

Finance

Mission Statement

To provide sound financial and risk management services to internal and external customers, ensuring continuation of public services to the citizens, visitors and businesses of Santa Monica through the protection of financial resources.

Departmental Role

The Finance Department's primary responsibility is to ensure the fiscal health of the City and provide financial support services to other City departments. The Department provides financial forecasting as a means of guiding annual budget development and risk management services to protect City's financial resources. The department invests City revenues and oversees its collection and recording, coordinates purchasing for City goods and services and payment for those goods and services once received, ensures that employees are paid in an accurate and timely manner, maintains accurate financial records and oversees both internal and external auditing of City financial functions.

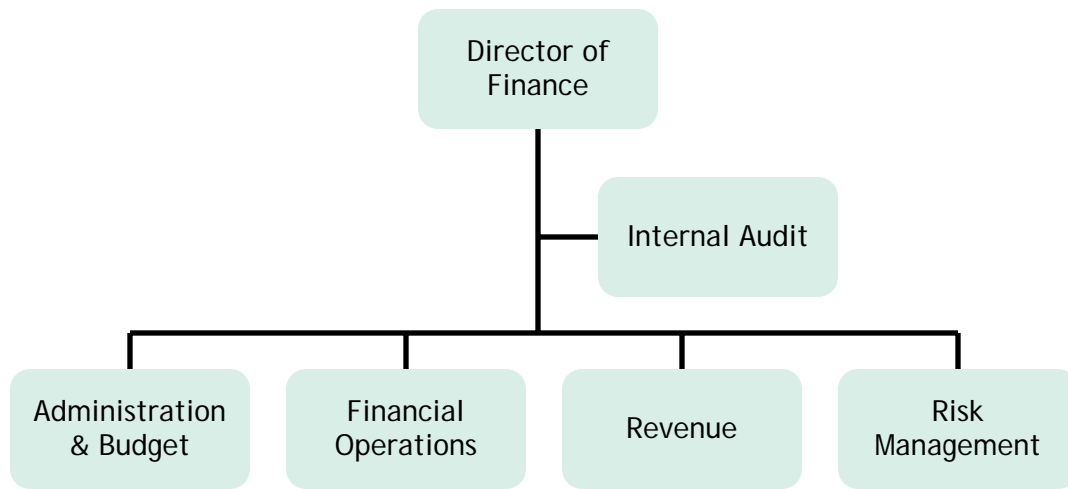
FY2008-09

Personnel	
Permanent Employees	67.0
Temporary Staffing	2.0
Total	69.0

Budget	
Salaries & Wages	\$ 7,590,608
Supplies & Expenses	3,154,595
Capital Outlay	2,595
Total	\$ 10,747,798

Budget by Fund	
General	\$ 9,114,440
Disaster Relief	11,150
Workers' Comp	1,622,208
Total	\$ 10,747,798

Departmental Structure



Services Provided by Department

Administration and Budget Division:

The Administration & Budget Division manages the City's investment portfolio, provides overall long range financial projections and manages debt issuances. It is responsible for coordinating the development of and modifications to the annual budget and presenting informational workshops to the staff and public. The Division also oversees the City Purchasing function, internal auditing activities, and overall department administration.

Risk Management Division:

The Risk Management Division protects the City's assets and service capabilities against the financial consequences of accidental loss. The Division is responsible for providing advice and support to City Departments in hazard identification and mitigation activities as it relates to the areas of liability, occupational health and safety, and property loss risks. Appropriate loss prevention and reduction strategies are employed to reduce the potential frequency and severity of accidents and exposure to losses. Claims filed by both the public (liability) and employees (workers' compensation) are investigated and adjusted by Division staff. Staff is also responsible for pursuing the recovery of damages to City property caused by responsible parties. The Division is responsible for all budgeting and selection of appropriate risk financing techniques for the City's insured and self-funded property and casualty insurance programs. All insurance requirements for outside contractors and service providers are established by the Division. Division staff is actively engaged in monitoring accident rates and costs of these programs and coordinates the City's entire risk management effort.

Financial Operations Division:

The Financial Operations Division provides financial support services to City departments through processing of bi-weekly payrolls, weekly payments to vendors and contractors, invoicing for services provided by City departments and accounting support to ensure that financial transactions are recorded in accordance with generally accepted accounting

principles. The Division works with the City's independent external auditing firm to conduct annual audits of the accounting records and prepares the year-end Comprehensive Annual Financial Report of the City's financial status.

Revenue Division:

The Revenue Division is responsible to ensure that City revenues are collected and processed in a safe, efficient and effective manner. It administers and collects the Business License Tax and other related City taxes from businesses operating in the City, coordinates all collection and deposit activities, counts and prepares daily deposits for all City parking meter and transit farebox revenue.

Significant Budget Changes for FY2008-09

- The re-establishment of the 1.0 FTE Business License Inspector position that will allow the Revenue Division to conduct licensing inspections and issue citations for non-compliance.
- One-time funding for consultant services to examine the feasibility of providing parking citation processing and customer service in house rather than through a third-party processor.

Departmental Budget Summary

130 FINANCE VARIOUS FUNDS

EXPENDITURE CATEGORIES	2005-06 Actual	2006-07 Actual	2007-08 Revised Budget	2008-09 Budget	2009-10 Budget Plan
DIVISION					
Direct Costs:					
Administration and Budget	\$ 1,570,614	\$ 1,624,105	\$ 2,021,993	\$ 2,575,019	\$ 2,700,875
Financial Operations (General Fund)	2,534,311	2,567,004	2,984,413	2,492,154	2,621,482
Financial Operations (Disaster Relief Fund)*	78,168	117,951	140,526	11,150	11,486
Revenue	3,485,988	3,838,846	3,692,130	4,047,267	4,138,102
Risk Management**	<u>0</u>	<u>0</u>	<u>1,560,660</u>	<u>1,622,208</u>	<u>1,704,445</u>
Total Department	<u>\$ 7,669,082</u>	<u>\$ 8,147,904</u>	<u>\$ 10,399,722</u>	<u>\$ 10,747,798</u>	<u>\$ 11,176,390</u>
* Effective FY2004-05 Financial Operations budget includes Disaster Relief Fund costs for accounting support					
** Effective FY2007-08 Risk Management budget is transferred from the City Manager Department					
MAJOR ACCOUNT GROUPS BY FUND					
General Fund					
Salaries and Wages	\$ 4,824,131	\$ 4,886,454	\$ 5,846,644	\$ 6,144,800	\$ 6,478,033
Supplies and Expenses	2,759,831	3,115,660	2,837,912	2,967,045	2,982,426
Capital Outlay	<u>6,952</u>	<u>27,839</u>	<u>13,980</u>	<u>2,595</u>	<u>0</u>
Subtotal	<u>\$ 7,590,914</u>	<u>\$ 8,029,953</u>	<u>\$ 8,698,536</u>	<u>\$ 9,114,440</u>	<u>\$ 9,460,459</u>
Disaster Relief Fund					
Salaries and Wages	\$ 91,514	\$ 97,176	\$ 119,126	\$ 0	\$ 0
Supplies and Expenses	(13,346)	20,775	21,400	11,150	11,486
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>\$ 78,168</u>	<u>\$ 117,951</u>	<u>\$ 140,526</u>	<u>\$ 11,150</u>	<u>\$ 11,486</u>
Workers' Compensation Self-Insurance Fund					
Salaries and Wages	\$ 0	\$ 0	\$ 1,391,979	\$ 1,445,808	\$ 1,522,445
Supplies and Expenses	0	0	168,400	176,400	182,000
Capital Outlay	<u>0</u>	<u>0</u>	<u>281</u>	<u>0</u>	<u>0</u>
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,560,660</u>	<u>\$ 1,622,208</u>	<u>\$ 1,704,445</u>
Total All Funds					
Salaries and Wages	\$ 4,915,645	\$ 4,983,630	\$ 7,357,749	\$ 7,590,608	\$ 8,000,478
Supplies and Expenses	2,746,485	3,136,435	3,027,712	3,154,595	3,175,912
Capital Outlay	<u>6,952</u>	<u>27,839</u>	<u>14,261</u>	<u>2,595</u>	<u>0</u>
Total Department	<u>\$ 7,669,082</u>	<u>\$ 8,147,904</u>	<u>\$ 10,399,722</u>	<u>\$ 10,747,798</u>	<u>\$ 11,176,390</u>

Departmental Budget Summary

130 FINANCE VARIOUS FUNDS

	2005-06 Revised Budget	2006-07 Revised Budget	2007-08 Revised Budget	2008-09 Budget	2009-10 Budget Plan
PERSONNEL (FULL-TIME EQUIVALENTS)					
General Fund					
PERMANENT POSITIONS	50.0	52.0	54.0	55.0	55.0
TEMPORARY	<u>1.5</u>	<u>1.0</u>	<u>1.5</u>	<u>2.0</u>	<u>2.0</u>
Subtotal	<u>51.5</u>	<u>53.0</u>	<u>55.5</u>	<u>57.0</u>	<u>57.0</u>
Disaster Relief Fund					
PERMANENT POSITIONS	1.0	1.0	1.0	0.0	0.0
TEMPORARY	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>
Workers' Compensation Self-Insurance Fund					
PERMANENT POSITIONS	0.0	0.0	12.0	12.0	12.0
TEMPORARY	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	<u>0.0</u>	<u>0.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>
Total All Funds					
PERMANENT POSITIONS	51.0	53.0	67.0	67.0	67.0
TEMPORARY	<u>1.7</u>	<u>1.2</u>	<u>1.7</u>	<u>2.0</u>	<u>2.0</u>
Total Department	<u>52.7</u>	<u>54.2</u>	<u>68.7</u>	<u>69.0</u>	<u>69.0</u>

Departmental Staffing

DEPARTMENT / Division / Title	2005-06 Revised Budget	2006-07 Revised Budget	2007-08 Revised Budget	2008-09 Budget	2009-10 Budget Plan
FINANCE					
<i>Administration and Budget (01221)</i>					
Director of Finance/City Treasurer	0.0	1.0	1.0	1.0	1.0
Chief Financial Officer	1.0	0.0	0.0	0.0	0.0
Assistant Director of Finance	0.0	0.0	1.0	1.0	1.0
Internal Auditor	0.0	0.0	1.0	1.0	1.0
Budget Manager	1.0	1.0	0.0	0.0	0.0
Principal Budget Analyst	1.0	1.0	1.0	1.0	1.0
Principal Budget Analyst - Investments	1.0	1.0	2.0	2.0	2.0
Senior Budget Analyst	3.0	3.0	2.0	2.0	2.0
Executive Administrative Assistant - Finance	1.0	1.0	1.0	1.0	1.0
Technical Staff Assistant I	1.0	1.0	1.0	1.0	1.0
Purchasing Agent	0.0	0.0	0.0	1.0	1.0
Senior Buyer	0.0	0.0	0.0	2.0	2.0
Buyer	0.0	0.0	0.0	1.0	1.0
Staff Assistant III	0.0	0.0	0.0	1.0	1.0
<i>Division Summary</i>					
Permanent Employees	9.0	9.0	10.0	15.0	15.0
Temporary Staffing	0.0	0.0	0.0	0.0	0.0
Total Division	9.0	9.0	10.0	15.0	15.0
<i>Financial Operations (01222)</i>					
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
Disbursements Supervisor	1.0	1.0	1.0	1.0	1.0
Contracts Coordinator	0.0	1.0	1.0	1.0	1.0
Contracts Technician	1.0	0.0	0.0	0.0	0.0
Fiscal Staff Assistant II	3.0	3.0	3.0	3.0	3.0
Payroll Supervisor	1.0	1.0	1.0	1.0	1.0
Payroll Technician	2.0	2.0	2.0	2.0	2.0
Financial Reporting Supervisor	1.0	1.0	2.0	2.0	2.0
Transit Finance Manager	1.0	1.0	0.0	0.0	0.0
Senior Accountant	2.0	2.0	2.0	2.0	2.0
Accountant	2.0	2.0	2.0	3.0	3.0
Accountant-Transit	1.0	1.0	1.0	0.0	0.0
Junior Accountant	2.0	2.0	2.0	2.0	2.0
Purchasing Agent	1.0	1.0	1.0	0.0	0.0
Senior Buyer	1.0	1.0	1.0	0.0	0.0
Buyer	2.0	2.0	2.0	0.0	0.0
Fiscal Staff Assistant III	1.0	1.0	1.0	1.0	1.0
Staff Assistant III	0.0	1.0	1.0	0.0	0.0

Departmental Staffing

<i>DEPARTMENT / Division / Title</i>	2005-06 Revised Budget	2006-07 Revised Budget	2007-08 Revised Budget	2008-09 Budget	2009-10 Budget Plan
<i>Division Summary</i>					
Permanent Employees	24.0	25.0	25.0	20.0	20.0
Temporary Staffing	0.0	0.0	0.0	0.0	0.0
<i>Total Division</i>	<u>24.0</u>	<u>25.0</u>	<u>25.0</u>	<u>20.0</u>	<u>20.0</u>
<i>Revenue (01224)</i>					
Revenue Manager	1.0	1.0	1.0	1.0	1.0
Revenue Operations Supervisor	1.0	1.0	1.0	1.0	1.0
License Inspector	1.0	0.0	0.0	0.0	0.0
Business License Inspector	0.0	0.0	0.0	1.0	1.0
Revenue Operations Analyst	0.0	1.0	1.0	1.0	1.0
Senior Revenue Operations Assistant	1.0	1.0	1.0	1.0	1.0
Accountant - Collections	1.0	1.0	1.0	1.0	1.0
Revenue Operations Assistant II	5.5	5.5	6.5	6.5	6.5
Revenue Operations Assistant I	1.0	1.0	1.0	1.0	1.0
Revenue Collections Supervisor	1.0	1.0	1.0	1.0	1.0
Senior Revenue Collections Assistant	1.0	1.0	1.0	1.0	1.0
Revenue Collections Assistant	3.5	4.5	4.5	4.5	4.5
<i>Division Summary</i>					
Permanent Employees	17.0	18.0	19.0	20.0	20.0
Temporary Staffing	1.5	1.0	1.5	2.0	2.0
<i>Total Division</i>	<u>18.5</u>	<u>19.0</u>	<u>20.5</u>	<u>22.0</u>	<u>22.0</u>
<i>Financial Operations (13222)</i>					
Senior Accountant	1.0	1.0	1.0	0.0	0.0
<i>Division Summary</i>					
Permanent Employees	1.0	1.0	1.0	0.0	0.0
Temporary Staffing	0.2	0.2	0.2	0.0	0.0
<i>Total Division</i>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>
<i>Risk Management (59229) (part of City Manager Department prior to FY2007-08)</i>					
Risk Manager	0.0	0.0	1.0	1.0	1.0
Risk Control Officer	0.0	0.0	1.0	1.0	1.0
Liability Claims Administrator	0.0	0.0	1.0	1.0	1.0
Liability Claims Adjuster	0.0	0.0	1.0	1.0	1.0
Liability Claims Technician	0.0	0.0	1.0	1.0	1.0
Workers' Compensation Administrator	0.0	0.0	1.0	1.0	1.0
Senior Workers' Compensation Claims Examiner	0.0	0.0	2.0	1.0	1.0
Workers' Compensation Claims Examiner	0.0	0.0	0.0	1.0	1.0
Workers' Compensation Claims Technician	0.0	0.0	1.0	1.0	1.0
Workers' Compensation Claims Specialist	0.0	0.0	1.0	1.0	1.0
Staff Assistant III	0.0	0.0	1.0	1.0	1.0
Staff Assistant II	0.0	0.0	1.0	1.0	1.0

Departmental Staffing

DEPARTMENT / Division / Title	2005-06 Revised Budget	2006-07 Revised Budget	2007-08 Revised Budget	2008-09 Budget	2009-10 Budget Plan
<i>Division Summary</i>					
Permanent Employees	0.0	0.0	12.0	12.0	12.0
Temporary Staffing	0.0	0.0	0.0	0.0	0.0
<i>Total Division</i>	<u>0.0</u>	<u>0.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>
<i>Department Summary</i>					
Permanent Employees	51.0	53.0	67.0	67.0	67.0
Temporary Staffing	1.7	1.2	1.7	2.0	2.0
TOTAL DEPARTMENT	<u><u>52.7</u></u>	<u><u>54.2</u></u>	<u><u>68.7</u></u>	<u><u>69.0</u></u>	<u><u>69.0</u></u>

Departmental Performance Measures

Goal	2006-07 Actual	2007-08 Target	2007-08 Estimated Actual	2008-09 Target
------	-------------------	-------------------	--------------------------------	-------------------

FINANCE

EFFECTIVENESS:

● Revenue Collection - Past Due Accounts Collected	\$ 647,736	\$ 250,000	\$ 250,000	\$ 250,000
● Receive the Government Finance Officers Association Award for Excellence in Financial Reporting	Yes (2005-06)	Yes (2006-07)	Yes (2006-07)	Yes (2007-08)
● Receive the Government Finance Officers Association Award for Excellence in Operational Budgeting	Yes	Yes	Yes	Yes
● Receive the Association of Public Treasurers Investment Policy Certification	Yes (2006 Policy)	Yes (2007 Policy)	Yes (2007 Policy)	Yes (2008 Policy)

Liability:

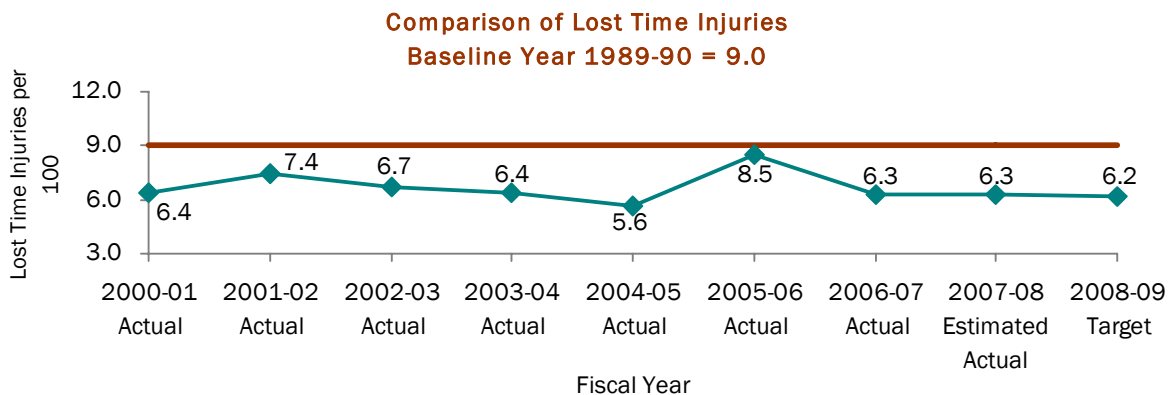
● New Claims Received	458	435	440	440
● Pending Claims	394	430	400	375
● Claims Closed	541	450	500	525

Workers' Compensation:

● New Claims Received	305	370	355	360
● Pending Claims	492	530	530	530
● Claims Closed	N/A	N/A	N/A	N/A

Risk Control:

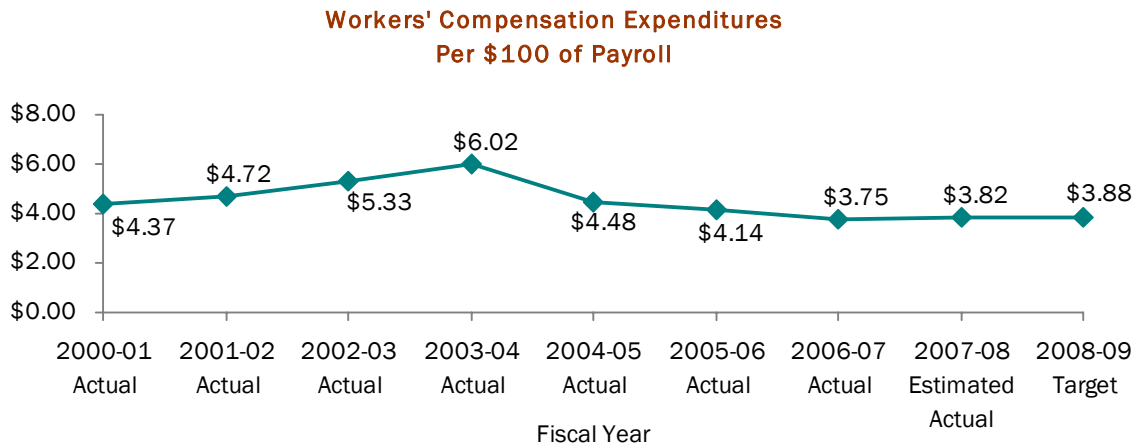
● Number of Departmental Workers' Comp and Liability	13	11	11	11
● Number of Employee Safety Training	3,925	3,500	4,500	3,800



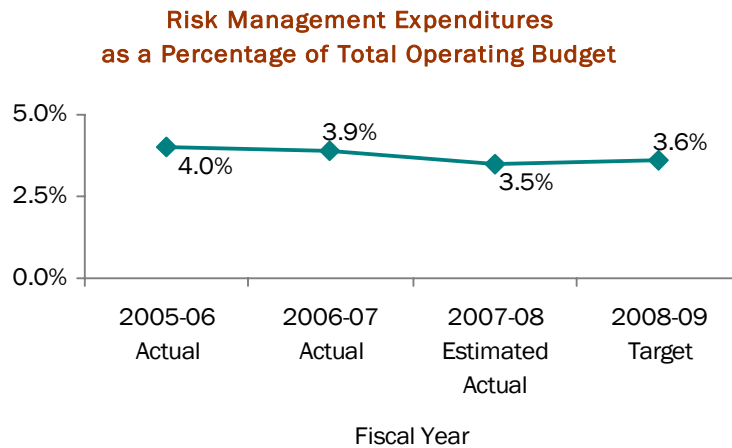
FY2006-07 lost time injuries per 100 FTEs were 30% lower than the FY1989-90 baseline year. FY1989-90 is used since it is the first year the City began to track these statistics. Over the past 10 years, the City's lost time injury rates have been consistently lower than the baseline. Using FY2007-08 cost per claim data, the reduced rates can be translated into approximately \$11.3 million in cost avoidance over 10 years, or an average of \$1,132,000 on an annual basis. This is primarily attributable to early return-to-work and safety training programs on a Citywide basis.

Departmental Performance Measures

Goal	2006-07 Actual	2007-08 Target	2007-08 Estimated Actual	2008-09 Target
------	-------------------	-------------------	--------------------------------	-------------------



Decreases from FY2003-04 actuals have resulted from recent legislative workers' compensation reforms particularly in the areas of reduction in the medical fee schedule and the implementation of utilization review process for all on-going medical care.



Reflects actual expenditures (three year rolling average) of liability, property, and workers' compensation insured and self funded costs including administration expenses.

Departmental Performance Measures

Goal	2006-07 Actual	2007-08 Target	2007-08 Estimated Actual	2008-09 Target
EFFICIENCY:				
Liability:				
● Claims Closed with Payments Made	187	185	190	190
● Claims Closed with no Payments Made	354	265	310	310
● % of Claims Received Resulting in Litigation	11%	17%	10%	10%
● Recoveries (Damage to City Buses, Vehicles, or Property)	\$ 165,167	\$ 325,000	\$ 325,000	\$ 230,000
Workers' Compensation:				
● % of Benefit Payments Made Timely	99%	98%	99%	99%
● Number of Payment Transactions	19,282	21,500	21,500	21,500
● Customer Service Surveys - Employees Return of Positive Results	86%	85%	80%	90%
● % of Indemnity Claims Received Resulting in Litigation	21%	12%	22%	20%
Risk Control:				
● % of Risk Assessments Evaluated and Responded to within 5 Working Days of Knowledge	92%	90%	90%	90%
● % of Participants Rating Employee Safety Training Programs Good or Very Good	94%	75%	80%	80%

This page is intentionally left blank.