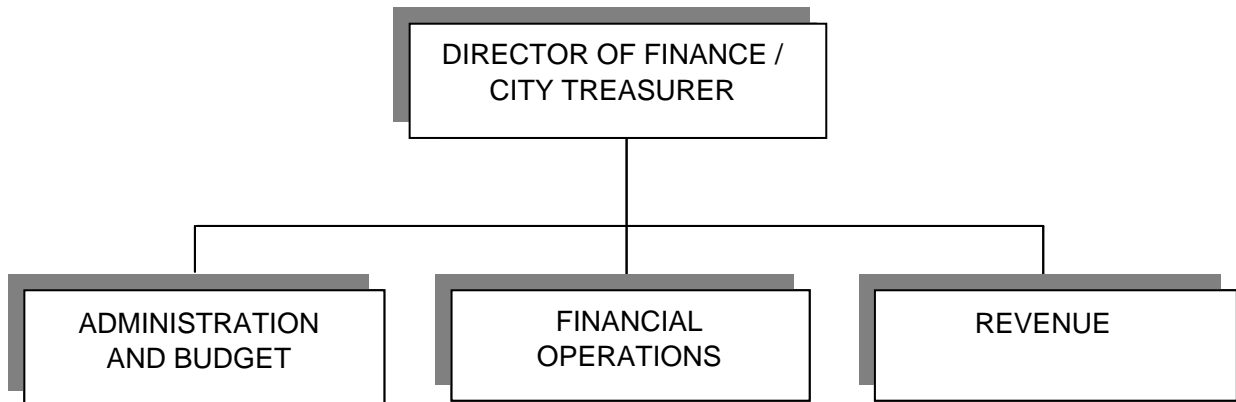


# FINANCE

**MISSION STATEMENT:** To manage the fiscal and financial affairs of the City and to support City officials and all departmental operations through a variety of financial services.

## DEPARTMENT ORGANIZATION



## FINANCE

### DEPARTMENT OBJECTIVES AND IMPLEMENTATION STRATEGIES AND RELATED PERFORMANCE MEASURES

1. Implement the contract services provisions of the Living Wage Ordinance adopted by City Council in FY2004-05.
  - Establish and refine procedures for requests for proposals, purchase orders and contracts necessary to implement the living wage provisions.
  - Train City departments in the living wage provisions and procedures.
  - Ensure that all contracts for services above \$50,000 include the living wage provisions.
  - After one year, assess incremental costs of implementing the living wage.

#### Performance Measure

Report to City Council regarding living wage costs to City Council by 6/30/06.

2. Review the City's current Business License ordinance and make recommendations for improvements, as appropriate.
  - Review existing Business License processes and procedures and identify areas where changes should be studied.
  - Survey other cities ordinances to identify alternative methodologies.
  - Review existing laws that impact the implementation of Business License fees.
  - Make recommendations for changes to the City's business license fee structure, as necessary.

#### Performance Measure

Implement internal process changes by 12/31/05.

Make recommendations to Council for policy changes, if any, by 5/31/06.

## FINANCE

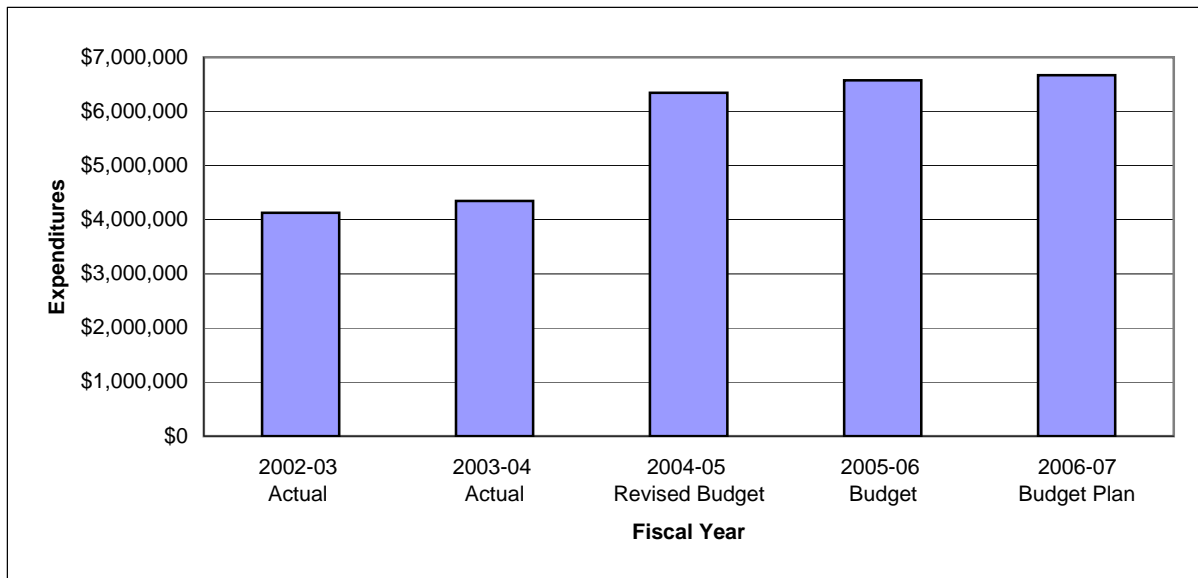
|  |
|--|
| <b>DEPARTMENT PERFORMANCE MEASURES</b> |
|--|

| PERFORMANCE MEASURES   | 2002-03<br>Actual | 2003-04<br>Actual | 2004-05<br>Estimated<br>Actual | 2005-06<br>Target     | 2006-07<br>Target     |
|--|-------------------|-------------------|--------------------------------|-----------------------|-----------------------|
| <b>EFFECTIVENESS:</b>  |                   |                   |                                |                       |                       |
| Past Due Accounts Collected  | \$ 371,855        | \$ 737,390        | \$ 350,000                     | \$ 300,000            | \$ 300,000            |
| Receive the Government Finance Officers Association Award for Excellence in Financial Reporting            | yes<br>(01/02)    | yes<br>(02/03)    | yes<br>(03/04)                 | yes<br>(04/05)        | yes<br>(05/06)        |
| Receive the California Society of Municipal Finance Officers Award for Excellence in Financial Reporting   | yes<br>(01/02)    | yes<br>(02/03)    | yes<br>(03/04)                 | yes<br>(04/05)        | yes<br>(05/06)        |
| Receive the California Society of Municipal Finance Officers Award for Excellence in Operational Budgeting | N/A               | yes<br>(02/03)    | yes<br>(03/04)                 | yes<br>(04/05)        | yes<br>(05/06)        |
| Receive the Government Finance Officers Association Award for Excellence in Operational Budgeting          | N/A               | N/A               | yes<br>(04/05)                 | yes<br>(05/06)        | yes<br>(06/07)        |
| Receive the Association of Public Treasurers Investment Policy Certification                               | N/A               | N/A               | N/A                            | yes<br>(2/05 Policy ) | yes<br>(2/06 Policy ) |

# FINANCE

## FINANCIAL TREND AND SIGNIFICANT PROGRAM CHANGES

### All FUNDS



*FY2003-04 increase primarily reflects employee cost-of-living increases partially offset by reductions in supplies and expenses due to City fiscal constraints.*

*FY2004-05 increase reflects transfer of 6.0 FTE accounting positions from Big Blue Bus to the Finance Department along with cost-of-living increases in employee salaries and wages, increases in self-insurance and one-time funds for infrastructure accounting, partially offset by reductions due to City fiscal constraints. FY2004-05 also reflects a budgeting change that moved employee fringe benefit costs and department related supplies and expense costs from the Non-Departmental budget into the departmental budgets.*

*FY2005-06 increase reflects 1.0 added position in the Revenue Division, a transfer of 1.2 positions to Financial Operations funded by Disaster Relief Fund, salary step increases and projected increase in fringe benefit costs.*

*FY2006-07 increase reflects higher employee salary and wage costs for step increases, higher fringe benefits costs plus allowable cost-of-living increases in the Department's supplies and expenses budget.*

# Department Budget Summary

130 FINANCE  
01 GENERAL FUND

| EXPENDITURE CATEGORIES                      | 2002-03<br>Actual   | 2003-04<br>Actual   | 2004-05<br>Revised<br>Budget | 2005-06<br>Budget   | 2006-07<br>Budget<br>Plan |
|---|---------------------|---------------------|------------------------------|---------------------|---------------------------|
| <b>DIVISION</b>                             |                     |                     |                              |                     |                           |
| Direct Costs:                               |                     |                     |                              |                     |                           |
| Administration and Budget                   | \$ 823,503          | \$ 997,973          | \$ 1,548,406                 | \$ 1,553,845        | \$ 1,588,381              |
| Financial Operations (General Fund)         | 1,660,184           | 1,687,908           | 2,503,499                    | 2,505,219           | 2,513,939                 |
| Financial Operations (Disaster Relief Fund) | 0                   | 0                   | 0                            | 122,529             | 123,674                   |
| Revenue                                     | 1,027,561           | 931,943             | 2,289,575                    | 2,390,074           | 2,440,662                 |
| Subtotal Department                         | <u>3,511,248</u>    | <u>3,617,824</u>    | <u>6,341,480</u>             | <u>6,571,667</u>    | <u>6,666,656</u>          |
| Fringe Benefits (estimate)*                 | 614,200             | 729,279             | 0                            | 0                   | 0                         |
| Total Department                            | <u>\$ 4,125,448</u> | <u>\$ 4,347,103</u> | <u>\$ 6,341,480</u>          | <u>\$ 6,571,667</u> | <u>\$ 6,666,656</u>       |
| <b>MAJOR ACCOUNT GROUPS</b>                 |                     |                     |                              |                     |                           |
| General Fund                                |                     |                     |                              |                     |                           |
| Salaries and Wages                          | \$ 2,814,316        | \$ 2,992,419        | \$ 4,378,647                 | \$ 4,613,432        | \$ 4,690,815              |
| Supplies and Expenses                       | 687,799             | 623,014             | 1,961,431                    | 1,817,607           | 1,838,286                 |
| Capital Outlay                              | 9,133               | 2,391               | 1,402                        | 18,099              | 13,881                    |
| Subtotal                                    | <u>3,511,248</u>    | <u>3,617,824</u>    | <u>6,341,480</u>             | <u>6,449,138</u>    | <u>6,542,982</u>          |
| Fringe Benefits*                            | 614,200             | 729,279             | 0                            | 0                   | 0                         |
| Subtotal                                    | <u>\$ 4,125,448</u> | <u>\$ 4,347,103</u> | <u>\$ 6,341,480</u>          | <u>\$ 6,449,138</u> | <u>\$ 6,542,982</u>       |
| Disaster Relief Fund**                      |                     |                     |                              |                     |                           |
| Salaries and Wages                          | \$ 0                | \$ 0                | \$ 0                         | \$ 101,929          | \$ 102,857                |
| Supplies and Expenses                       | 0                   | 0                   | 0                            | 20,600              | 20,817                    |
| Capital Outlay                              | 0                   | 0                   | 0                            | 0                   | 0                         |
| Subtotal                                    | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 0</u>                  | <u>\$ 122,529</u>   | <u>\$ 123,674</u>         |
| Total All Funds                             |                     |                     |                              |                     |                           |
| Salaries and Wages                          | \$ 2,814,316        | \$ 2,992,419        | \$ 4,378,647                 | \$ 4,715,361        | \$ 4,793,672              |
| Supplies and Expenses                       | 687,799             | 623,014             | 1,961,431                    | 1,838,207           | 1,859,103                 |
| Capital Outlay                              | 9,133               | 2,391               | 1,402                        | 18,099              | 13,881                    |
| Fringe Benefits*                            | 614,200             | 729,279             | 0                            | 0                   | 0                         |
| Total Department                            | <u>\$ 4,125,448</u> | <u>\$ 4,347,103</u> | <u>\$ 6,341,480</u>          | <u>\$ 6,571,667</u> | <u>\$ 6,666,656</u>       |

\* Beginning in FY2004-05, fringe benefit estimates were moved to the Salaries and Wages account group.

\*\* Beginning in FY2004-05, Financial Operations budget includes Disaster Relief Fund costs for accounting support.

# Department Budget Summary

130 FINANCE  
01 GENERAL FUND

| PERSONNEL (FULL-TIME EQUIVALENTS) | 2002-03<br>Revised<br>Budget | 2003-04<br>Revised<br>Budget | 2004-05<br>Revised<br>Budget | 2005-06<br>Budget | 2006-07<br>Budget<br>Plan |
|-----------------------------------|------------------------------|------------------------------|------------------------------|-------------------|---------------------------|
| PERMANENT POSITIONS               | 43.0                         | 43.0                         | 49.0                         | 51.0              | 51.0                      |
| OVERTIME                          | 0.6                          | 0.2                          | 0.3                          | 0.3               | 0.3                       |
| TEMPORARY                         | <u>1.0</u>                   | <u>1.5</u>                   | <u>1.5</u>                   | <u>1.7</u>        | <u>1.7</u>                |
| Subtotal                          | <u>44.6</u>                  | <u>44.7</u>                  | <u>50.8</u>                  | <u>53.0</u>       | <u>53.0</u>               |

| GENERAL FUND FINANCING<br>FROM NON-TAX SOURCES | 2002-03<br>Actual   | 2003-04<br>Actual   | 2004-05<br>Estimated<br>Actual | 2005-06<br>Budget   | 2006-07<br>Budget<br>Plan |
|--|---------------------|---------------------|--------------------------------|---------------------|---------------------------|
| General Fund                                   | \$ 4,125,448        | \$ 4,347,103        | \$ 6,341,480                   | \$ 6,449,138        | \$ 6,542,982              |
| Less: Program Revenues and Reimbursements:     |                     |                     |                                |                     |                           |
| Bicycle License                                | \$ 228              | \$ 147              | \$ 200                         | \$ 200              | \$ 200                    |
| State SB90 Claims                              | 3,250               | 0                   | 0                              | 0                   | 0                         |
| Interest on Deposits/Investments               | 3,276,059           | 1,970,390           | 3,000,000                      | 4,500,000           | 5,400,000                 |
| Business License Processing Fees               | 0                   | 342,978             | 396,000                        | 396,000             | 396,000                   |
| Taxi Decal Fee                                 | 0                   | 0                   | 37,800                         | 37,800              | 37,800                    |
| Reimbursement from Big Blue Bus                | <u>0</u>            | <u>0</u>            | <u>524,200</u>                 | <u>573,500</u>      | <u>582,900</u>            |
| Subtotal                                       | <u>\$ 3,279,537</u> | <u>\$ 2,313,515</u> | <u>\$ 3,958,200</u>            | <u>\$ 5,507,500</u> | <u>\$ 6,416,900</u>       |
| Balance Required from General Fund             | <u>\$ 845,911</u>   | <u>\$ 2,033,588</u> | <u>\$ 2,383,280</u>            | <u>\$ 941,638</u>   | <u>\$ 126,082</u>         |

# Division Program Highlights

221 ADMINISTRATION AND BUDGET  
130 FINANCE  
01 GENERAL FUND

## DIVISION DESCRIPTION

The mission of the Administration and Budget Division is to advise City officials on the City's financial position and condition, provide timely short range and long range financial information for sound decision making, invest City revenues in a safe, efficient and effective manner, and educating the community on City financial issues. To accomplish this mission, Administration and Budget Division staff work with both internal and external customers to provide the following services in a timely, efficient and effective manner: coordinate preparation of the City's budget, provide revenue and expenditure projections, manage the issuance of all City bonds and other forms of debt, develop and present instructional material on City finances and budgets, and provide overall staff assistant support services to the Finance Department.

| PERSONNEL (FULL-TIME EQUIVALENTS)      | 2002-03<br>Revised<br>Budget | 2003-04<br>Revised<br>Budget | 2004-05<br>Revised<br>Budget | 2005-06<br>Budget | 2006-07<br>Budget<br>Plan |
|--|------------------------------|------------------------------|------------------------------|-------------------|---------------------------|
| <b>PERMANENT POSITIONS</b>             |                              |                              |                              |                   |                           |
| Director of Finance                    | 1.0                          | 1.0                          | 0.0                          | 0.0               | 0.0                       |
| Director of Finance/City Treasurer     | 0.0                          | 0.0                          | 1.0                          | 1.0               | 1.0                       |
| Budget Manager                         | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Principal Budget Analyst               | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Principal Budget Analyst - Investments | 0.0                          | 0.0                          | 1.0                          | 1.0               | 1.0                       |
| Senior Budget Analyst                  | 2.0                          | 2.0                          | 3.0                          | 3.0               | 3.0                       |
| Executive Administrative Assistant     | 0.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Technical Staff Assistant I            | 0.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Internal Systems Control Auditor       | <u>1.0</u>                   | <u>0.0</u>                   | <u>0.0</u>                   | <u>0.0</u>        | <u>0.0</u>                |
| Subtotal                               | <u>6.0</u>                   | <u>7.0</u>                   | <u>9.0</u>                   | <u>9.0</u>        | <u>9.0</u>                |
| <b>OVERTIME</b>                        | 0.1                          | 0.1                          | 0.1                          | 0.1               | 0.1                       |
| <b>TEMPORARY</b>                       | <u>0.0</u>                   | <u>0.0</u>                   | <u>0.0</u>                   | <u>0.0</u>        | <u>0.0</u>                |
| Subtotal                               | <u>0.1</u>                   | <u>0.1</u>                   | <u>0.1</u>                   | <u>0.1</u>        | <u>0.1</u>                |
| Total Division                         | <u>6.1</u>                   | <u>7.1</u>                   | <u>9.1</u>                   | <u>9.1</u>        | <u>9.1</u>                |

# Division Program Highlights

222 FINANCIAL OPERATIONS  
130 FINANCE  
01 GENERAL FUND

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## **DIVISION DESCRIPTION**

The mission of the Financial Operations Division is to maintain the financial management systems and records of the City in accordance with *Generally Accepted Accounting Principles*; to procure equipment, materials and supplies, contractual services and equipment maintenance in a timely, efficient and effective manner, and in compliance with applicable laws, regulations, and City policies.

To accomplish this mission, Financial Operations Division staff work with both internal and external customers to provide the following services: maintain accurate, reliable financial information and records for all City funds including assets, liabilities, revenues, encumbrances and expenditures/expenses; process timely, accurate bi-weekly payroll and prepare related reports for various regulatory bodies including the Public Employee's Retirement System; prepare and distribute accurate payments for goods and services; coordinate independent State, Federal and granting agency audits of the City's financial management systems and records; prepare accurate and timely annual reports including the Comprehensive Annual Financial Report and Financial Highlights; prepare timely and accurate invoices for services provided by City staff; assure compliance with City purchasing policies and practices; coordinate cooperative bidding procedures with other governments; encourage and monitor the use of recycled and environmentally safe products; provide consultation to help City staff evaluate and improve the effectiveness of internal controls; administer local business outreach purchasing policies; maintain and support the City's automated financial management system; and coordinate the reengineering of City-wide financial processes to fully engage the capabilities of the City's automated financial management system.

This division also performs accounting functions related to earthquake activities funded by the Disaster Relief Fund.

# Division Program Highlights

222 FINANCIAL OPERATIONS  
130 FINANCE  
01 GENERAL FUND

| PERSONNEL (FULL-TIME EQUIVALENTS)         | 2002-03<br>Revised<br>Budget | 2003-04<br>Revised<br>Budget | 2004-05<br>Revised<br>Budget | 2005-06<br>Budget | 2006-07<br>Budget<br>Plan |
|---|------------------------------|------------------------------|------------------------------|-------------------|---------------------------|
| <b>PERMANENT POSITIONS</b>                |                              |                              |                              |                   |                           |
| Financial Operations Manager              | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Financial Systems Development Coordinator | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Payroll Supervisor                        | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Disbursements Supervisor                  | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Financial Reporting Supervisor            | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Senior Accountant *                       | 4.0                          | 4.0                          | 3.0                          | 3.0               | 3.0                       |
| Accountant                                | 2.0                          | 2.0                          | 2.0                          | 2.0               | 2.0                       |
| Accountant - Collections                  | 1.0                          | 1.0                          | 0.0                          | 0.0               | 0.0                       |
| Financial Operations Assistant            | 3.0                          | 3.0                          | 0.0                          | 0.0               | 0.0                       |
| Fiscal Staff Assistant II                 | 0.0                          | 0.0                          | 3.0                          | 3.0               | 3.0                       |
| Junior Accountant                         | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Contracts Technician                      | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Payroll Technician                        | 2.0                          | 2.0                          | 2.0                          | 2.0               | 2.0                       |
| Purchasing Agent                          | 1.0                          | 1.0                          | 1.0                          | 1.0               | 1.0                       |
| Senior Buyer                              | 0.0                          | 0.0                          | 0.0                          | 1.0               | 1.0                       |
| Buyer                                     | 2.0                          | 2.0                          | 2.0                          | 2.0               | 2.0                       |
| Technical Staff Assistant I               | 1.0                          | 0.0                          | 0.0                          | 0.0               | 0.0                       |
| Transit Finance Manager                   | 0.0                          | 0.0                          | 1.0                          | 1.0               | 1.0                       |
| Accountant-Transit                        | 0.0                          | 0.0                          | 1.0                          | 1.0               | 1.0                       |
| Junior Accountant                         | 0.0                          | 0.0                          | 1.0                          | 1.0               | 1.0                       |
| Fiscal Staff Assistant III                | <u>0.0</u>                   | <u>0.0</u>                   | <u>1.0</u>                   | <u>1.0</u>        | <u>1.0</u>                |
| Subtotal                                  | <u>23.0</u>                  | <u>22.0</u>                  | <u>24.0</u>                  | <u>25.0</u>       | <u>25.0</u>               |
| <b>OVERTIME</b>                           | 0.4                          | 0.0                          | 0.1                          | 0.1               | 0.1                       |
| <b>TEMPORARY *</b>                        | <u>0.0</u>                   | <u>0.0</u>                   | <u>0.0</u>                   | <u>0.2</u>        | <u>0.2</u>                |
| Subtotal                                  | <u>0.4</u>                   | <u>0.0</u>                   | <u>0.1</u>                   | <u>0.3</u>        | <u>0.3</u>                |
| Total Division                            | <u>23.4</u>                  | <u>22.0</u>                  | <u>24.1</u>                  | <u>25.3</u>       | <u>25.3</u>               |

\* In FY2005-06 1.0 FTE limited term Senior Accountant position (term expires on 6/30/2008) and 0.2 FTE temporary position are funded by Disaster Relief Fund.

# Division Program Highlights

224 REVENUE  
130 FINANCE  
01 GENERAL FUND

## DIVISION DESCRIPTION

Revenue Division receives and processes City revenues in a safe, efficient and effective manner. To accomplish this mission, Revenue Division staff works both with internal and external customers to provide the following services in an accurate and timely manner: administer and collect the Business License Tax and other related fees from all businesses operating in the City; coordinate all collection and deposit activities, conduct collection activities to assure payment of accounts receivable and collect, count and prepare for daily deposit in the bank all City parking meter monies and Big Blue Bus farebox revenue.

|  | 2002-03<br>Revised<br>Budget | 2003-04<br>Revised<br>Budget | 2004-05<br>Revised<br>Budget | 2005-06<br>Budget | 2006-07<br>Budget<br>Plan |
|--|------------------------------|------------------------------|------------------------------|-------------------|---------------------------|
|--|------------------------------|------------------------------|------------------------------|-------------------|---------------------------|

## PERMANENT POSITIONS

|   |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
| Revenue Manager/City Treasurer                | 1.0         | 1.0         | 0.0         | 0.0         | 0.0         |
| Revenue Manager                               | 0.0         | 0.0         | 1.0         | 1.0         | 1.0         |
| Assistant City Treasurer                      | 1.0         | 1.0         | 0.0         | 0.0         | 0.0         |
| License, Permit & Parking Citation Supervisor | 1.0         | 1.0         | 0.0         | 0.0         | 0.0         |
| Revenue Operations Supervisor                 | 0.0         | 0.0         | 1.0         | 1.0         | 1.0         |
| License Inspector                             | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         |
| Supervising Fiscal Staff Assistant            | 1.0         | 1.0         | 0.0         | 0.0         | 0.0         |
| Senior Revenue Operations Assistant           | 0.0         | 0.0         | 1.0         | 1.0         | 1.0         |
| Accountant - Collections                      | 0.0         | 0.0         | 1.0         | 1.0         | 1.0         |
| Fiscal Staff Assistant II - Treasury          | 4.5         | 4.5         | 0.0         | 0.0         | 0.0         |
| Revenue Operations Assistant II               | 0.0         | 0.0         | 4.5         | 5.5         | 5.5         |
| Fiscal Staff Assistant I                      | 1.0         | 1.0         | 0.0         | 0.0         | 0.0         |
| Revenue Operations Assistant I                | 0.0         | 0.0         | 1.0         | 1.0         | 1.0         |
| Parking Meter Supervisor                      | 1.0         | 1.0         | 0.0         | 0.0         | 0.0         |
| Revenue Collections Supervisor                | 0.0         | 0.0         | 1.0         | 1.0         | 1.0         |
| Senior Parking Meter Collector                | 1.0         | 1.0         | 0.0         | 0.0         | 0.0         |
| Senior Revenue Collections Assistant          | 0.0         | 0.0         | 1.0         | 1.0         | 1.0         |
| Parking Meter Collector                       | 1.5         | 1.5         | 0.0         | 0.0         | 0.0         |
| Revenue Collections Assistant                 | <u>0.0</u>  | <u>0.0</u>  | <u>3.5</u>  | <u>3.5</u>  | <u>3.5</u>  |
| Subtotal                                      | <u>14.0</u> | <u>14.0</u> | <u>16.0</u> | <u>17.0</u> | <u>17.0</u> |
| OVERTIME                                      | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         |
| TEMPORARY                                     | <u>1.0</u>  | <u>1.5</u>  | <u>1.5</u>  | <u>1.5</u>  | <u>1.5</u>  |
| Subtotal                                      | <u>1.1</u>  | <u>1.6</u>  | <u>1.6</u>  | <u>1.6</u>  | <u>1.6</u>  |
| Total Division                                | <u>15.1</u> | <u>15.6</u> | <u>17.6</u> | <u>18.6</u> | <u>18.6</u> |