the auditors). Also, have provided timely and accurate monthly reports to the RTAB as required.
- We have been more actively involved with WRC in their rate setting process and various projects affecting the City of Pontiac residents with the water and sewer infrastructure and its financial implications for the residents. Continued to work with WRC on reimbursement of past workers compensation insurance cases.
- Continued to invest more aggressively in various securities with 5 different approved institutions and as the result earned approximately \$100,000 in interest income for the calendar year 2015.
- Have been working to maintain better relations with vendors and other stakeholders and in turn providing more "bang for the buck" for our residents.
- Continued to make improvements to increase efficiencies in the IT area by deploying more efficient software and applications and anti-spam software to protect the City's data.
- Cleared the backlog of receivables and due to other governmental units that had been an issue for the past few years.
- HR revised job descriptions for all City positions and received approval from the State of MI department of Treasury, consolidated HR and closed department employee files, and began record retention procedures for historical information.
- HR staff has conducted open enrollment for non-Medicare and Medicare eligible retirees, developed onsite method of direct retiree billing for monthly premiums,

monthly invoice reconciliation, and timely and professionally tried to respond to retiree questions and concerns.

- We are working with Oakland County Equalization to receive quarterly updates on our MTT cases and other equalization updates.
- Have improved property tax distribution system and used GAAP to record revenues in our books.

Information technology:

- Implemented a change management process that entails communicating details of anticipated changes with possible downtime to City executives as well as PCM/Sarcom management.
- Made positive changes to service request initiation.
- Utilized Window's Remote Assistance to assist the Help Desk with remote connections to user's PCs. This feature is enabled in group policy, branded to provide users with personalized messages, and has no maintenance or licensing cost to the City.
- Microsoft Deployment Toolkit (MDT) was installed on a new management server that provides branded and easily customizable images for deployment on new or existing PCs. This ensures all City PCs have the exact same configuration and software and speeds up previous OS imaging time from 4-5 hours down to an hour. MDT does not incur any maintenance or licensing costs.
- With the help of TTI, successfully migrated the Courthouse and Bowen and Peterson centers to the new AT&T MIS circuit and deactivated several old circuits no longer in use.
- Installed and configured the Barracuda Spam Filter appliance which replaced the original GWAVA virtual machine. We've seen improved and far more accurate spam blocking with this appliance as well as better reliability.
- Windows Server Update Services (WSUS) has been implemented to perform regular updates to Windows PCs in the City's domain. Updates are now controlled centrally, rather than user-controlled, and can be managed centrally. WSUS is free from Microsoft and has no maintenance or licensing costs.
- Performed initial security assessment on the City's networking devices, ensured usernames and passwords are enabled and creating logon banners stating unauthorized use is prohibited.

Some of the goals that we set for 2015 and their status:

- Enhance the City's financial reputation by continuing to secure "clean" audit opinions and strive to achieve recognition on financial reporting from the GFOA (achieved, received an unmodified opinion on the FS for year ending 06/30/2016)
- Continue to work on improving the City's credit rating by implementing the necessary policies and financial reporting goals that are desirable by credit institutions (continuous)
- Will increase the investment portfolio by signing up with various investment institutions such as OC LGIP to maximize and diversify investment earnings

(achieved, current investments total approximately \$18,000,000 and earnings in 2015 were approximately \$100,000).

- Continue to reconcile and invoice the delinquent income tax accounts for further increase in compliance and additional revenue to the City (have made progress and continuous work needs to be done)
- Provide comprehensive, computerized financial, budgeting and office support systems accessible and usable by all City departments and functions (made improvements).
- Utilize the new parking collections methods and software to assure timely and accurate reporting and payments to the PDDBA (achieved)
- Finalize all the outstanding issue with WRC on past receivables including the outstanding collections around the spinoff time (still working on it).
- Provide accurate, timely and appropriate financial and budget reporting to City staff, administrative, elected officials, RTAB, and citizens.
- Review and update, as necessary, financial policies such as the fund balance policy, purchasing policy and the petty cash policy (achieved, a comprehensive fund balance policy was adopted during the year).
- Review and update, as necessary, all financial processes such as accounts payable, payroll, and municipal court (continuous)
- Move the City's main Internet/VoIP connection off of the Opt-E-Man circuit (achieved)
- Upgrade ShoreTel VoIP phone system from 11.2 to 14.2 and install new SkyFax solution (achieved, with the exception of the SkyFax as we found this option not highly utilized and additional costs had to be incurred).
- Perform full network security analysis and remediate potential security holes (achieved).
- Replace old UPSs within the City's IT server room and in network closets (continuous).
- Create a cost-effective server/network monitoring solution so IT is the first to know about a problem (made strides, still more needs to be done).
- Develop a new RFP for banking services to maximize utilization and better serve our needs (achieved, RFP went out at the beginning of 2016).
- Work with Oakland County Treasurer to obtain detailed accounts of outstanding delinquent taxes and assessments (have made improvements, continuous work needed).

Goals for calendar year 2016(combined)

- Enhance the City's financial reputation by continuing to secure "clean" audit opinions and strive to achieve recognition on financial reporting from the GFOA.
- Continue to work on improving the City's credit rating by implementing the necessary policies and financial reporting goals that are desirable by credit institutions. The goal is to have the City rated by Standard and Poor's or Moody's as soon as the OPEB liability is settled.

- Will continue to increase the investment portfolio by signing up with various investment institutions to maximize and diversify and earning potential of investment earnings. The goal is to minimize the cash on hand at such level that maximizes the daily earnings.
- Continue to reconcile and invoice the delinquent income tax accounts for further increase in compliance and additional revenue to the City. Start filing misdemeanor cases in the 50th District Court on delinquent accounts.
- Consolidate the two payroll databases (Court and the City) in one in order to streamline accounting and reporting functions.
- Evaluate the banking services and issue an RFP for these services to achieve maximum benefit at a lower cost to the City.
- Utilize the new parking collections methods and software to assure timely and accurate reporting and payments to the PDBA.
- Finalize all the outstanding issues with WRC on past receivables including the outstanding collections around the spinoff time.
- Provide accurate, timely and appropriate financial and budget reporting to City staff, administrative, elected officials, RTAB, and citizens.
- Review and update, as necessary, financial policies such as the fund balance policy, purchasing policy and the petty cash policy.
- Review and update, as necessary, all financial processes such as accounts payable, payroll, and municipal court.
- Continue to improve network security analysis and remediate potential security holes.
- Continue to work with Oakland County Treasurer to obtain detailed accounts of outstanding delinquent taxes and assessments.
- Work with Assessing Department (Oakland County) and Community development for better updates on the demolitions and update to the assessing records.
- Upgrade the City Council to Tablets to maximize their time and cut down on paperwork printed documents.

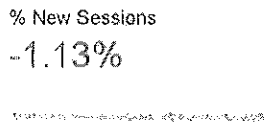
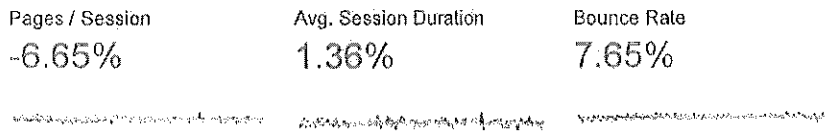
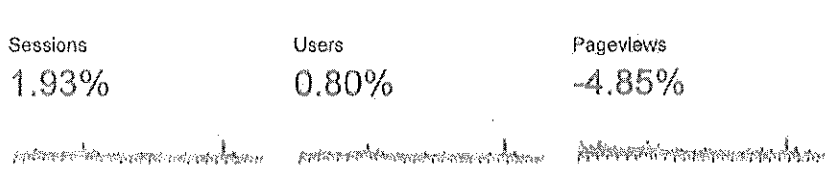
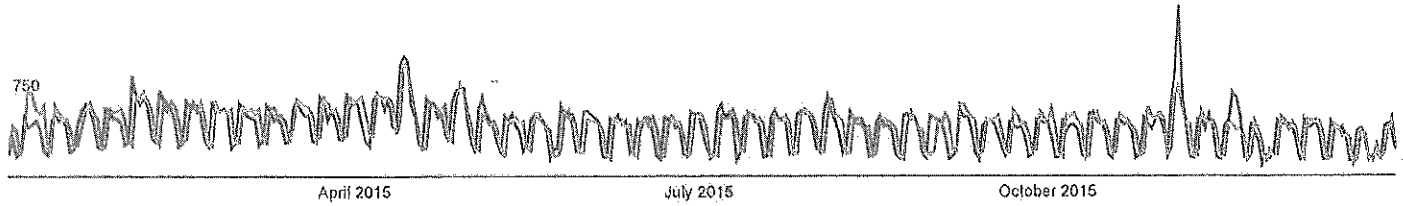
Audience Overview

Jan 1, 2015 - Dec 31, 2015
Compare to: Jan 1, 2014 - Dec 31, 2014



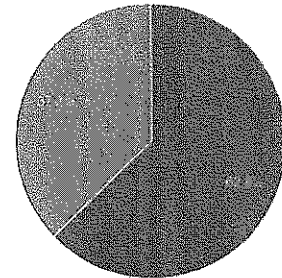
Overview

Jan 1, 2015 - Dec 31, 2015: ● Sessions
Jan 1, 2014 - Dec 31, 2014: ● Sessions
1,600

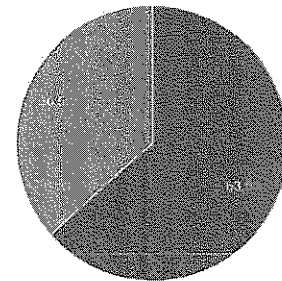


■ New Visitor ■ Returning Visitor

Jan 1, 2015 - Dec 31, 2015



Jan 1, 2014 - Dec 31, 2014



Language	Sessions	% Sessions
1. en-us		
Jan 1, 2015 - Dec 31, 2015	126,905	96.78%
Jan 1, 2014 - Dec 31, 2014	123,889	96.31%
% Change	2.43%	0.49%
2. (not set)		
Jan 1, 2015 - Dec 31, 2015	595	0.45%
Jan 1, 2014 - Dec 31, 2014	5	0.00%
% Change	11,800.00%	11,574.38%
3. en-gb		
Jan 1, 2015 - Dec 31, 2015	570	0.43%
Jan 1, 2014 - Dec 31, 2014	460	0.36%

Jan 1, 2014 - Dec 31, 2014	1,376		1.07%
% Change	-61.26%		-62.00%
5. es			
Jan 1, 2015 - Dec 31, 2015	183		0.14%
Jan 1, 2014 - Dec 31, 2014	179		0.14%
% Change	2.23%		0.30%
6. es-419			
Jan 1, 2015 - Dec 31, 2015	174		0.13%
Jan 1, 2014 - Dec 31, 2014	87		0.07%
% Change	100.00%		96.21%
7. es-es			
Jan 1, 2015 - Dec 31, 2015	156		0.12%
Jan 1, 2014 - Dec 31, 2014	241		0.19%
% Change	-35.27%		-36.50%
8. de			
Jan 1, 2015 - Dec 31, 2015	154		0.12%
Jan 1, 2014 - Dec 31, 2014	162		0.13%
% Change	-4.94%		-6.74%
9. fr			
Jan 1, 2015 - Dec 31, 2015	153		0.12%
Jan 1, 2014 - Dec 31, 2014	168		0.13%
% Change	-8.93%		-10.66%
10. zh-cn			
Jan 1, 2015 - Dec 31, 2015	145		0.11%
Jan 1, 2014 - Dec 31, 2014	161		0.13%
% Change	-9.94%		-11.65%