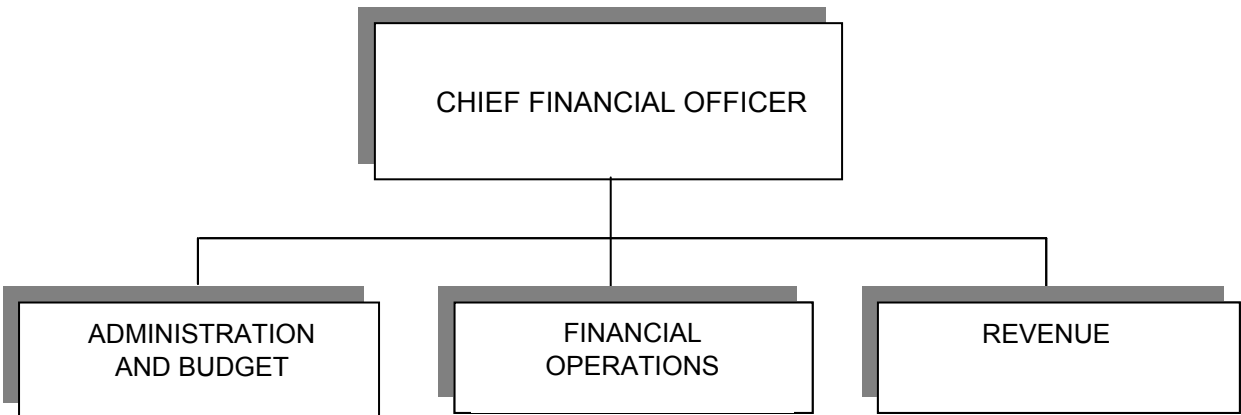


# FINANCE

**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. Conduct an update to the Debt Capacity Study for the General Fund and the Earthquake Redevelopment Development Area.
  - Establish with the City's Financial Advisors the scope of work for the update.
  - Coordinate data collection from Finance and Resource Management necessary for the study.
  - Based on study findings, make recommendation to Council regarding financing options for unfunded City capital projects.

### Performance Measure

*Report to City Council by 3/31/2007*

2. Purchase and implement a point-of-sale cashiering system to enhance customer service and cash controls.
  - Request proposals for a city-wide point-of sale cashiering system that will meet the needs of the various City departments.
  - Review proposals and prepare a recommendation to Council to enter into a contract with the proposer who best meets the City's needs.
  - Establish an implementation schedule for bringing on-line City departments.
  - Implement the first phase of the system with the Revenue/Treasury customer counter.
  - Based on lessons learned from the first phase, implement the remaining departments.

### Performance Measure

*Contract awarded by 3/31/07 with project completed by 6/30/09.*

## FINANCE

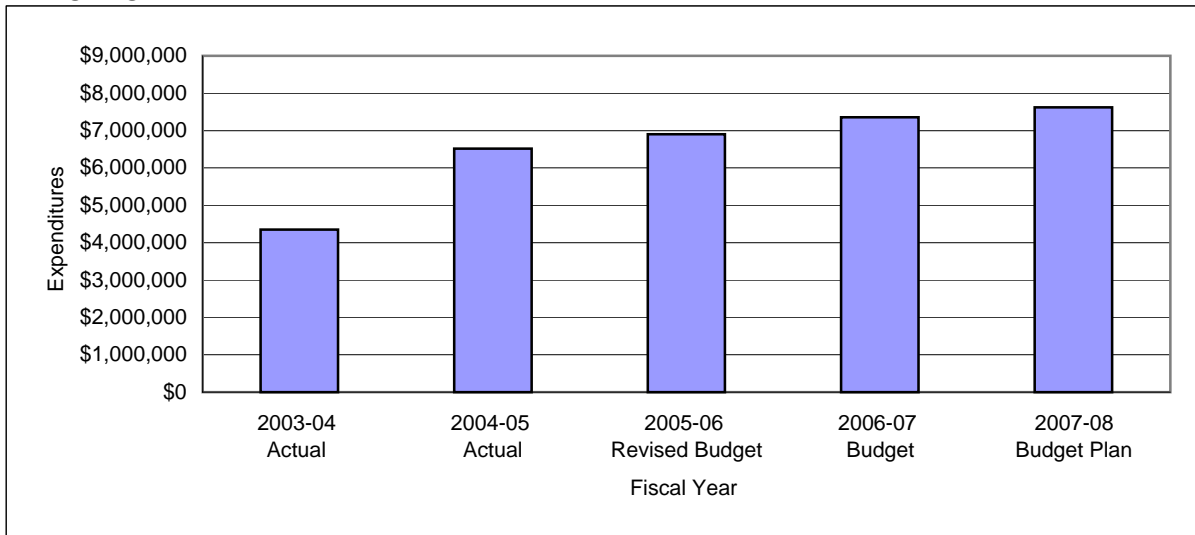
<b>DEPARTMENT PERFORMANCE MEASURES</b>
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PERFORMANCE MEASURES	2003-04 Actual	2004-05 Actual	2005-06 Estimated Actual	2006-07 Target	2007-08 Target
<b>EFFECTIVENESS:</b>					
Past Due Accounts Collected	\$ 737,390	\$ 610,000	\$ 300,000	\$ 300,000	\$ 250,000
Receive the Government Finance Officers Association Award for Excellence in Financial Reporting	yes (01/02)	yes (03/04)	yes (04/05)	yes (05/06)	yes (06/07)
Receive the California Society of Municipal Finance Officers Award for Excellence in Financial Reporting	yes (01/02)	yes (03/04)	yes (04/05)	yes (05/06)	yes (06/07)
Receive the California Society of Municipal Finance Officers Award for Excellence in Operational Budgeting	N/A	yes (03/04)	yes (04/05)	yes (05/06)	yes (06/07)
Receive the Government Finance Officers Association Award for Excellence in Operational Budgeting	N/A	yes (04/05)	yes (05/06)	yes (06/07)	yes (07/08)
Receive the Association of Public Treasurers Investment Policy Certification	N/A	N/A	yes (2/05 Policy )	yes (2/06 Policy)	yes (2/07 Policy )

# FINANCE

## FINANCIAL TREND AND SIGNIFICANT PROGRAM CHANGES

### All FUNDS



*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 department related supplies and expense costs from the Non-Departmental budget into the departmental budgets.*

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

*FY2006-07 increase reflects 1.0 FTE added position in Financial Operations Division and 1.0 FTE in Revenue Division offset by a reduction of 0.5 FTE in temporary staffing. Increases include employee salary and wage increases plus higher fringe benefits costs. Increases also include funding for Debt Capacity Study in Administration Division, Online Bidding System in Financial Operation Division and operating cost of point of sale cashiering system in Revenue Division.*

*FY2007-08 increase reflects salary and wage increases plus higher fringe benefit costs and allowable cost-of-living increases in the Department's supplies and expenses budget.*

# Department Budget Summary

130 FINANCE  
01 GENERAL FUND

EXPENDITURE CATEGORIES	2003-04 Actual	2004-05 Actual	2005-06 Revised Budget	2006-07 Budget	2007-08 Budget Plan
<b>DIVISION</b>					
Direct Costs:					
Administration and Budget	\$ 997,973	\$ 1,693,415	\$ 1,665,585	\$ 1,761,321	\$ 1,781,821
Financial Operations (General Fund)	1,687,908	2,333,584	2,667,584	2,846,932	2,976,393
Financial Operations (Disaster Relief Fund)	0	0	126,177	135,321	141,918
Revenue	<u>931,943</u>	<u>2,489,911</u>	<u>2,445,172</u>	<u>2,613,993</u>	<u>2,724,832</u>
Subtotal Department	<u>3,617,824</u>	<u>6,516,911</u>	<u>6,904,518</u>	<u>7,357,567</u>	<u>7,624,964</u>
Fringe Benefits (estimate)*	<u>729,279</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department	<u>\$ 4,347,103</u>	<u>\$ 6,516,911</u>	<u>\$ 6,904,518</u>	<u>\$ 7,357,567</u>	<u>\$ 7,624,964</u>
<b>MAJOR ACCOUNT GROUPS BY FUND</b>					
General Fund					
Salaries and Wages	\$ 2,992,419	\$ 4,312,137	\$ 4,917,635	\$ 5,238,079	\$ 5,521,334
Supplies and Expenses	623,014	2,203,371	1,842,607	1,970,286	1,958,212
Capital Outlay	<u>2,391</u>	<u>1,402</u>	<u>18,099</u>	<u>13,881</u>	<u>3,500</u>
Subtotal	<u>3,617,824</u>	<u>6,516,911</u>	<u>6,778,341</u>	<u>7,222,246</u>	<u>7,483,046</u>
Fringe Benefits*	<u>729,279</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>\$ 4,347,103</u>	<u>\$ 6,516,911</u>	<u>\$ 6,778,341</u>	<u>\$ 7,222,246</u>	<u>\$ 7,483,046</u>
Disaster Relief Fund**					
Salaries and Wages	\$ 0	\$ 0	\$ 105,577	\$ 114,504	\$ 120,518
Supplies and Expenses	0	0	20,600	20,817	21,400
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 126,177</u>	<u>\$ 135,321</u>	<u>\$ 141,918</u>

# Department Budget Summary

130 FINANCE  
01 GENERAL FUND

EXPENDITURE CATEGORIES	2003-04	2004-05	2005-06	2006-07	2007-08
	Actual	Actual	Revised Budget	Budget	Budget Plan
Total All Funds					
Salaries and Wages	\$ 2,992,419	\$ 4,312,137	\$ 5,023,212	\$ 5,352,583	\$ 5,641,852
Supplies and Expenses	623,014	2,203,371	1,863,207	1,991,103	1,979,612
Capital Outlay	2,391	1,402	18,099	13,881	3,500
Fringe Benefits*	<u>729,279</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department	<u>\$ 4,347,103</u>	<u>\$ 6,516,911</u>	<u>\$ 6,904,518</u>	<u>\$ 7,357,567</u>	<u>\$ 7,624,964</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.

PERSONNEL (FULL-TIME EQUIVALENTS)	2003-04	2004-05	2005-06	2006-07	2007-08
	Revised Budget	Revised Budget	Revised Budget	Budget	Budget Plan
PERMANENT POSITIONS	43.0	49.0	51.0	53.0	53.0
OVERTIME	0.2	0.3	0.3	0.4	0.4
TEMPORARY	<u>1.5</u>	<u>1.5</u>	<u>1.7</u>	<u>1.2</u>	<u>1.2</u>
Subtotal	<u>44.7</u>	<u>50.8</u>	<u>53.0</u>	<u>54.6</u>	<u>54.6</u>

# Division Program Highlights

221 ADMINISTRATION AND BUDGET  
130 FINANCE  
01 GENERAL FUND

## DIVISION DESCRIPTION

The Administration and Budget Division provides the public with the following services:

- Coordinates the preparation and distributes the annual City budget documents
- Presents the City Budget class at the Leadership Series

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.

	2003-04 Revised Budget	2004-05 Revised Budget	2005-06 Revised Budget	2006-07 Budget	2007-08 Budget Plan
<b>PERSONNEL (FULL-TIME EQUIVALENTS)</b>					
<b>PERMANENT POSITIONS</b>					
Director of Finance	1.0	0.0	0.0	0.0	0.0
Director of Finance/City Treasurer	0.0	1.0	0.0	0.0	0.0
Chief Financial Officer	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	1.0	1.0	1.0	1.0
Senior Budget Analyst	2.0	3.0	3.0	3.0	3.0
Executive Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Technical Staff Assistant I	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Subtotal	<u>7.0</u>	<u>9.0</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>7.1</u>	<u>9.1</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 Financial Operations Division provides the public with the following services:

- Prepares bid documents and issues purchase orders for vendor goods and services
- Makes payments to vendors on invoices approved by departments
- Produces the Comprehensive Annual Financial Report

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 its 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

<b>PERSONNEL (FULL-TIME EQUIVALENTS)</b>	<b>2003-04 Revised Budget</b>	<b>2004-05 Revised Budget</b>	<b>2005-06 Revised Budget</b>	<b>2006-07 Budget</b>	<b>2007-08 Budget Plan</b>
<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	3.0	3.0	3.0	3.0
Accountant	2.0	2.0	2.0	2.0	2.0
Accountant - Collections	1.0	0.0	0.0	0.0	0.0
Financial Operations Assistant	3.0	0.0	0.0	0.0	0.0
Fiscal Staff Assistant II	0.0	3.0	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	0.0	0.0
Contracts Coordinator	0.0	0.0	0.0	1.0	1.0
Staff Assistant III	0.0	0.0	0.0	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	1.0	1.0	1.0
Buyer	2.0	2.0	2.0	2.0	2.0
Transit Finance Manager	0.0	1.0	1.0	1.0	1.0
Accountant-Transit	0.0	1.0	1.0	1.0	1.0
Junior Accountant	0.0	1.0	1.0	1.0	1.0
Fiscal Staff Assistant III	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Subtotal	<u>22.0</u>	<u>24.0</u>	<u>25.0</u>	<u>26.0</u>	<u>26.0</u>
<b>OVERTIME</b>	0.0	0.1	0.1	0.1	0.1
<b>TEMPORARY *</b>	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
Subtotal	<u>0.0</u>	<u>0.1</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>
Total Division	<u>22.0</u>	<u>24.1</u>	<u>25.3</u>	<u>26.3</u>	<u>26.3</u>

\* Beginning 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

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### **DIVISION DESCRIPTION**

The Revenue Division provides the public with the following services:

- Accepts in-person payment of Parking Citation
- Accepts in-person payment of Water Bills
- Administers and collects Business License tax
- Administers and collects Parking Facilities tax
- Administers and collects Transient Occupancy tax
- Administers and collects Utility Users tax

Revenue Division is responsible to ensure that City revenues are collected and processed in a safe, efficient and effective manner. To accomplish this mission, Revenue Division staff works both with its 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.

# Division Program Highlights

224 REVENUE  
130 FINANCE  
01 GENERAL FUND

<b>PERSONNEL (FULL-TIME EQUIVALENTS)</b>	<b>2003-04 Revised Budget</b>	<b>2004-05 Revised Budget</b>	<b>2005-06 Revised Budget</b>	<b>2006-07 Budget</b>	<b>2007-08 Budget Plan</b>
<b>PERMANENT POSITIONS</b>					
Revenue Manager/City Treasurer	1.0	0.0	0.0	0.0	0.0
Revenue Manager	0.0	1.0	1.0	1.0	1.0
Assistant City Treasurer	1.0	0.0	0.0	0.0	0.0
License, Permit & Parking Citation Supervisor	1.0	0.0	0.0	0.0	0.0
Revenue Operations Supervisor	0.0	1.0	1.0	1.0	1.0
License Inspector	1.0	1.0	1.0	0.0	0.0
Revenue Operations Analyst	0.0	0.0	0.0	1.0	1.0
Supervising Fiscal Staff Assistant	1.0	0.0	0.0	0.0	0.0
Senior Revenue Operations Assistant	0.0	1.0	1.0	1.0	1.0
Accountant - Collections	0.0	1.0	1.0	1.0	1.0
Fiscal Staff Assistant II - Treasury	4.5	0.0	0.0	0.0	0.0
Revenue Operations Assistant II	0.0	4.5	5.5	5.5	5.5
Fiscal Staff Assistant I	1.0	0.0	0.0	0.0	0.0
Revenue Operations Assistant I	0.0	1.0	1.0	1.0	1.0
Revenue Collections Assistant	0.0	0.0	0.0	1.0	1.0
Parking Meter Supervisor	1.0	0.0	0.0	0.0	0.0
Revenue Collections Supervisor	0.0	1.0	1.0	1.0	1.0
Senior Parking Meter Collector	1.0	0.0	0.0	0.0	0.0
Senior Revenue Collections Assistant	0.0	1.0	1.0	1.0	1.0
Parking Meter Collector	1.5	0.0	0.0	0.0	0.0
Revenue Collections Assistant	<u>0.0</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>
Subtotal	<u>14.0</u>	<u>16.0</u>	<u>17.0</u>	<u>18.0</u>	<u>18.0</u>
<b>OVERTIME</b>	0.1	0.1	0.1	0.2	0.2
<b>TEMPORARY</b>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.0</u>	<u>1.0</u>
Subtotal	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>	<u>1.2</u>	<u>1.2</u>
Total Division	<u>15.6</u>	<u>17.6</u>	<u>18.6</u>	<u>19.2</u>	<u>19.2</u>

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