

MANAGEMENT SERVICES DIVISION MISSION

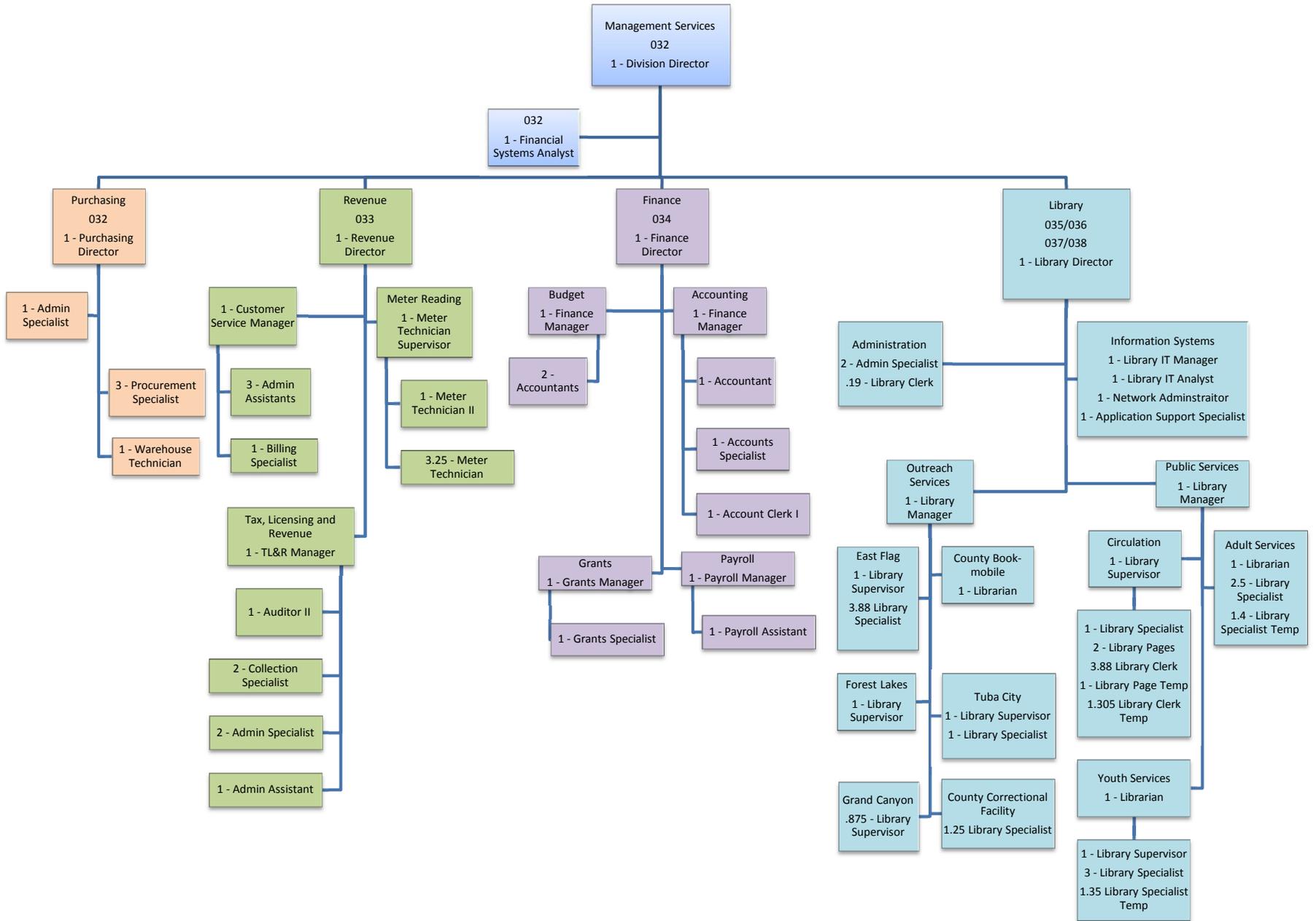
The mission of the **Purchasing Section** is to support the goals and objectives of the City by delivering consistent and professional procurement support to all employees in accordance with all applicable local, state and federal procurement rules and regulations, and assist in making best value procurement decisions while maintaining the highest ethical standards.

The mission of the **Revenue Section** is to ensure compliance with the City's Business License ordinances and assist the public so that tax-reporting problems can be avoided. Within Revenue, Customer Service is to provide accurate and timely billing of City services; to provide excellent customer service to internal and external customers; to assist in all customer copy center needs; to collect on delinquent customer accounts; and to answer all incoming customer calls.

The mission of the **Finance Section** is to ensure that the City's financial resources are protected through sound financial management, including allocation of resources consistent with community goals and providing timely, accurate, and reliable information that will assist in making informed decisions.

The mission of the **Library Section** is to provide a supportive environment for the community, enhancing quality of life through services, materials, programs, Internet access and electronic resources that meet the diverse needs of residents of all ages as well as visitors to Flagstaff and Coconino County.

MANAGEMENT SERVICES



MISSION

The mission of the Purchasing Section is to support the goals and objectives of the City by delivering consistent and professional procurement support to all employees in accordance with all applicable local, state, and federal procurement rules and regulations, and to assist in making best-value procurement decisions while maintaining the highest ethical standards.

PROGRAM DESCRIPTION

The objective of the Purchasing Section is to provide program support in maximizing value for purchase dollars spent through either an informal or formal solicitation process and contract management; to satisfy purchasing requirements at the lowest overall cost consistent with quality and service levels required; to maintain continuity of supplies in support of Citywide programs; and the disposition of surplus property.

FY 14 ACCOMPLISHMENTS

- ✓ The Purchasing Section was awarded the Achievement of Excellence in Procurement (AEP) award by the National Purchasing Institute (NPI) for the third year in a row. Information with regard to the award from the AEP Committee is below. In 1995, the NPI established a program designed to recognize organizational excellence in public procurement. The AEP award is awarded annually. This prestigious award is earned by those organizations that demonstrate excellence by obtaining a high score based on standardized criteria. The criteria are designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization. The City of Flagstaff was 1 of only 16 government agencies in Arizona, and 1 of only 58 Cities in the United States to receive this award. The AEP award is sponsored by the NPI, the California Association of Public Procurement Officers (CAPPO), the Florida Association of Public Procurement Officers (FAPPO), the Institute for Supply Chain Management (ISM), the National Institute of Governmental Purchasing (NIGP), the National Association of State Procurement Officials (NASPO), the National Association of Educational Procurement (NAEP), and the Texas Public Purchasing Association (TXPPA).
- ✓ Purchasing Section staff researched and identified two (2) national Cooperative Purchasing Contracts, in addition to what we utilize currently, that have provided more competitive pricing for goods and services. These two (2) Cooperative Purchasing Contracts are the National Joint Powers Alliance (NJPA) and the National Cooperative Purchasing Alliance (NCPA). Both of these national Cooperative Purchasing Contracts are nationwide government purchasing cooperatives that can significantly reduce the cost of goods and services by leveraging the purchasing power of public agencies across the nation.
- ✓ Purchasing Section staff negotiated with various vendors selected for contract awards through a Request for Proposals and Request for Statements of Qualifications that resulted in a little more than **\$75,729** in cost savings/cost avoidance for the first six (6) months of FY 2014. The Warehouse has brought in **\$18,988** in revenues through two (2) public auctions conducted the first six (6) months of FY 2014 for the sale of surplus property.
- ✓ Purchasing Section staff put together a task force committee, comprised of local Flagstaff Contractors, to obtain input/feedback and collectively improve on other qualification-based evaluation criteria, in addition to "Value Added Knowledge and Experience" as outlined in our Request for Statements of Qualifications. This improved qualifications-based evaluation criteria will potentially allow local Flagstaff Contractors an opportunity to be scored higher by the evaluation committee and potentially be awarded more contracts for construction-related projects.
- ✓ Purchasing Section staff continued work on identifying "contribution dollars" given to various nonprofit organizations approved by Council and creating contracts with these organizations to hold them responsible and ensure mutuality of obligations for the services they provide. This is an effort to better monitor, manage, and keep apprised of expiration dates for renewals/extensions or the need for a new competitive solicitation process.

- ✓ Purchasing Section staff worked with the Finance Section, IT Division, Management Services Division Business Analyst, and Project Managers from Harris/Innoprise to conduct “Client Acceptance Testing” training and “go-live” implementation to complete the Innoprise Financial Software conversion that occurred on November 20, 2013.
- ✓ Purchasing Section staff worked with the City’s Management Services Division Director and Revenue Director on outsourcing Copy Center and Mailroom Services. We conducted an RFP process that was structured to evaluate Copy Center and/or Mailroom Services; either on-site or off-site. This was a long and arduous process where we were successful in negotiating a contract with Xerographics of Flagstaff, with an annual savings of \$5,000 to provide both Copy Center and Mailroom Services on-site, and the contract was approved by Council on January 21, 2014. This project was identified as a goal and objective for the City in an effort to provide better customer service by utilizing a vendor who specializes and has been successful in operating and providing copy center and mailroom services at a cost savings to public sector organizations.

FY 15 NEW INITIATIVES AND GOALS

- Continue to meet or exceed all of the evaluation criteria to be awarded the Achievement of Excellence in Procurement (AEP) award by the National Purchasing Institute (NPI).
- Continue research and conduct a “Cost Benefit Analysis” of Lease vs. Buy of computers and City vehicles.
- Research and Implement competitive bid processes, where bidders submit their respective bids electronically (online).
- Develop and implement a formal policy as to when to conduct our own competitive solicitations for the purchase of goods and services or utilize an existing cooperative purchase agreement as a result of a solicitation process and contract award by another public sector agency.
- Continue to identify and implement cost savings / cost avoidance opportunities through competitive solicitations, vendor management, and vendor negotiations when applicable.
- Maintain professional purchasing certifications for Purchasing Section staff through ongoing professional development.

PERFORMANCE MEASURES

Priority: Management - Effective Governance

Goal: Provide exemplary customer service for the procurement of goods, services, and construction.

Objective: To provide timely formal and informal solicitations, contract management, and vendor management.

Type of Measure: Program Effectiveness

Tool: Internal Customer Survey/feedback

Frequency: Annually

Scoring: 75%+ progressing (Average)

Trend: ↓, The Purchasing Section will be meeting with our end-users to identify areas of dissatisfaction and formulate a plan to address these areas to better meet expectations.

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Overall rating of meets or exceeds expectations	85%	90%	72%	85%

MANAGEMENT SERVICES	SECTION 032	PURCHASING
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Priority: Management - Effective Governance

Goal: Provide local vendor educational forums on the City's procurement process and track satisfaction of those vendors who attend.

Objective: To provide educational opportunities for our vendor community regarding the City's procurement process.

Type of Measure: Program Effectiveness

Tool: External vendor survey/feedback

Frequency: Quarterly

Scoring: Quarterly- Progressing (Average), Semi-annual-Caution (Warning), One (1) time per yr. - Need to Review

Trend: ←→

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Overall rating of meets or exceeds expectations	Quarterly	Quarterly	Quarterly	Bi-monthly

Priority: Management - Effective Governance

Goal: Provide cost effective procurement of goods, services, and construction.

Objective: Identify and implement cost saving and cost avoidance opportunities in the procurement of goods, services, and construction.

Type of Measure: Program Efficiency

Tool: Documented comparison of budgeted dollars to actual dollars expended.

Frequency: Annually

Scoring: \$50,000 - Progressing (Average), \$35,000-Caution (Warning), \$35,000 and less-Need to Review

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Total cost savings and/or cost avoidance	\$90,000	\$100,000	\$110,000	\$120,000

Priority: Management - Effective Governance

Goal: To be efficient and effective with small dollar purchases.

Objective: Continue to utilize procurement card program for more efficient and effective purchases of small dollar maintenance, repair, and operating supplies.

Type of Measure: Program Efficiency

Tool: Reports that reflect the percentage of total purchases utilizing procurement cards for small dollar purchases in lieu of a purchase order.

Frequency: Annually

Scoring: 12%- Progressing (Average), 10% -- 12%-Caution (Warning), 10% and less- Need to Review

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Percentage of total purchase transactions utilizing procurement card vs. requisition/purchase order process.	15%	17%	18%	20%

MANAGEMENT SERVICES	SECTION 032	PURCHASING
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Priority: Management - Effective Governance

Goal: To process requisitions into purchase orders within a 24-hour time period after requisitions have been approved.

Objective: To make purchases for requested material goods, services, and construction in a timely manner.

Type of Measure: Program Efficiency

Tool: Reports that reflect the total or length of time it takes purchasing staff to process a requisition into a purchase order.

Frequency: Annually

Scoring: Within 24 hrs. - Progressing (Average), 24hrs. – 36 hrs. - Caution (Warning), More than 36 hrs. - Need to Review

Trend: ←→

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Length of time it takes to process a purchase order once a requisition has been approved.	Within 24 hrs.	Within 24 hrs.	Within 24 hrs.	Within 24 hrs.

SECTION: 032-PURCHASING					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 658,347	\$ 734,545	\$ 734,545	\$ 772,709	\$ 38,164
Contractuals	37,558	38,236	38,236	38,236	-
Commodities	17,352	6,877	6,877	6,952	75
TOTAL	\$ 713,257	\$ 779,658	\$ 779,658	\$ 817,897	\$ 38,239
EXPENDITURES BY PROGRAM:					
General Administration	\$ 237,352	\$ 276,320	\$ 276,320	\$ 304,623	\$ 28,303
Purchasing	390,644	416,117	416,117	424,642	8,525
Warehouse	85,261	87,221	87,221	88,632	1,411
TOTAL	\$ 713,257	\$ 779,658	\$ 779,658	\$ 817,897	\$ 38,239
SOURCE OF FUNDING:					
GENERAL FUND				\$ 442,912	
LIBRARY FUND				32,585	
HIGHWAY USER REVENUE FUND				31,963	
TRANSPORTATION FUND				20,072	
WATER AND WASTEWATER FUND				192,147	
STORMWATER FUND				17,289	
AIRPORT FUND				14,147	
SOLID WASTE FUND				59,587	
ENVIRONMENTAL SERVICES FUND				7,195	
				\$ 817,897	
COMMENTARY:					
The Management Services operating budget has increased 5% and there are no no capital expenditures planned. Personnel Services increase is due to a merit increase, one time payments and increase cost of benefits as well as one-time funds for temporary staffing. Commodities increases are due to work order charges.					

MISSION

The mission of the Revenue section is to ensure compliance with the City's business license ordinances and assist the public so tax reporting problems can be avoided.

Within Revenue, the Customer Service Section's mission is to provide accurate and timely billing of City services; to provide excellent customer service to internal and external customers; to assist in all customer copy center needs; to collect on delinquent customer accounts; and to answer all incoming customer calls.

PROGRAM DESCRIPTION

The Revenue section is responsible for the licensing of new businesses, the processing of City sales tax returns, and the collecting of delinquent sales tax and business license accounts. Section staff disseminates City and State sales tax information to taxpayers and management. Staff also manages the City's investment portfolio.

Customer Service is responsible for five distinct areas: meter services, billing, collections, copy center, and customer service. Meter services activities include: meter reading, utility account service orders, and meter change-outs and repairs. Billing includes: utility and miscellaneous billings. Collections includes: collections on all delinquent accounts within the City, excluding sales tax and court collections. Copy center activities include: copying, printing, scanning, and mail processing. Customer service activities include: customer service phones and cashiering.

FY 14 ACCOMPLISHMENTS

- ✓ Processed approximately 42,500 City sales tax returns for FY14. This is an increase of 6% over FY13.
- ✓ Issued approximately 800 sales tax and business licenses in FY14.
- ✓ Performed approximately 60 sales tax audits and reviews that will generate over \$800,000 in revenue at current assessment, penalty, and interest.
- ✓ Tested and installed upgrade 3.4 to the sales tax system.
- ✓ Updated City Tax Code for all changes adopted in Model City Tax Code through December 2013.
- ✓ Implemented the new water and sewer rates effective January 1, 2014.
- ✓ Added over 800 new radio read devices into the meter system.
- ✓ Identified, diagnosed, and repaired more than 950 failed electronic receiver/transmitters (ERTs) throughout the City.
- ✓ Collected over \$1,000,000 from delinquent miscellaneous revenue accounts.
- ✓ Collected on over 2,500 library delinquent accounts totaling over \$125,000 in library material fines.
- ✓ Billed monthly through miscellaneous receivables over 600 accounts for over \$8,000,000
- ✓ Managed over 500 community restitution workers with over 10,000 hours of service.
- ✓ Restructured the utility billing cycles to improve efficiency in meter reading, billing, and customer service.
- ✓ Completed the procurement for a new water meter vendor.
- ✓ Implemented a pilot fixed network meter reading system.
- ✓ Outsourced copy center and mail room services.
- ✓ Procured a new vendor for bill printing and mailing services.

FY 15 NEW INITIATIVES AND GOALS

- Implement changes to accommodate the takeover of City sales tax collection by the Arizona Department of Revenue as required by HB 2111.
- Perform 60 sales tax audits and reviews.
- Implement the new Innoprise utility and miscellaneous billing systems.
- Implement the new Innoprise cash receipts system.
- Implement the new Innoprise online payments system.
- Continue to promote paperless alternatives to customers, including: paperless billing, online payments, and automatic bank drafting.
- Continue adding to the City’s fixed network meter reading system with more fixed network data collection technology.
- Continue to install electronic read meters to bring the City to 100% electronic reads.

PERFORMANCE MEASURES

Priority: Management - Effective Governance

Goal: Provide sales tax education to new business owners.

Objective: Conduct at least 5 seminars during the year.

Type of Measure: Output and Outcome

Tool: Output: Number of people that attend the seminars. The goal is 50 people per year, an average of 10 per seminar.

Tool: Outcome: At least 90% of the seminar evaluations completed by the attendees show that the seminars provided information and instructions that were easy to follow and that the material presented was basic, but provided sufficient detail.

Frequency: 5 per year

Scoring: >90%, Very Good, 70%-90%, Adequate, <70%, Underperforming

Trend: ↔ Meets expectations.

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Output-The number of people attending the seminars	45	29	40	40
Outcome- At least 90% of attendees found the seminar useful, the presentation and the materials provided were easy to follow.	92%	95%	95%	95%

Priority: Management - Effective Governance

Goal: Maintain a high collection rate of sales tax and miscellaneous billing accounts.

Objective: Keep write-offs below the designated % of total revenue.

Type of Measure: Program Outcome

Tool: Evaluate the amount of write-offs taken to council each year

Frequency: Annually

Scoring: Sales Tax: <.30% Very Good, .30% to .50%, Adequate, >.50%, Underperforming

Miscellaneous Receivables: <.70%, Very Good, .70% to 1.00%, Adequate, >1.00%, Underperforming

Trend: ↔ The amounts written-off remain well under the goal of 0.50% of revenues.

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Outcome-Sales tax write-offs as a percentage of revenue	0.34%	0.29%	0.30%	0.30%

Priority: Management - Effective Governance

Goal: Invest City funds with the goal of maximum return but keeping in mind that safety of the principal is more important than the return on that principal.

Objective: Achieve a rate of return on managed investments that exceeds the designated benchmark rate.

Type of Measure: Program Outcome

Tool: Compare rate of return on managed investments outside to the rate of return of the designated benchmark.

Frequency: Annually

Scoring: Spread between City rate of return and designated benchmark. >.25% Very Good, .1% to .25%, Adequate, <.1% Underperforming

Trend: ←→ Although returns are projected to decline due to historically low rates, investment returns are expected to remain above the designated benchmark.

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Rate of return on investments outside LGIP since inception. (2011)	1.31%	0.61%	0.65%	0.65%
Benchmark rate of return since inception (2011)	0.98%	0.54%	0.50%	0.50%
Spread between City and benchmark returns since inception (2011)	0.33%	0.07%	0.10%	0.10%

Priority: Management - Effective Governance

Goal: Have a sales tax audit program that is financially productive and performing enough audits and reviews to keep a high profile within the business community.

Objective: Sales tax audit assessments will exceed the cost of operating an audit program and performing approximately 40 audits and reviews per year.

Type of Measure: Program Outcome

Tool: Compare sales tax audit assessments with the expenses required to have an audit function.

Frequency: Annually

Scoring: # of completed audits per year >50, Very Good, 30-49, Adequate, <30, underperforming.

Trend: ↑ Audit assessments are expected to increase over the next few years.

Measures:	FY 12 Actual	FY 13 Actual	FY 14 Estimated	FY 15 Proposed
Audit assessments for the fiscal year	\$276,294	\$523,305	\$800,000	\$400,000
Audit program expenses	\$83,000	\$102,000	\$105,000	\$105,000
Number of audits and reviews performed	20	58	60	60

Priority: Management - Effective Governance

Goal: Limit the amount of accounts written off.

Objective: Timely collections of past due accounts and adequate deposits billed to reduce the amount of receivables written off.

Type of Measure: Outcome

Tool: Annual accounts presented to Council and written off.

Frequency: Annual

Scoring: <.20% Very Good, .20 to .30% Adequate, >.30% needs attention

Trend: - ↑ Write off amounts are expected to normalize around \$100,000.

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Actual	CY 15 Proposed
Annual write off of customer accounts, excluding bankruptcies	\$97,198.35	\$121,300.64	\$100,000	\$100,000
Write offs as a percentage of total billed	0.33%	0.38%	0.15%	0.15%

Priority: Management - Effective Governance

Goal: Provide accurate billings.

Objective: Limit the number of estimated read billings.

Type of Measure: Outcome

Tool: Spreadsheet data for meter reading.

Frequency: Monthly

Scoring: Reading Estimate: <2% Exceeding, 2-5% Meeting, >5% Not Meeting

Trend: Reading – ↑ Meeting expectations

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Actual	CY 15 Proposed
Percent of estimated meter reads	4.40%	11.36%	5.00%	5.00%



MANAGEMENT SERVICES

SECTION 033

REVENUE

SECTION:		033-REVENUE			
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 1,046,274	\$ 1,039,893	\$ 1,039,893	\$ 1,137,812	\$ 97,919
Contractuals	302,380	336,589	334,589	334,489	(2,100)
Commodities	44,792	46,400	46,400	48,500	2,100
TOTAL	\$ 1,393,446	\$ 1,422,882	\$ 1,420,882	\$ 1,520,801	\$ 97,919
EXPENDITURES BY PROGRAM:					
General Administration	\$ 199,164	\$ 166,860	\$ 166,860	\$ 171,053	\$ 4,193
Licensing and Support	97,313	103,892	103,892	105,792	1,900
Auditing	147,531	162,767	162,767	173,085	10,318
Sales Tax Collections	91,282	75,866	75,866	77,952	2,086
Customer Service	537,731	625,760	625,760	608,739	(17,021)
Billing and Collections	44,582	900	900	48,438	47,538
Print and Mail Services	9,967	10,900	10,900	10,900	-
Meter Services	265,876	275,937	273,937	324,842	48,905
TOTAL	\$ 1,393,446	\$ 1,422,882	\$ 1,420,882	\$ 1,520,801	\$ 97,919
SOURCE OF FUNDING:					
	GENERAL FUND			\$ 348,924	
	LIBRARY FUND			16,343	
	HIGHWAY USER REVENUE FUND			18,536	
	TRANSPORTATION FUND			219,831	
	WATER AND WASTEWATER FUND			657,630	
	STORMWATER FUND			17,440	
	AIRPORT FUND			27,368	
	SOLID WASTE FUND			202,331	
	SEMS			12,398	
				\$ 1,520,801	
COMMENTARY:					
The Revenue operating budget has increased 7% and there are no capital expenditures planned. Personnel Services increases are an increase in 1.0 FTE for Meter Techicians and the elimination of 1.0 FTE related to outsourcing the Copy Center, a merit increase, one time payments and increase cost of benefits. Contractuals decreases are due to decreases in equipment maintenance and other miscellaneous services. Commodities increases are due to increase in motor vehicle parts. There is no major capital (>\$10,000) for this section.					

MISSION

The mission of the Finance division is to ensure that City's financial resources are protected through sound financial management, including allocation of resources consistent with community goals and providing timely, accurate, and reliable information that will assist in making informed decisions.

PROGRAM DESCRIPTION

The Finance Division provides a variety of financial services to the Council and City staff. Services include accounts payable, payroll, financial analysis, budget reporting, grant management, and performance reporting.

FY 14 ACCOMPLISHMENTS

- ✓ Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for Fiscal Year (FY) 2014 for the 20th consecutive year.
 - ✓ Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for FY 2013 for the 20th consecutive year.
 - ✓ Completed Fiscal Year 2013 financial audit.
 - ✓ Submitted the Airport Capital Improvement 5-Year Plan for 2015-2019 for \$27.3M to FAA and ADOT
 - ✓ Began implementation of the November 2012 approved \$10M bond to support the Flagstaff Watershed Protection Project
 - ✓ Awarded a grant from the AZ State Parks, Growing Smarter State Trust and purchased 2,251.20 acres of State Trust Lands at Observatory Mesa.
 - ✓ Received an Airport Sustainability Master Planning Grant
 - ✓ Successfully completed the 2010 Winter Storm Audit with Department of Military Affairs.
 - ✓ Received a Southwest Region 2013 Best Projects Award for Water and Environment for the Disaster Recovery-Inner Basin Pipeline Reconstruction Project.
 - ✓ Successfully closed out the Transportation Enhancement Grant for Southside Improvements with no compliance issues.
 - ✓ Worked with the Department of Justice to correct prior years Equitable Sharing Annual Certification Reports.
 - ✓ Continue to work with Coalition Members through the Brownfield Assessment Grant to develop potential Petroleum and Hazardous Substance sites for assessments.
 - ✓ Worked with other community partners to secure the National Civilian Community Corp, AmeriCorps project for Flagstaff.
 - ✓ Worked extensively with community partners to submit a proposal to the Department of Commerce for the Investing in Manufacturing Communities Partnership program.
 - ✓ Successfully incorporated the new Regional Plan 2030 priorities/goals into the FY 2015 Budget Performance Measurement Reports.
 - ✓ Began process for improving the budget process through the Straightening the Pipes initiative.
 - ✓ Enhanced the Payroll website
 - ✓ Created the Northern Arizona Grants Connection (NAGC) and began hosting quarterly meetings with community grant professional.
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FY 15 NEW INITIATIVES AND GOALS

- Continue implementation of the Economic Development Administration grant for a Business Accelerator and Alternate Emergency Operations Center.
- Successfully complete the Schultz Flooding FEMA/ADEM Audit and receive reimbursement.

- Implement the Economic Development Administration Revolving Loan Fund.
- Through the Small Air Service Community Grant, continue to work with staff to secure second airline.
- Continue to work with staff to purchase Airport Land from the Coconino National Forest Service.
- Continue to submit required reports such as EEOP, FFATA, and DBE to meet grant compliance
- Continue full implementation of the Grants Navigator database and train internal users.

PERFORMANCE MEASURES

Priority: Management – Effective Governance

Goal: To maintain external validation of appropriate budget and year end financial reporting.

Objective: Maintain the Government Finance Officer’s Association (GFOA) Certificate of Achievement of Excellence in Financial Reporting and the GFOA Distinguished Budget Presentation Award.

Type of Measure: Outcome

Tool: Produce Documents and Submit for Review

Frequency: Yearly

Scoring: 100%

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
GFOA Certificate of Achievement	100%	100%	100%	100%
GFOA Distinguished Budget Presentation Award	100%	100%	100%	100%

Priority: Management – Effective Governance

Goal: Continue to maintain budgeted grant revenue levels.

Objective: To budget & apply for projected grant revenue in the amount of approximately \$10 million per Fiscal Year.

Type of Measure: Outcome

Tool: Budget Document, Schedule of Grant Revenues, FY Grant Revenue Reconciliation, Grants Management Database

Frequency: Yearly

Scoring: \$10 million or more

Trend: ↑

Measures:	FY 12 Actual	FY 13 Actual	FY 14 Estimated	FY 15 Proposed
Projected Grant Budgeted Revenue	\$28,958,385	\$29,776,120	\$31,993,929	\$25,000,000
Actual Grant Revenue Received	\$7,047,512	\$8,235,865	\$8,000,000	\$8,000,000
Grant Amounts Awarded During the Fiscal Year	\$7,509,846	\$15,230,258	\$8,000,000	\$8,000,000

Priority: Management – Effective Governance

Goal: To apply and succeed in grant applications submitted

Objective: Of the grants applied for expect successful awards on more that 50%.

Type of Measure: Outcome

Tool: Grants Management Database

Scoring: > 60%=Exceeding, 50%-60%=Meeting, <50%=Needs Attention

Trend: ↑

Measures:	FY 12 Actual	FY 13 Actual	FY 14 Estimated	FY 15 Proposed
Grants Applications Submitted	47	35	16 to date, est. 35	50
Grants Awarded	32 (68%)	26	7 to date, est. 30	35
Active Grants Worked During Fiscal Year	178	140	105 to date, est. 200	175

Priority: Management – Customer Service and Straightening the Pipes

Goal: Increase the number of vendors paid through Electronic Funds Transfers.

Objective: Continue to increase the percentage of EFT versus paper check payments.

Type of Measure: Output

Tool: Check Registers

Frequency: Every Check-Run

Scoring: >25% Very Good, 15-25% Good, <15% Needs Attention

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Vendors paid by EFT	175	186	200	225
Number of Payments Made by EFT	1,527	1,604	1,800	2,000
Percent of Total Payments	21%	25%	28%	30%
Percent of Total Dollars Paid	n/a	47%	50%	50%

Priority: Management – Effective Governance

Goal: Limit the number of single audit auditor findings.

Objective: To have no audit findings on either the City general or single audit.

Type of Measure: Outcome

Tool: Single Audit

Frequency: Yearly

Scoring: 100%

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
City of Flagstaff control deficiencies	1	2	0	0
City of Flagstaff significant deficiencies	0	0	0	0
Single audit findings	1	2	0	0

MANAGEMENT SERVICES

SECTION 034

FINANCE

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 869,901	\$ 900,789	\$ 900,789	\$ 948,707	\$ 47,918
Contractuals	44,107	51,972	51,972	53,372	1,400
Commodities	19,916	16,616	16,616	17,116	500
TOTAL	\$ 933,924	\$ 969,377	\$ 969,377	\$ 1,019,195	\$ 49,818
EXPENDITURES BY PROGRAM:					
General Administration	\$ 114,061	\$ 124,315	\$ 124,315	\$ 132,585	\$ 8,270
Accounting	354,803	368,833	368,833	402,625	33,792
Payroll	147,602	148,716	148,716	159,799	11,083
Accounts Payable	128,376	133,382	133,382	126,394	(6,988)
Grants Management	189,082	194,131	194,131	197,792	3,661
TOTAL	\$ 933,924	\$ 969,377	\$ 969,377	\$ 1,019,195	\$ 49,818
SOURCE OF FUNDING:					
	GENERAL FUND			\$ 632,140	
	LIBRARY FUND			70,452	
	HIGHWAY USER REVENUE FUND			40,351	
	TRANSPORTATION FUND			25,415	
	WATER AND WASTEWATER FUND			116,940	
	STORMWATER FUND			7,622	
	AIRPORT FUND			39,414	
	SOLID WASTE FUND			71,917	
	SEMS			14,944	
				\$ 1,019,195	
COMMENTARY:					
<p>The Finance operating budget has increased 5% and there are no capital expenditures planned. Personnel Services increases are due to a merit increase, one time payments and increase cost of benefits and reclasses. Contractual increases are due to increases in travel and training. Commodities increases are related to one-time authorization for computer equipment.</p>					

MISSION

The mission of the Flagstaff City-Coconino County Public Library is to provide a supportive environment for the community, enhancing quality of life through services, materials, programs, internet access, and electronic resources that meet the diverse needs of residents of all ages as well as visitors to Flagstaff and Coconino County.

PROGRAM DESCRIPTION

We support this mission by providing a user-friendly information and communication gateway for our patrons. The Library's collections and services support many areas of interest, including culture, business, education, literacy, life-long learning, general and local history, genealogy, government, and technology. Professional and technological assistance in accessing and researching information is offered along with access to computers and the internet. The Library also serves as a community center for social networking, news, non-profits, and the dissemination of ideas. It is dedicated to freedom of access for all within established library policies.

FY 14 ACCOMPLISHMENTS**Flagstaff City-Coconino County Public Library & East Flagstaff Community Library**

- ✓ Branch Server Room: The Server Room project was completed at East Flagstaff Community Library. This secondary server room provides the libraries with off-site backup data storage and redundancy to library systems in case of catastrophe or hardware failure at the Main library's server room.
- ✓ The implementation of the new Resource Description and Access (RDA) rules for cataloging has been underway for about a year. The records we download from the Online Computer Library Center and the Library of Congress have been a mix of old and new.
 - The full transition is a long process, but we are using the new records and will continue to do so as older items are discarded and new items are added.
- ✓ Refurbished the children's restrooms and installed a sink in the circulation workroom at Main.
- ✓ Introduced non-fiction based programming with a Factology Friday Program.
- ✓ Early Literacy: Introduced iStorytime programming, giving preschoolers the opportunity to interact with iPads before beginning kindergarten.
- ✓ Embarked upon an internal digitization project to preserve local historical documents.
- ✓ Provided quality, diverse adult programming using grants and fundraising efforts.
- ✓ Improved the email notification system for more efficient communication with patrons.
- ✓ Computer Hardware Upgrades/Replacements: Replaced all Public Access Computers (PACs) and staff computers at Flagstaff Public Library & East Flagstaff Community Library.
- ✓ Completed two stimulus grants: Job Help & Training, and Hardware & Software for the Public.
 - Repurposed the grant funded laptops for one-on-one training and in-house public use.

Coconino County Library District

- ✓ Accomplished the migration of library catalog and user records from Follett systems at Forest Lakes, Grand Canyon, Tuba City, Fredonia, and Williams libraries into the shared County Integrated Library System (ILS).
 - 78,245 bibliographic records; 90,086 item records; 21,605 patron records.
 - IT staff now maintain & support one ILS instead of seven & have centralized administration to monitor performance, modify settings, and gather statistical data for any library from their desks in Flagstaff.
- ✓ Online Access for Library Users: All the County libraries are now online with local, interactive library websites.
 - County Library users can now access their library accounts online to search their local library catalog, renew books, place holds, and access licensed online resources.
 - This online access is available on multiple platforms: computers, smart phones, and tablets (including apps for iOS & android).
- ✓ All County libraries now have Early Literacy Computer Stations.

- ✓ Page Public Library
 - Created a library presence at the Page Adult Center.
- ✓ Williams Public Library
 - Replaced all the Public Access Computers (PACs).
 - Became part of the Arizona Memory Project.
- ✓ Fredonia Public Library
 - Because it is a depressed area, the library does a Free Clothes Drive each month.
 - Summer Reading for Youth, Teens, and Adults; Adult e-reader training
 - Early Literacy for ages 0-5; Preschool Storytime and Regular Storytimes
- ✓ Forest Lakes Community Library
 - Installed a new, and this library's first, Early Literacy Station (ELS).
 - Planned, organized, and implemented summer children programming and library fundraising activities.
 - Evaluated and weeded the children's collection and purchased new materials to increase.
- ✓ Bookmobile
 - Proposed and received two grants for purchasing additional children's literature and works by Navajo authors.
 - Added stops requested by patrons: Mormon Lake and Sandstone Highland Apartments.
 - Surpassed records: Circulation and patron visits increased by over 50%.
 - Created a short promotional DVD about the Assisted Living Performance Series and expanded the program to include a broad range of cultural and ethnic events.
- ✓ Tuba City Public Library
 - Refinished public restroom floors.
- ✓ County Correctional Facility Library
 - Implemented a new system for delivering periodicals to inmates.
- ✓ Sedona Public Library
 - Replaced 18 public computers.
 - Upgraded analog phone system to Voice Over Internet Protocol (VOIP)
 - Received grant to replace two Early Learning Stations

FY 15 NEW INITIATIVES AND GOALS

Flagstaff City-Coconino County Public Library & East Flagstaff Community Library

- Merge records that were not combined by the Sirsi processing due to slight differences in match points. These will be done individually by catalogers at the Main Library.
- Process Authority records electronically to bring them up to date with our bibliographic holdings.
- Introduce a gamer's club after school to provide more computer access.
- Pilot new Summer Reading Program software developed by the Maricopa Library District.
- Remove computers from lab & repurpose the space for greater efficiency within the circulation department.
- Write grants that provide for adult programming, including STEM based experiences for our patrons.
- Plan continuing education opportunities for staff in order to meet the technology and service needs of the community, including e-reader trends & training.
- Add a full-time employee to the East Flagstaff Community Library, self-funded with branch savings.

Coconino County Library District

- E-Resource Central: The libraries recently gained access to downloadable eBooks & audio books. Staff plans to implement E-Resource Central for all the libraries that share the County Integrated Library System (ILS). This new ILS module will make access to e-resources easier for end-users.
- Implement the ability to print from patrons' personal laptops to accommodate those patrons using Wi-Fi access.
- Computer Hardware Upgrades/Replacements: Library IT staff will replace public access computers at Page Public Library, including laptops used for library instruction and programming.

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- Library IT staff will provide local computer training opportunities for library staff, including hardware, operating system, networking, and software application topics.
- Fredonia Public Library
 - Plan summer reading programs for Youth, Teens, and Adults.
 - Coordinate Early Literacy 0-5yrs programs, travel to the preschool for programs and Storytimes.
 - Plan computer training.
 - Train staff on new computers and software.
- Forest Lakes Community Library
 - Establish a relationship with the Forest Lakes Owners Association to pursue and create fundraising ideas and programs benefitting both the library & FLOA entities.
 - Plan and organize weekly summer programs for children.
 - Begin a community awareness program regarding self-sustainability.
- Bookmobile
 - Apply for grants, and expand the Assisted Living Performance Series.
 - Research the viability of a stop at the Twin Arrows Casino for employees.
- Grand Canyon Community Library
 - Work with the Park Service to replace carpet.
 - Explore feasibility of additional hours and staffing.
- Tuba City Public Library
 - Replace carpet, and research parking and exterior design improvements.
 - Explore feasibility of additional hours and staffing.
 - Collaborate with CCC on GED courses at library.
- County Correctional Facility Library
 - Go through circulated materials to make room for new and requested items.
- Sedona Public Library
 - Increase programming for Latino community by offering additional English as a Second Language classes, digital literacy classes, and college prep for first generation college-bound students.
 - Offer health screenings in cooperation with Northern Arizona Medical.
- Williams Public Library
 - Expand library programming.

PERFORMANCE MEASURES

Priority: Regional Plan (2030) – Community Character, Community Design (Goal CC.3) and Arts, Sciences, and Education (Goal CC.5)

Goal: Provide positive, diverse opportunities for educational, cultural, arts, and leisure activities and programs in an equitable manner.

Objective: Offer special programming for children, youth, adults, and seniors.

Type of Measure: Outcome and Output; Number of Programs and Participants in Library Programs

Tool: Customer Surveys, Hardcopy and Online (Library Website); Customer Questions/ Feedback; Program Stats

Frequency: Daily, Monthly, Quarterly, Annually (ongoing)

Scoring: 99%

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Customer satisfaction with programs offered at the Library	96%	99%	99%	99%
Number of programs offered	1,147	1,117	1,140	1,152
Number of participants in programs	28,602	27,031	27,653	28,206

Priority: Regional Plan (2030) – Community Character, Community Design (Goal CC.3) and Arts, Sciences, and Education (Goal CC.5)

Goal: Provide exceptional customer service.

Objective: Provide a welcoming community space and access to computers and the internet, and meet the informational needs, requests, and desires of library patrons.

Type of Measure: Outcome

Tool: Customer Surveys, Hardcopy and Online (Library Website); Customer Questions and Feedback

Frequency: Daily, Monthly, Quarterly, Annually (ongoing)

Scoring: 99%

Trend: ←→

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Customers pleased with their Library experience	97%	99%	99%	99%

Priority: Regional Plan (2030) – Community Character, Community Design (Goal CC.3) and Arts, Sciences, and Education (Goal CC.5)

Goal: Continue to be a focal point of the community. Provide a wide variety of diverse materials to enhance the quality of life for the community.

Objective: Select, acquire, prepare, and maintain quality resources in different formats for use by the public.

Type of Measure: Outcome and Output

Tool: Customer Surveys, Hardcopy and Online (Library Website); Customer Questions and Feedback, Circulation Statistical Records

Frequency: Daily, Weekly, Quarterly, Annually (ongoing)

Scoring: 98%

Trend: ←→

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Customers believe that having access to the library and library resources enhances their quality of life	99%	98%	99%	99%
Number of items circulated/checked out by patrons	1,220,624	1,064,698	1,076,152	1,097,675
E-materials: electronic format checkouts & database use	12,980	20,670	20,872	21,236

Priority: Regional Plan (2030) – Community Character, Arts, Sciences, and Education (CC.5), Community Design (Goal CC.3, Economic Development, Education and Workforce Training (Goal ED.2)

Goal: Maintain and deliver a quality, reliable technological information infrastructure and electronic resources.

Objective: Address the digital divide by providing computers for use by the public, internet and wireless access, customer training and assistance, electronic databases, and electronic formats (downloadable digital and audiobooks), including customer access from home, saving fuel and time.

Type of Measure: Output

Tool: Circulation, Youth Services, and Reference Statistical Records

Frequency: Daily, Weekly, Quarterly, Annually (ongoing)

Scoring: 98%

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Computer Usage: all public computers, Early Literacy Stations use, and wireless internet users	258,733	255,207	259,035	262,532
Computer Training, Classes, Tutoring, and Job Help	377	937	950	966
Hits to the Library website	325,782	559,767	587,764	608,679

MANAGEMENT SERVICES

SECTION 035/036/038

LIBRARY SERVICES

SECTION:		035-LIBRARY CITY DIRECT			
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 2,203,961	\$ 2,231,982	\$ 2,231,982	\$ 2,390,978	\$ 158,996
Contractuals	360,790	391,336	391,336	585,189	193,853
Commodities	457,520	654,967	261,648	652,699	(2,268)
Capital	-	59,195	-	213,390	154,195
TOTAL	\$ 3,022,271	\$ 3,337,480	\$ 2,884,966	\$ 3,842,256	\$ 504,776
EXPENDITURES BY PROGRAM:					
General Administration	\$ 434,937	\$ 527,749	\$ 468,554	\$ 967,137	\$ 439,388
Technical Services	743,489	769,545	592,965	889,440	119,895
Public Services	1,353,273	1,618,463	1,401,724	1,493,215	(125,248)
East Flag Library	478,727	400,773	400,773	471,514	70,741
Main Library Automation	11,501	19,500	19,500	19,500	-
Outreach	344	1,450	1,450	1,450	-
TOTAL	\$ 3,022,271	\$ 3,337,480	\$ 2,884,966	\$ 3,842,256	\$ 504,776
SOURCE OF FUNDING:		LIBRARY FUND		\$ 3,842,256	
				\$ 3,842,256	
COMMENTARY:					
The Library operating fund has increased by 11%. Personnel Services witness an increase of 7% for merit increases, section reorganization and a new position at the East Flagstaff Branch. Contractual had a increase of 50% which represents one time allowances. Commodities decrease of 1% is related to the reorganization plan. The capital for this section is related to set-asides for future fleet replacements and renovations related to ADA guidelines.					

SECTION:		036-LIBRARY COUNTY DIRECT			
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 323,866	\$ 377,265	\$ 377,265	\$ 368,038	\$ (9,227)
Contractuals	61,413	91,000	91,000	83,500	(7,500)
Commodities	91,672	175,779	175,779	134,660	(41,119)
Capital	13,668	-	-	-	-
TOTAL	\$ 490,619	\$ 644,044	\$ 644,044	\$ 586,198	\$ (57,846)
EXPENDITURES BY PROGRAM:					
County Jail	\$ 55,702	\$ 84,670	\$ 84,670	\$ 77,202	\$ (7,468)
County Bookmobile	80,396	99,308	99,308	84,515	(14,793)
Forest Lakes Library	67,577	96,768	96,768	91,015	(5,753)
Tuba City Library	188,490	227,176	227,176	223,109	(4,067)
Supai Library	2,346	15,500	15,500	15,500	-
Grand Canyon	96,108	120,622	120,622	94,857	(25,765)
TOTAL	\$ 490,619	\$ 644,044	\$ 644,044	\$ 586,198	\$ (57,846)
SOURCE OF FUNDING:		LIBRARY FUND		\$ 586,198	
				\$ 586,198	

MANAGEMENT SERVICES

SECTION 035/036/038

LIBRARY SERVICES

SECTION: 038-LIBRARY GRANTS AND COUNTY WIDE PROJECTS					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 143,478	\$ 149,674	\$ 149,674	\$ 152,546	\$ 2,872
Contractuals	1,065,786	2,586,691	1,086,691	2,292,301	(294,390)
Commodities	254,081	191,500	191,500	189,890	(1,610)
TOTAL	\$ 1,463,345	\$ 2,927,865	\$ 1,427,865	\$ 2,634,737	\$ (293,128)
EXPENDITURES BY PROGRAM:					
Surge of Technology Grant G11-05	\$ 4,912	\$ -	\$ -	\$ -	\$ -
BTOP II Recovery Grant	14,773	-	-	-	-
Flagstaff AZ: A Look Back Grant G11-06	5,927	-	-	-	-
AZ State Grant in Aid 13	24,999	-	-	-	-
State Grants In Aid 2014	-	25,000	25,000	-	(25,000)
Youth Services Grant	3,270	-	-	24,000	24,000
State Grant-in-Aid FY 2014	-	-	-	25,000	25,000
Showcasing Science through Sustainable Space	-	-	-	30,000	30,000
County-wide Projects	1,409,464	2,902,865	1,402,865	2,555,737	(347,128)
TOTAL	\$ 1,463,345	\$ 2,927,865	\$ 1,427,865	\$ 2,634,737	\$ (293,128)
SOURCE OF FUNDING:					
	LIBRARY FUND			\$ 2,634,737	
				\$ 2,634,737	
COMMENTARY:					
Library grants are, in nature, one time revenues and expenditures as grant funding opportunities arise. Also, included are other items for county wide projects, that are also one time in nature.					

