



# DEPARTMENT SUMMARY

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## Finance

Provide financial guidance to City Council and departments and manage the City's financial operations.

### About Finance

The Finance Department is responsible for providing financial expertise and guidance to the City Council and departments, managing the City's daily financial operations, and maintaining the financial integrity of the City. The department's major functional areas include accounting, revenue management, budget, payroll, purchasing, and investment management. The department also administers one internal service fund: the Self-Insurance Trust Fund manages the City's insurance portfolio and self-insured workers' compensation program.



### Fiscal Year 2008 Budget Highlights

The Finance Department, in conjunction with Information Systems staff, will initiate the replacement of the entire FMS (Financial Management System). The last time the City's FMS was replaced was in Fiscal Year 1991.

This is a monumental task that will involve a significant amount of effort and time from staff across all departments over a four-year period. In Fiscal Year 2008, a comprehensive needs analysis will be completed that will form the basis for a request for proposal, and we anticipate selection of a vendor by the end of the fiscal year. Implementation of a new system will take place between Fiscal Years 2009 and 2011.



# DEPARTMENT SUMMARY

## Finance

### Department Financial and Staffing Summary

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>39.35</b>	<b>39.35</b>	<b>39.35</b>	<b>41.35</b>	<b>41.35</b>
<b>Hourly Employee Hours</b>	<b>550</b>	<b>200</b>	<b>200</b>	<b>100</b>	<b>100</b>
<b>Revenues</b>					
Fees and Services Charges	\$ 7,091	\$ -	\$ 500	\$ -	\$ -
Franchise Fees - Cable	342,212	359,749	342,212	367,538	383,402
Licenses	9,206	7,000	9,200	7,000	7,000
Workers Comp. Premiums	3,771,428	3,356,427	3,356,427	2,241,057	2,357,502
Insurance Premiums	2,598,843	2,635,053	2,635,053	3,140,159	3,197,440
OSH Premiums	228,744	290,392	290,392	256,804	291,620
Interest Income	280,309	286,000	286,000	355,865	361,434
Other Revenue	87,616	-	15,630	-	-
Overhead Allocation Recovery	2,516,464	2,617,122	2,617,122	2,938,405	3,070,635
General Fund Subsidy	1,531,360	2,039,708	1,699,416	1,704,352	1,859,378
<b>Total Department Revenue</b>	<b>\$11,373,273</b>	<b>\$11,591,451</b>	<b>\$ 11,251,952</b>	<b>\$ 11,011,180</b>	<b>\$11,528,411</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 3,359,756	\$ 3,689,127	\$ 3,505,411	\$ 3,992,614	\$ 4,271,351
Supplies and Services	6,310,928	7,407,372	6,873,570	7,347,168	7,553,798
Special Projects	389,714	443,169	351,712	397,538	433,402
Non-Capital Equipment	1,262	22,389	1,060	5,860	1,860
Capital Equipment	20,200	138,897	83,730	-	-
Tax Expense	16,403	11,500	18,292	18,000	18,000
<b>Total Department Expenditures</b>	<b>\$10,098,263</b>	<b>\$11,712,454</b>	<b>\$ 10,833,775</b>	<b>\$ 11,761,180</b>	<b>\$12,278,411</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 1,275,010</b>	<b>\$ (121,003)</b>	<b>\$ 418,177</b>	<b>\$ (750,000)</b>	<b>\$ (750,000)</b>

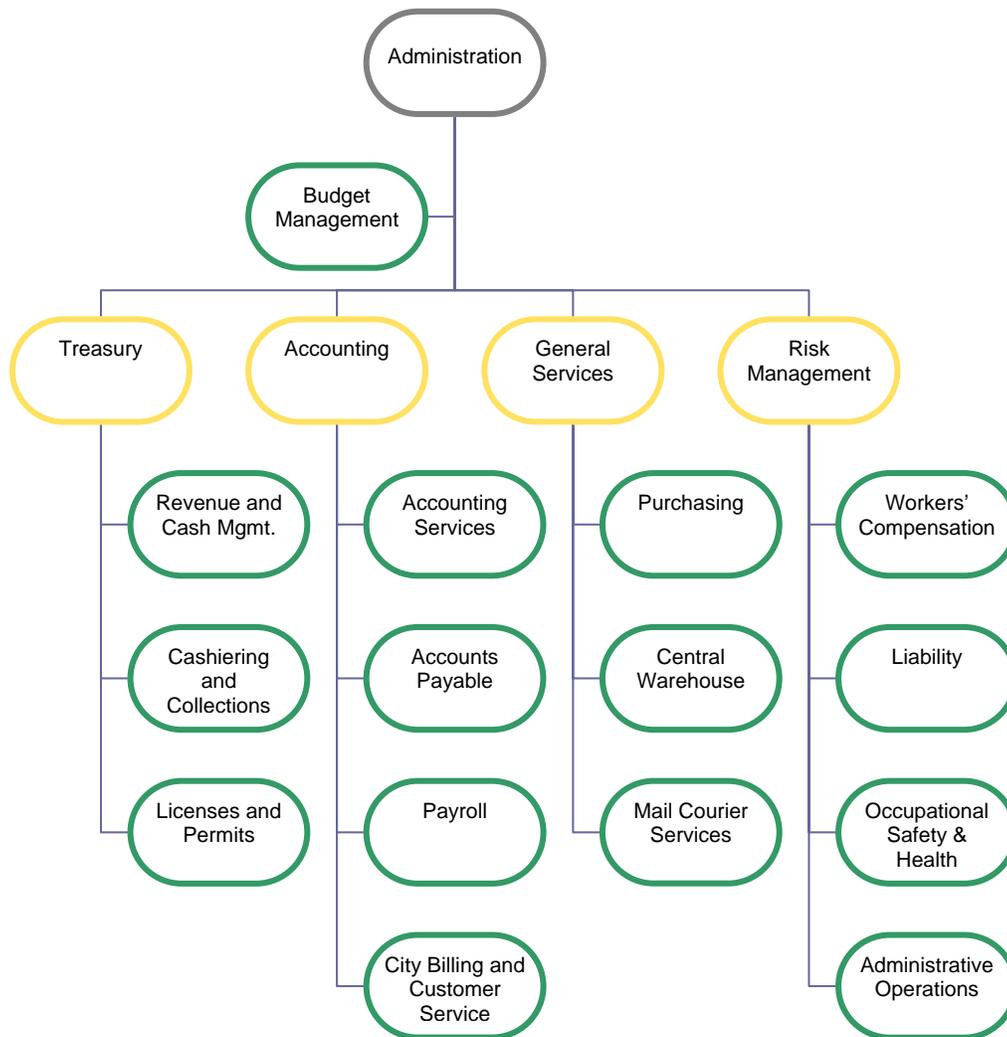
The Finance Department is budgeted in the General Fund and the Self-Insurance Trust Fund.



# DEPARTMENT SUMMARY

## Finance

### Program Organizational Chart



## FINANCE PROGRAMS

- Administration
  - Revenue & Cash Management
  - Cashiering & Collections
  - Licenses & Permits
  - Budget Management
  - Accounting Services
  - Payroll
  - Accounts Payable
  - City Billing & Customer Service
  - Purchasing
  - Central Warehouse
  - Mail Courier Services
  - Risk Management – Workers' Compensation
  - Risk Management – Liability
  - Risk Management – Occupational Safety & Health
  - Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Finance continues to find ways to promote sustainability: Half-power lighting is used in central area, Thermostat is controlled at 78°, all copier paper is 100% recycled, and 2 compost bins have been placed in central areas for biodegradable waste.

## Administration

(Program No. 1411)

### Mission Statement

Provide management and administrative support to Finance programs and provide the City Council and departments with responsive financial expertise and analysis to ensure that the City's financial interests are protected and enhanced.

### Program Activities

- Manage the operations of the department.
- Ensure management and the City Council are informed of all matters materially affecting the financial health of the City.
- Assist with policy formulation and implementation of Council direction.
- Provide staff support to the City Council Finance Committee.
- Provide financial and budgetary support and guidance to all City departments.
- Provide oversight of the City's investment portfolio.
- Manage the City's long-term debt, including new-money and refunding debt.
- Manage the City's Employee Mortgage Loan Assistance Program (EMLAP).
- Administer the City's cable television franchise.

### Key Objectives for Fiscal Year 2008

- Ensure that Finance programs meet 75% of program objectives.
- Complete a needs assessment and develop a request for proposal for the replacement of the City's financial management system.
- ✔ Ensure that 100% of department events are zero-waste events.
- ✔ Ensure that 100% of program staff attends LEAP sustainability training.
- ✔ Train and encourage all departmental staff to turn off lights when leaving an office or unoccupied room for more than 10 minutes.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>1.90</b>	<b>1.90</b>	<b>1.90</b>	<b>2.05</b>	<b>2.05</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Franchise Fees - Cable	\$ 342,212	\$ 359,749	\$ 342,212	\$ 367,538	\$ 383,402
Overhead Allocation Recovery	130,325	135,538	135,538	150,859	157,648
Other Revenues	-	-	15,000	-	-
General Fund Subsidy	236,736	219,700	159,415	221,020	238,203
<b>Total Revenue</b>	<b>\$ 709,273</b>	<b>\$ 714,987</b>	<b>\$ 652,165</b>	<b>\$ 739,417</b>	<b>\$ 779,253</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 244,175	\$ 239,135	\$ 239,742	\$ 281,553	\$ 304,448
Supplies and Services	59,377	35,682	51,919	72,326	73,403
Special Projects	389,318	426,669	342,212	367,538	383,402
Non-Capital Equipment	-	2,001	-	-	-
Tax Expense	16,403	11,500	18,292	18,000	18,000
<b>Total Expenditures</b>	<b>\$ 709,273</b>	<b>\$ 714,987</b>	<b>\$ 652,165</b>	<b>\$ 739,417</b>	<b>\$ 779,253</b>

## Program Performance Measures

<b>Performance Measures</b>	<b>Actual FY 2006</b>	<b>Projected FY 2007</b>	<b>Adopted FY 2008</b>
Percent of Finance program objectives met	89%	75%	75%
Percent of department events that are zero-waste	N/A	N/A	100%
Percent of department employees who have attended LEAP Sustainability training	N/A	N/A	100%
Percent of staff trained on lighting energy conservation	N/A	N/A	100%
EMLAP loans administered	22	24	24

# PROGRAMS & SERVICES

## FINANCE PROGRAMS

Administration

➤ **Revenue & Cash Management**

Cashiering & Collections

Licenses & Permits

Budget Management

Accounting Services

Payroll

Accounts Payable

City Billing & Customer Service

Purchasing

Central Warehouse

Mail Courier Services

Risk Management – Workers’

Compensation

Risk Management – Liability

Risk Management –

Occupational Safety & Health

Risk Management –

Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

The Transient Occupancy Tax Audit Program has helped increase tax compliance and has recovered past due taxes owed to the City.

## Revenue & Cash Management

(Program No. 1412)

### Mission Statement

Invest public funds in a manner that will provide maximum security, adequate liquidity and sufficient yield, while conforming to relevant statutes and regulations, and ensure all revenues are received timely and recorded properly.

### Program Activities

- Manage investment portfolio of approximately \$150 million.
- Submit monthly investment reports to Finance Committee and City Council.
- Manage the City's banking relationships.
- Ensure timely reconciliation of all cash transactions.
- Assist departments in establishing appropriate controls and procedures for the receipt of cash and for petty cash disbursements.
- Provide ongoing analysis of City revenues.
- Forecast and manage cash to ensure adequate liquidity for expenditure requirements.

### Key Objectives for Fiscal Year 2008

- Maintain an average "AAA" credit quality for securities in the portfolio.
- Submit 100% of monthly investment reports to City Council within 30 days of month-end.
- On a quarterly basis, review newly issued business licenses for resale permit status; submit findings to State Board of Equalization.
- Conduct a monthly analysis of all City revenues.
- Provide a comprehensive analysis of General Fund revenues to the Finance Committee on a quarterly basis.
- Purchase investments for the City and Redevelopment Agency that are consistent with investment objectives.
- Submit annual Statement of Investment Policy to City Council.

## Key Objectives for Fiscal Year 2008 (cont'd)

-  Ensure that all City brokers provide market and investment information in electronic format.
-  Ensure that 100% of program staff attends LEAP sustainability training.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>2.05</b>	<b>2.05</b>	<b>2.05</b>	<b>2.10</b>	<b>2.10</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 198,843	\$ 206,796	\$ 206,796	\$ 282,414	\$ 295,123
Other Revenue	-	-	600	-	-
General Fund Subsidy	124,250	166,631	131,211	138,414	147,188
<b>Total Revenue</b>	<b>\$ 323,093</b>	<b>\$ 373,427</b>	<b>\$ 338,607</b>	<b>\$ 420,828</b>	<b>\$ 442,311</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 221,611	\$ 224,137	\$ 204,634	\$ 246,756	\$ 265,808
Supplies and Services	101,482	142,290	133,973	174,072	176,503
Special Projects	-	2,000	-	-	-
Non-Capital Equipment	-	5,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 323,093</b>	<b>\$ 373,427</b>	<b>\$ 338,607</b>	<b>\$ 420,828</b>	<b>\$ 442,311</b>

## Program Performance Measures

Performance Measures	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Credit rating of portfolio holdings	AAA	AAA	AAA
Variance between the City portfolio and LAIF book rates of return	-0.48%	-0.90%	<1%
Months in which investment report is submitted within 30 days	12	12	12
Submittals to State Board of Equalization	4	4	4
Average portfolio balance	\$148.9 M	\$149 M	\$150 M
Average days to maturity of portfolio	372	500	525
Average daily dollar amount of bank credits	\$.913 M	\$1.07 M	\$1.1 M
Average daily dollar amount of bank debits	\$.924 M	\$1.08 M	\$1.1 M

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management

➤ **Cashiering & Collections**

Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable  
City Billing & Customer Service  
Purchasing  
Central Warehouse  
Mail Courier Services  
Risk Management – Workers' Compensation  
Risk Management – Liability  
Risk Management – Occupational Safety & Health  
Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Cashiering and Collections automated payments from bill pay services; payments are now received and posted electronically.

## Cashiering & Collections

(Program No. 1413)

### Mission Statement

Centrally process monies, ensuring funds are received when due, properly accounted for and safeguarded, and provide prompt, courteous customer service.

### Program Activities

- Operate a City Hall cashiering function.
- Process payments received from the public and City departments and process bank wires and transfers.
- Prepare daily deposits and related accounting documents.
- Verify payment data from the utility billing lock-box operation.
- Record and reconcile major sources of revenue.
- Audit petty cash claims and assist departments in petty cash procedures.

### Key Objectives for Fiscal Year 2008

- Accurately process 99% of treasury receipts on the day received.
- Accurately prepare deposit summary and daily bank deposit with less than 20 correcting entries needed.
- Assist in the implementation of a new utility billing system, to include integrating all payment processes and payment options, and training of program staff for customer inquiry, customer service, and payment postings by March 31, 2008.
- Ensure that 100% of program staff attends LEAP sustainability training.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 261,731	\$ 272,201	\$ 272,201	\$ 342,856	\$ 358,285
Other Revenue	(270)	-	-	-	-
General Fund Subsidy	32,082	107,572	90,455	86,423	95,381
<b>Total Revenue</b>	<b>\$ 293,543</b>	<b>\$ 379,773</b>	<b>\$ 362,656</b>	<b>\$ 429,279</b>	<b>\$ 453,666</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 256,021	\$ 333,830	\$ 321,297	\$ 349,344	\$ 371,323
Supplies and Services	36,618	44,443	41,359	79,935	82,343
Special Projects	-	1,500	-	-	-
Non-Capital Equipment	904	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 293,543</b>	<b>\$ 379,773</b>	<b>\$ 362,656</b>	<b>\$ 429,279</b>	<b>\$ 453,666</b>

## Program Performance Measures

<b>Performance Measures</b>	<b>Actual FY 2006</b>	<b>Projected FY 2007</b>	<b>Adopted FY 2008</b>
Percent of treasury receipts processed the day they are received	99.8%	99.6%	99%
Correcting entries needed	7	14	<20
Payments processed at public counter	51,391	48,500	48,000
Utility billing lockbox payments processed	214,045	203,000	200,000
Transient Occupancy Tax (TOT) payments recorded and reconciled monthly	68	67	67
Utility Users Tax (UUT) payments recorded and reconciled monthly	137	141	140
Petty cash audits performed	54	33	33

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
➤ Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable  
City Billing & Customer Service  
Purchasing  
Central Warehouse  
Mail Courier Services  
Risk Management – Workers'  
Compensation  
Risk Management – Liability  
Risk Management –  
Occupational Safety & Health  
Risk Management –  
Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Purchased business license software with improved billing and reporting capabilities.

## Licenses & Permits

(Program No. 1414)

### Mission Statement

Administer the collection and audit of business taxes, permits, and assessments to ensure compliance with the Santa Barbara Municipal Code (SBMC).

### Program Activities

- Manage the Business Tax and Permit Program.
- Administer the billing and collection of Transient Occupancy Tax, Parking and Business Improvement Area (PBI) assessments, and Old Town and Downtown Business Improvement District assessments.
- Process delinquency notices and initiate collection efforts for past due accounts.
- Process and issue over 13,000 City licenses and permits.
- Review outside sources and publications to identify unlicensed businesses.

### Key Objectives for Fiscal Year 2008

- Locate 100 unlicensed businesses as a result of the field inspection program.
- Locate 300 unlicensed businesses using periodicals, Franchise Tax Board and State Board of Equalization sources.
- Present fee recommendations for issuing miscellaneous licenses and permits to City Council.
- Ensure that staff is trained to recycle 100% of recyclable products.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>4.30</b>	<b>4.30</b>	<b>4.30</b>	<b>5.30</b>	<b>5.30</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Licenses	\$ 9,206	\$ 7,000	\$ 9,200	\$ 7,000	\$ 7,000
Fees and Service Charges	7,091	-	500	-	-
Overhead Allocation Recovery	\$ 88,427	91,964	91,964	119,424	124,798
Other Revenue	228	-	30	-	-
General Fund Subsidy	341,396	402,507	367,753	370,006	397,731
<b>Total Revenue</b>	<b>\$ 446,348</b>	<b>\$ 501,471</b>	<b>\$ 469,447</b>	<b>\$ 496,430</b>	<b>\$ 529,529</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 344,488	\$ 344,566	\$ 330,831	\$ 422,547	\$ 454,820
Supplies and Services	81,302	123,605	105,766	73,883	74,709
Special Projects	-	9,500	9,500	-	-
Non-Capital Equipment	358	-	-	-	-
Capital Equipment	20,200	23,800	23,350	-	-
<b>Total Expenditures</b>	<b>\$ 446,348</b>	<b>\$ 501,471</b>	<b>\$ 469,447</b>	<b>\$ 496,430</b>	<b>\$ 529,529</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
New businesses located from field inspection	142	60	100
New businesses located from reference sources	600	350	300
New business licenses issued	2,108	1,600	2,000
Business license renewals	11,342	11,500	11,500
Business license delinquency notices	2,793	2,800	2,900
Percent of business licenses paid by due date	75.8%	75%	75%
Assessment district billings	4,839	4,800	4,850
Assessment district delinquency notices	1,171	1,050	1,200
Percent of PBIA assessments paid by due date	73.5%	75%	75%
Percent of accounts sent to collections	1.4%	1.5%	1.5%

## FINANCE PROGRAMS

- Administration
- Revenue & Cash Management
- Cashiering & Collections
- Licenses & Permits
- **Budget Management**
- Accounting Services
- Payroll
- Accounts Payable
- City Billing & Customer Service
- Purchasing
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- Risk Management – Liability
- Risk Management – Occupational Safety & Health
- Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Over the past four years, Budget staff has reduced distribution of printed budget documents by approximately 50%, saving about 21,000 sheets of paper annually.

## Budget Management

(Program No. 1415)

### Mission Statement

Manage the development and implementation of the City's Two-Year Financial Plan and Annual Budget to support effective decision-making and public communication.

### Program Activities

- Manage the City's annual budget process, including training and support to departments, analysis of department budget requests, and public presentation of the recommended budget.
- Develop non-departmental revenue estimates and provide guidance to departments on departmental revenue estimates.
- Provide expertise to City Council and departments on economic and financial conditions and policy issues affecting the budget.
- Provide ongoing budgetary guidance and support to all City departments in administering the annual budget.
- Prepare and publish the City's Two-Year Financial Plan and Annual Budget.

### Key Objectives for Fiscal Year 2008

- Complete 85% of all budget journal entries to record budget amendments within four working days of approval.
- Project General Fund non-departmental revenues within a 2% margin in relation to mid-year projections.
- Produce and distribute the Adopted Two-Year Financial Plan for Fiscal Years 2008 and 2009 by July 31, 2007.
- Receive the Government Finance Officers Association (GFOA) Distinguished Budget Award for the Adopted Two-Year Financial Plan for Fiscal Years 2008 and 2009.
- Submit the Fiscal Year 2009 Recommended Mid-Cycle Budget Addendum to Council and City Clerk before May 1, 2008 in accordance with the Council-established budget filing deadline.
- Ensure that policy reserves are calculated each year.
- 🍃 Ensure that staff is trained to recycle 100% of recyclable products.
- 🍃 Ensure that 100% of program staff attends LEAP sustainability training.
- 🍃 Reduce production and distribution of printed Two-Year Financial Plan documents by 5%.
- 🍃 Post the Fiscal Year 2009 Recommended Mid-Cycle Budget Addendum on the Internet within 1 working day following the date of filing.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>	<b>2.50</b>	<b>2.50</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 234,507	\$ 243,887	\$ 243,887	\$ 244,129	\$ 255,115
General Fund Subsidy	170,090	216,807	197,161	187,350	218,849
<b>Total Revenue</b>	<b>\$ 404,597</b>	<b>\$ 460,694</b>	<b>\$ 441,048</b>	<b>\$ 431,479</b>	<b>\$ 473,964</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 346,489	\$ 369,244	\$ 363,293	\$ 309,095	\$ 329,491
Supplies and Services	58,108	89,450	77,395	92,024	94,113
Special Projects	-	-	-	30,000	50,000
Non-Capital Equipment	-	2,000	360	360	360
<b>Total Expenditures</b>	<b>\$ 404,597</b>	<b>\$ 460,694</b>	<b>\$ 441,048</b>	<b>\$ 431,479</b>	<b>\$ 473,964</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Percent of budget journal entries completed within 4 working days	N/A	81%	85%
Consecutive GFOA Distinguished Budget Awards / Number of submissions for award	6/6	N/A	7/7
Number of budget adjustments	137	160	160
Days to produce the adopted budget document after fiscal year-end	29	31	31
Days to post the proposed budget to Internet	3	1	1

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management

➤ **Accounting Services**

Payroll  
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Risk Management – Workers'  
Compensation  
Risk Management – Liability  
Risk Management –  
Occupational Safety & Health  
Risk Management –  
Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Successfully completed infrastructure valuation and fixed asset inventory of over 20,000 assets.

## Accounting Services

(Program No. 1431)

### Mission Statement

Maintain and ensure integrity of the City's financial records and audits and report financial information to Council, the public, and to State and Federal regulatory agencies in an accurate and timely manner.

### Program Activities

- Establish and maintain an accounting system of funds, accounts, and internal controls in accordance with Governmental Accounting Standards Board standards and Generally Accepted Accounting Principles.
- Prepare year-end closing entries, balance and reconcile all funds and accounts, coordinate and communicate with the City's independent auditors, and prepare the Comprehensive Annual Financial Reports for the City and the Redevelopment Agency.
- Prepare and submit fiscal reports, including compliance audits of grant funds to State and Federal agencies, in an accurate and timely manner.
- Provide financial analysis and fiscal information to department users, management, and the City Council as needed.

### Key Objectives for Fiscal Year 2008

- Compile, produce, and issue the annual Comprehensive Annual Financial Reports (CAFRs) for the City and the Redevelopment Agency (RDA) within 150 days of fiscal year-end.
- Receive an unqualified audit opinion for the annual financial statement audit.
- Receive a Government Finance Officers Association (GFOA) award for achievement in financial reporting for the City's CAFR.
- Complete 100% of monthly bank reconciliations within 45 days of receiving bank statements.
- Complete 92% of general ledger monthly closings within 5 working days of month end.
- Complete and submit 100% of regular monthly interim financial reports to City Council within 45 days of month end.
- Complete and file mandatory annual disclosure reports for all debt issues prior to February 15, 2008.
- Publish City and RDA CAFRs on the City's internet web page within 7 days of presentation to City Council.
- Complete conversion of all fixed asset data to the fixed asset software.

## Key Objectives for Fiscal Year 2008 (cont'd)

- Convert Utility Billing system to the new software selected by March 31, 2008.
- Complete ten Transient Occupancy Tax (TOT) audits.
- 🍃 Evaluate the green bar financial reports to determine which can be eliminated or reformatted to use less paper.
- 🍃 Reduce the number of bound copies of the RDA and City CAFRs printed for distribution by issuing electronic versions of the reports (via CD, email, or Internet).

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>2.25</b>	<b>2.25</b>	<b>2.25</b>	<b>3.35</b>	<b>3.35</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 229,958	\$ 239,157	\$ 239,157	\$ 224,397	\$ 234,495
General Fund Subsidy	162,184	161,376	153,800	311,706	330,490
<b>Total Revenue</b>	<b>\$ 392,142</b>	<b>\$ 400,533</b>	<b>\$ 392,957</b>	<b>\$ 536,103</b>	<b>\$ 564,985</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 260,101	\$ 273,828	\$ 273,798	\$ 383,085	\$ 409,930
Supplies and Services	132,041	121,705	119,159	153,018	155,055
Non-Capital Equipment	-	5,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 392,142</b>	<b>\$ 400,533</b>	<b>\$ 392,957</b>	<b>\$ 536,103</b>	<b>\$ 564,985</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Days after June 30 to issue City and RDA CAFRs	138	144	150
Unqualified audit opinions	2	2	2
Awards for achievement in financial reporting	1	1	1
Percent of bank statements completed within 45 days	100%	100%	100%
Percent of general ledger closings completed within 5 working days of month-end	92%	92%	92%
Percent of interim reports submitted to Council within 45 days	92%	100%	100%
Audit adjustments required by independent auditor	0	0	2
Journal entries posted	1,590	1,550	1,500
Bound copies of the CAFR distributed	60	55	55
Electronic copies of the CAFR distributed	40	30	30

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services

➤ **Payroll**

Accounts Payable  
City Billing & Customer Service  
Purchasing  
Central Warehouse  
Mail Courier Services  
Risk Management – Workers' Compensation  
Risk Management – Liability  
Risk Management – Occupational Safety & Health  
Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Direct Deposit Opt-Out implemented, saving paper, time and money.

CRIS Payroll Report Access launched, allowing employees to view their net pay and leave balances online.

## Payroll

(Program No. 1432)

### Mission Statement

Pay City employees and benefit providers accurately and timely and ensure compliance with Federal and State laws and regulations.

### Program Activities

- Perform audit and data entry of timesheets.
- Make tax payments and file quarterly tax reports.
- Reconcile payroll deductions and benefits payable to the general ledger.
- Reconcile billing statements with receivables and payroll withholdings by person for current and former employees and retirees.
- Pay benefit providers.
- Process payments to the Public Employees Retirement System (PERS) and reconcile to reports and payroll withholdings.
- Maintain the payroll system to reflect annual changes in tax tables, employee contracts, dues, or other items for paycheck accuracy.
- Perform electronic fund transfers for direct deposits, PERS, deferred compensation, and taxes.
- Provide customer service to all City employees, departments and benefit providers.
- Implement technological enhancements to improve payroll processing efficiency.

### Key Objectives for Fiscal Year 2008

- Process and pay payroll accurately and timely 99.9% of the time.
- Achieve a 95% accuracy rate of submitted timesheets during fiscal year.
- Reconcile 80% of insurance billings within 30 days of receipt from Benefits Administrator.
- Prepare 2007 W-2 forms for distribution by January 15, 2008.
- Audit and reconcile all Fiscal Year 2008 payroll tax and liability accounts and adjust the general ledger as necessary.
- Increase participation of employees opting out of receiving printed pay advices to 400 employees.

## Key Objectives for Fiscal Year 2008 (cont'd)

-  Purchase online timecard software package and implement citywide electronic timesheet entry (time and attendance) system, in collaboration with Finance Director, Information Systems Supervisor, and additional staff, by March 31, 2008.
-  Implement two new automated procedures as determined by Payroll staff and in collaboration with Information Systems staff, reporting paper reduction if applicable.
-  Ensure that 100% of program staff attends LEAP sustainability training.
-  Electronically distribute Bi-weekly pay information to all City employees with email accounts.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>2.45</b>	<b>2.45</b>	<b>2.45</b>	<b>2.45</b>	<b>2.45</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 156,225	\$ 162,474	\$ 162,474	\$ 175,022	\$ 182,898
General Fund Subsidy	210,282	235,221	228,262	98,357	106,929
<b>Total Revenue</b>	<b>\$ 366,507</b>	<b>\$ 397,695</b>	<b>\$ 390,736</b>	<b>\$ 273,379</b>	<b>\$ 289,827</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 181,172	\$ 203,728	\$ 198,633	\$ 215,735	\$ 230,066
Supplies and Services	185,335	193,967	192,103	57,644	59,761
<b>Total Expenditures</b>	<b>\$ 366,507</b>	<b>\$ 397,695</b>	<b>\$ 390,736</b>	<b>\$ 273,379</b>	<b>\$ 289,827</b>

## Program Performance Measures

<b>Performance Measures</b>	<b>Actual FY 2006</b>	<b>Projected FY 2007</b>	<b>Adopted FY 2008</b>
Accuracy rate of timesheet data entry	99.93%	99.95%	99.9%
Accuracy rate of timecards submitted by departments	96.41%	96.20%	95%
Percent of insurance billings balanced within 30 days	100%	100%	90%
Dollar value of benefits and withholding accounts reconciled bi-weekly per payroll staff member	\$3,823,116	\$3,975,000	\$4,100,000
City employees per payroll staff member	635	655	655
Program cost per paycheck issued	\$8.96	\$9.25	\$9.50
Program cost per timesheet processed	\$8.84	\$9.25	\$9.50
W-2's issued annually	2,023	2,079	2,150
Percent of staff hours worked per quarter	91.34%	91.50%	88%

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services  
Payroll

➤ **Accounts Payable**

City Billing & Customer Service  
Purchasing  
Central Warehouse  
Mail Courier Services  
Risk Management – Workers' Compensation  
Risk Management – Liability  
Risk Management – Occupational Safety & Health  
Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Percentage of discounts taken by AP staff increased 9.5%, total value of discounts utilized increased 19.5%.

Annual 1099-MISC forms were printed and distributed on January 9, 2007.

# Accounts Payable

(Program No. 1433)

## Mission Statement

Process and issue payments to City vendors to ensure timely and accurate payment for materials, supplies, and services received.

## Program Activities

- Perform audit and data entry of claims submitted for payment.
- Make State sales tax payments and file quarterly reports.
- Initiate monthly independent contractor reporting by diskette.
- Review claims for accounts payable and purchasing policy compliance.
- Maintain files for all City payments to vendors.
- Review and adjust claims for vendor discounts when available.
- Provide customer service to departments and vendors.
- Reconcile and send 'Positive Pay' check disbursement reports to the bank daily.

## Key Objectives for Fiscal Year 2008

- Issue 99% of vendor payments within 2 working days of receipt of claim for payment, error free.
- Audit and, if necessary, update 5 additional accounts payable reports to improve effectiveness and usefulness of reports.
- Develop and implement new automated procedure to pay monthly retiree medical payments via direct deposit process, in collaboration with Information Systems staff.
- Prepare 2007 1099-MISC forms for distribution by January 15, 2008.
- Ensure that 100% of program staff attends LEAP sustainability training.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	1.75	1.75	1.75	1.75	1.75
<b>Hourly Employee Hours</b>	0	0	0	0	0
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 114,470	\$ 119,049	\$ 119,049	\$ 132,557	\$ 138,522
General Fund Subsidy	85,172	91,440	91,844	77,054	81,949
<b>Total Revenue</b>	<b>\$ 199,642</b>	<b>\$ 210,489</b>	<b>\$ 210,893</b>	<b>\$ 209,611</b>	<b>\$ 220,471</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 126,792	\$ 133,325	\$ 132,798	\$ 139,866	\$ 148,585
Supplies and Services	72,850	77,164	78,095	69,745	71,886
<b>Total Expenditures</b>	<b>\$ 199,642</b>	<b>\$ 210,489</b>	<b>\$ 210,893</b>	<b>\$ 209,611</b>	<b>\$ 220,471</b>

## Program Performance Measures

<b>Performance Measure</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Percent of payments issued within 2 working days after receipt of claim	100%	100%	99%
Percent of payments issued error free to vendors	99.32%	99.50%	99%
Invoices processed	61,432	63,042	65,000
Program cost per payment issued	\$8.04	\$8.35	\$8.50
Percent of available discounts taken by departments	20.54%	20.10%	19%
Percent of available discounts taken by A/P staff	47.41%	57.00%	57%
Total value of discounts available	\$10,506	\$11,314	\$11,000
Total value of discounts utilized	\$7,138	\$8,524	\$8,400

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable

➤ **City Billing & Customer Service**

Purchasing  
Central Warehouse  
Mail Courier Services  
Risk Management – Workers' Compensation  
Risk Management – Liability  
Risk Management – Occupational Safety & Health  
Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Added a new accounts receivable billing process for Fire Inspections; this amounts to an additional 100 bills per month.

## City Billing & Customer Service

(Program No. 1434)

### Mission Statement

To accurately bill customers on behalf of City departments, ensure the timely collection of related revenues, and to respond to customer inquiries in a courteous and professional manner.

### Program Activities

- Prepare and mail approximately 360,000 consolidated utility bills annually for water, wastewater, and refuse collection services.
- Prepare and mail approximately 27,000 additional bills for a variety of City fees, services, and reimbursements annually, working closely with other City departments.
- Provide customer service by handling approximately 25,000 customer inquiries annually via telephone and walk-in counter support.
- Maintain and manage an automatic payment option for customers to have their bills paid automatically from their checking account.
- Process approximately 12,000 service orders to utility customer accounts, including customer updates, water meter reading verification, bill collection efforts, and water service changes.

### Key Objectives for Fiscal Year 2008

- Issue 92% of refunds due on closed water accounts within 30 days.
- Accurately input 97% of newly created autopayment account information for utility billing and harbor slip customers.
- Notify 96% of Extraordinary Water Use applicants of credit determination within 45 days of application's receipt.
- Implement new Utility Billing computer software system by March 31, 2008.
- ✔ Create electronic form for autopayment service and post to City's public website in order to reduce paper forms.
- ✔ Ensure that 100% of program staff attends LEAP sustainability training.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.65</b>	<b>3.65</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 607,061	\$ 631,343	\$ 631,343	\$ 638,444	\$ 667,174
<b>Total Revenue</b>	<b>\$ 607,061</b>	<b>\$ 631,343</b>	<b>\$ 631,343</b>	<b>\$ 638,444</b>	<b>\$ 667,174</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 281,029	\$ 299,171	\$ 301,075	\$ 303,476	\$ 320,497
Supplies and Services	288,382	306,978	276,885	241,797	247,368
<b>Total Expenditures</b>	<b>\$ 569,411</b>	<b>\$ 606,149</b>	<b>\$ 577,960</b>	<b>\$ 545,273</b>	<b>\$ 567,865</b>

## Program Performance Measures

<b>Performance Measures</b>	<b>Actual FY 2006</b>	<b>Projected FY 2007</b>	<b>Adopted FY 2008</b>
Percent of water refunds issued within 30 days of account being closed	92%	93%	92%
Accuracy rate of customer account auto-payment data entry	97%	97%	97%
Percent of Extraordinary Water Use applicants notified of credit determination within 45 days of receipt	98%	96%	96%
Bills issued monthly	31,132	31,686	31,980
Service orders prepared monthly	964	1,083	1,000
Phone calls received from customers monthly	2,604	2,500	2,600
Customers on automatic pay including utility bills and harbor slips	4,617	4,700	4,700

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable  
City Billing & Customer Service

### ➤ Purchasing

Central Warehouse  
Mail Courier Services  
Risk Management – Workers' Compensation  
Risk Management – Liability  
Risk Management – Occupational Safety & Health  
Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

In order to reduce the use of paper, all bids are now e-mailed in an electronic format or duplex copied when mailed, and all Purchase order forms have gone from 4 to 3 printed copies.

## Purchasing

(Program No. 1441)

### Mission Statement

Competitively purchase quality goods and services that meet department specifications in a timely and cost effective manner in accordance with the Municipal Code.

### Program Activities

- Prepare Quick Quote, Bid and Proposal packages
- Advertise and solicit for competitive bids to supply goods, materials, and services to meet the City's needs.
- Utilize State contracts for cooperative purchases when State goods and materials meet department specifications and needs.

### Key Objectives for Fiscal Year 2008

- Re-bid 90% of Blanket Purchase Orders over \$50,000 to ensure that the City is receiving competitively priced services and materials.
- Process informal completed requisitions into purchase orders within an average of 20 calendar days.
- Process formal completed requisitions into purchase orders within an average of 50 calendar days.
- Provide a Purchasing training workshop to employees as part of the City's LEAP program through quarterly orientations and an annual course.
- Complete a customer survey and implement changes or improvements as necessary based on feedback.
- Implement and administer the Living Wage Ordinance.
- ✔ Electronically track the number and type of Green Purchases.
- ✔ Ensure that 100% of program staff attends LEAP sustainability training.
- ✔ Modify the Purchasing Code to include language that supports the acquisition of green products and services.
- ✔ Develop a Green Purchasing Policy to assist departments in procuring environmentally superior products.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>5.15</b>	<b>5.15</b>	<b>5.15</b>	<b>5.65</b>	<b>5.65</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 361,587	\$ 376,051	\$ 376,051	\$ 430,417	\$ 449,786
General Fund Subsidy	136,209	183,152	126,176	220,717	247,642
<b>Total Revenue</b>	<b>\$ 497,796</b>	<b>\$ 559,203</b>	<b>\$ 502,227</b>	<b>\$ 651,134</b>	<b>\$ 697,428</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 418,558	\$ 463,062	\$ 420,996	\$ 549,341	\$ 592,695
Supplies and Services	79,238	87,641	81,231	101,793	104,733
Special Projects	-	3,500	-	-	-
Capital Equipment	-	5,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 497,796</b>	<b>\$ 559,203</b>	<b>\$ 502,227</b>	<b>\$ 651,134</b>	<b>\$ 697,428</b>

## Program Performance Measures

Performance Measures	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Percent of Blanket Purchase Orders over \$50,000 re-bid	90%	85%	90%
Days to process informal requisitions into purchase orders	10.02	30	20
Days to process formal requisitions into purchase orders	45.6	75	50
Purchase Orders (all categories) issued, including change orders	4,886	4,800	4,800
Cash Purchase Orders (CPO) issued for routine services and supplies under \$500.00	588	500	500
Purchase Orders (PO) issued for routine services and supplies over \$500.00	1,635	1,800	1,800
Blanket Purchase Orders (BPO) issued for ordinary services and supplies	1,254	1,200	1,200
Purchase Orders (PS) issued for Professional Services	296	350	350
Change Orders (CO) issued	1,113	950	950
Request for Proposals/Qualifications (RFPs/RFQs) advertised	8	11	11
Bids for Ordinary Services and/or Materials	99	80	80
Average Purchase Orders processed per Buyer	1,627	1,600	1,600

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable  
City Billing & Customer Service  
Purchasing

➤ **Central Warehouse**

Mail Courier Services  
Risk Management – Workers'  
Compensation  
Risk Management – Liability  
Risk Management –  
Occupational Safety & Health  
Risk Management –  
Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

All City Departments  
now use or have access  
to 30% post-consumer  
recycled content paper.

## Central Warehouse

(Program No. 1442)

### Mission Statement

Competitively purchase inventory and issue quality goods that meet department specifications in support of routine and emergency City operations and dispose of City surplus in accordance with the Municipal Code.

### Program Activities

- Routinely review warehouse stock for quantity re-order levels and adjust as appropriate.
- Dispose of surplus City property.

### Key Objectives for Fiscal Year 2008

- Maintain the accuracy of the monthly inventory count within one percent.
- Process and fill 98% of issue requisitions within one day (24 hours).
- Complete monthly inventories within 1 working day.
- Work with City Departments to convert 75% of qualifying stock items to items manufactured from the greatest quantity of post-consumable or organic materials.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>2.05</b>	<b>2.05</b>	<b>2.05</b>	<b>1.80</b>	<b>1.80</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 105,389	\$ 109,604	\$ 109,604	\$ 150,333	\$ 157,098
General Fund Subsidy	70,609	77,342	58,673	42,244	45,080
<b>Total Revenue</b>	<b>\$ 175,998</b>	<b>\$ 186,946</b>	<b>\$ 168,277</b>	<b>\$ 192,577</b>	<b>\$ 202,178</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 148,413	\$ 144,465	\$ 139,338	\$ 115,160	\$ 122,016
Supplies and Services	27,189	35,718	28,939	77,417	80,162
Special Projects	396	-	-	-	-
Non-Capital Equipment	-	6,763	-	-	-
<b>Total Expenditures</b>	<b>\$ 175,998</b>	<b>\$ 186,946</b>	<b>\$ 168,277</b>	<b>\$ 192,577</b>	<b>\$ 202,178</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Accuracy rate of monthly inventory	99%	99%	99%
Issue requisitions processed within the promised timeframe	99%	99%	98%
Monthly inventories completed within 1 working day	12	11	12
Issue requisitions processed	N/A	3,552	3,586
Orders processed from vendors	N/A	N/A	500
Stock items on hand	1,358	1,329	1,339

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable  
City Billing & Customer Service  
Purchasing  
Central Warehouse

➤ **Mail Courier Services**

Risk Management – Workers' Compensation  
Risk Management – Liability  
Risk Management – Occupational Safety & Health  
Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Mail Courier was able to recover a portion of postage from damaged mail pieces.

## Mail Courier Services

(Program No. 1452)

### Mission Statement

Collect and distribute U.S. Postal Service and interdepartmental mail to all City departments for efficiency, convenience, and savings realized through bulk and presort mail rates.

### Program Activities

- Collect the City's United States Postal Service (U.S.P.S.) mail from the U.S. Post Office twice daily.
- Provide interoffice mail courier service to City offices and selected outside agencies.
- Process outgoing U.S.P.S. mail daily, utilizing presort standards on mail qualifying for discount rates.
- Review informational brochure outlining mail courier services and update as necessary.

### Key Objectives for Fiscal Year 2008

- Send 90% of outgoing U.S.P.S. mail at the discounted rate.
- Provide mail courier services according to an approved mail service schedule 99% of the time.
- Cross-train the mail courier to back-up stock clerks in the Central Warehouse.
- Review and analyze one-stop UPS and/or FedEx services to reduce the number of trips required by staff to mail business packages.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>	<b>1.20</b>	<b>1.20</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	\$ 27,941	\$ 29,058	\$ 29,058	\$ 47,553	\$ 49,693
General Fund Subsidy	-	203,154	148,049	44,232	49,245
<b>Total Revenue</b>	<b>\$ 27,941</b>	<b>\$ 232,212</b>	<b>\$ 177,107</b>	<b>\$ 91,785</b>	<b>\$ 98,938</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 56,945	\$ 88,752	\$ 84,976	\$ 81,750	\$ 86,399
Supplies and Services	14,650	33,363	31,751	10,035	12,539
Capital Equipment	-	110,097	60,380	-	-
<b>Total Expenditures</b>	<b>\$ 71,595</b>	<b>\$ 232,212</b>	<b>\$ 177,107</b>	<b>\$ 91,785</b>	<b>\$ 98,938</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Percent of mail processed at presort rates	86.2%	85%	90%
Percent of mail stops completed	99.3%	98%	99%
Pieces of outgoing U.S.P.S. mail processed	659,186	684,786	685,000
Pieces of interoffice mail and correspondence	28,842	28,500	25,000
Dollar savings to City using presort mailings	\$29,330	\$29,546	\$24,000
Labor cost per piece of outgoing U.S.P.S. mail	\$0.046	\$0.10	\$0.10

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable  
City Billing & Customer Service  
Purchasing  
Central Warehouse  
Mail Courier Services

➤ **Risk Management – Workers’  
Compensation**

Risk Management – Liability  
Risk Management –  
Occupational Safety & Health  
Risk Management –  
Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Modified Duty Program saved \$545,403; claims filed reached an historic low in FY 06; legislative reforms reduced medical payments 53%; converted to electronic communication with outside legal counsel.

## Workers’ Compensation

(Program No. 1461)

### Mission Statement

Provide workers’ compensation benefits to eligible employees, ensure compliance with Federal and State regulations, and minimize associated costs.

### Program Activities

- Collect, maintain, and analyze loss data.
- Ensure compliance with Federal and California laws; monitor legislation, legal opinions, and case law for changes.
- Investigate, evaluate, and authorize all new lost time claims.
- Approve the use of salary continuation.
- Approve expenditures, evaluate and recommend settlement proposals, and obtain approval for settlement payments.
- Ensure that the third party administrator completes all required elements of contracts.
- Assist outside legal counsel to defend claims, and coordinate subrogation recovery.
- Notify management of any permanent work restriction for injured employees and evaluate industrial disability retirement applications.
- Assist managers and supervisors to return an injured employee to regular or modified duty and develop a modified duty contract.
- Respond to employee, supervisor, and management inquiries; provide training on workers’ compensation.

### Key Objectives for Fiscal Year 2008

- Conduct a claim review on all open claims with each department. Claim reviews will take place semiannually at the four departments with the highest claim frequency and annually at the remaining departments.
- Obtain 50% of the industrial injury preventability determination reports from operating departments.
- Complete investigation of 50% of the industrial injuries with lost time within 45 days of knowledge.
- Complete contract audit of Third Party Administrator by December 31, 2007.
- Update the Workers’ Compensation Payroll Guidelines.

## Key Objectives for Fiscal Year 2008 (cont'd)

- Purge workers' compensation records held in storage as allowed by State law by December 31, 2007.
- Evaluate options offered by Third Party Administrator for expanding elements of the paperless claim file by March 31, 2008.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>1.55</b>	<b>1.55</b>	<b>1.55</b>	<b>1.60</b>	<b>1.60</b>
<b>Hourly Employee Hours</b>	<b>500</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Revenues</b>					
Workers Comp. Premiums	\$ 3,771,428	\$ 3,356,427	\$ 3,356,427	\$ 2,241,057	\$ 2,357,502
Other Revenue	35,611	-	-	-	-
<b>Total Revenue</b>	<b>\$ 3,807,039</b>	<b>\$ 3,356,427</b>	<b>\$ 3,356,427</b>	<b>\$ 2,241,057</b>	<b>\$ 2,357,502</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 161,717	\$ 155,656	\$ 166,000	\$ 178,114	\$ 188,884
Supplies and Services	2,885,023	3,214,110	2,244,563	3,060,861	3,171,205
<b>Total Expenditures</b>	<b>\$ 3,046,740</b>	<b>\$ 3,369,766</b>	<b>\$ 2,410,563</b>	<b>\$ 3,238,975</b>	<b>\$ 3,360,089</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 760,299</b>	<b>\$ (13,339)</b>	<b>\$ 945,864</b>	<b>\$ (997,918)</b>	<b>\$ (1,002,587)</b>

## Program Performance Measures

Performance Measures	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Number of claim reviews conducted	17	17	12
Percent of preventability reports received	N/A	50%	50%
Percent of industrial injuries investigated	53%	50%	50%
Total claim costs	\$1,147,190	\$1,267,619	\$1,180,053
Annual gross amount of medical costs billed	\$1,113,337	\$2,146,799	\$1,774,707
Annual gross amount of medical costs paid	\$474,224	\$879,038	\$698,659
Annual cost of professional medical bill review services	\$68,051	\$97,152	\$88,869
Claims filed	150	181	172
Number of open claims	222	219	211
Litigation ratio	13%	20%	20%
Percent of claims filed without lost time	53%	48%	58%
Percent of eligible employees placed in a modified work assignment	82%	77%	79%
Number of Modified Duty days worked	3,225	1,800	3,700

## FINANCE PROGRAMS

- Administration
- Revenue & Cash Management
- Cashiering & Collections
- Licenses & Permits
- Budget Management
- Accounting Services
- Payroll
- Accounts Payable
- City Billing & Customer Service
- Purchasing
- Central Warehouse
- Mail Courier Services
- Risk Management – Workers' Compensation
- Risk Management – Liability
  - Risk Management – Occupational Safety & Health
  - Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Updated claim process to protect attorney-client privilege while conducting claims investigations; instructed course on insurance requirements for City Contractors; initiated electronic transfer of all information to loss run provider.

## Liability

(Program No. 1462)

### Mission Statement

Prudently investigate City incidents and adjust damage claims, correct potential hazards, and provide loss prevention training.

### Program Activities

- Administer incident and claims procedures.
- Investigate departmental activities relative to claimed damages.
- Pay or deny claims and communicate findings to claimants.
- Represent the City in small claims court.
- Request and track hazard mitigation throughout City activities.
- Provide tailored loss prevention classes to City personnel.
- Consult with departments to assess workplace security needs.
- Obtain preventability reports of vehicle and equipment damage from appropriate departments.
- Organize defensive driving classes and materials.
- Report loss amounts monthly and annually.
- Assess and provide needed loss prevention training.
- Respond to citizen and public requests for assistance.

### Key Objectives for Fiscal Year 2008

- Complete 90% of claim investigations within 45 days.
- Route 90% of public hazard concerns to the appropriate department within 2 working days.
- Obtain 90% of collision preventability determination reports from the operating departments.
- Conduct 4 fleet safety classes.
- 🍃 Evaluate means for converting elements of claim files to electronic format.
- 🍃 Substitute e-mail for regular mail to send out at least 50% of claim form requests.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>
<b>Hourly Employee Hours</b>	<b>50</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Liability Insurance Premiums	\$ 1,560,366	\$ 1,562,694	\$ 1,562,694	\$ 1,740,159	\$ 1,797,440
Other Revenue	2,750	-	-	-	-
<b>Total Revenue</b>	<b>\$ 1,563,116</b>	<b>\$ 1,562,694</b>	<b>\$ 1,562,694</b>	<b>\$ 1,740,159</b>	<b>\$ 1,797,440</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 124,224	\$ 128,071	\$ 129,000	\$ 134,026	\$ 141,921
Supplies and Services	1,135,806	1,513,765	1,996,061	1,713,845	1,763,584
Non-Capital Equipment	-	125	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,260,030</b>	<b>\$ 1,641,961</b>	<b>\$ 2,125,061</b>	<b>\$ 1,847,871</b>	<b>\$ 1,905,505</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 303,086</b>	<b>\$ (79,267)</b>	<b>\$ (562,367)</b>	<b>\$ (107,712)</b>	<b>\$ (108,065)</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Percent of claims acted upon within 45 days of receipt	91%	90%	90%
Percent of public hazard complaints routed to appropriate department within 2 working days of receipt	98%	90%	90%
Percent of preventability reports received	99%	90%	90%
Liability claims filed during the year	147	160	162
Total current open claims	97	100	105
Total annual claim costs paid	\$88,579	\$100,000	\$508,710
Percent of claims filed resulting in litigation	6%	10%	10%
Percent of open claims litigated	14%	15%	14%
Percent of claims closed within 11 months of filing	95%	85%	90%
Loss Prevention class attendees including Defensive Driver class attendees	228	210	210
Reported vehicle incidents	121	130	128
Percent of vehicle incidents resulting in claims	20%	10%	15%
Amount Paid for preventable collisions	\$49,074	\$30,000	\$34,984

## FINANCE PROGRAMS

- Administration
- Revenue & Cash Management
- Cashiering & Collections
- Licenses & Permits
- Budget Management
- Accounting Services
- Payroll
- Accounts Payable
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- Risk Management – Workers' Compensation
- Risk Management – Liability
- Risk Management – Occupational Safety & Health
- Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Reduced lost work days by 3,225.

First training offered in Traffic Control.

Receive electronic updates and reports from California Workers Compensation Institute to reduce paper use.

# Occupational Safety & Health

(Program No. 1463)

## Mission Statement

Ensure a safe work environment for the City's employees and preserve the City's financial resources through training, medical screening, and safety analysis.

## Program Activities

- Review and update the Injury Illness Prevention Program (IIPP) to conform to Occupational Safety and Health Act (OSHA) regulatory changes.
- Maintain and schedule master IIPP compliance activities and other safety training regulations according to state law.
- Provide training guidance and resources to supervisors.
- Respond to hazards and safety concerns identified by employees.
- Provide loss data reports quarterly and annually.
- Maintain network of internal occupational safety and health trainers.

## Key Objectives for Fiscal Year 2008

- Reduce occupational injuries by 5%.
- Maintain compliance with state and federal Occupational Safety Health Administration (OSHA) mandates.
- Coordinate monthly Injury and Illness Prevention Program (IIPP) Training Calendar.
- Distribute self-inspection checklist and collect 75% of completed inspections from operating departments by January 31, 2008.
- Conduct training on the use of Volunteers, Community Service Workers, and Sheriff Work Alternative Program participants by September 30, 2007.
- Reduce the number of multiple copies (advertisements, State hearing notices, seminar notices, professional journals, etc.) sent to Risk Management.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>	<b>1.65</b>	<b>1.65</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
OSH Premiums	\$ 228,744	\$ 290,392	\$ 290,392	\$ 256,804	\$ 291,620
Other Revenues	660	-	-	-	-
<b>Total Revenue</b>	<b>\$ 229,404</b>	<b>\$ 290,392</b>	<b>\$ 290,392</b>	<b>\$ 256,804</b>	<b>\$ 291,620</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 92,421	\$ 180,644	\$ 93,000	\$ 172,679	\$ 187,087
Supplies and Services	62,644	138,095	32,420	84,125	104,533
<b>Total Expenditures</b>	<b>\$ 155,065</b>	<b>\$ 318,739</b>	<b>\$ 125,420</b>	<b>\$ 256,804</b>	<b>\$ 291,620</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 74,339</b>	<b>\$ (28,347)</b>	<b>\$ 164,972</b>	<b>\$ -</b>	<b>\$ -</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Occupational injury claims filed	150	181	172
Percent compliance with State and Federal OSHA mandates	< 100%	< 100%	100%
Employees attending Injury Illness Prevention Program training sessions	1,000	1,000	1,000
Number of IIPP training sessions conducted	N/A	36	36
Ergonomic evaluations conducted	40	15	20
Lost work days due to occupational injuries	3,596	3,300	3,000
Occupational Safety Trainers	130	94	80

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
Accounting Services  
Payroll  
Accounts Payable  
City Billing & Customer Service  
Purchasing  
Central Warehouse  
Mail Courier Services  
Risk Management – Workers'  
Compensation  
Risk Management – Liability  
Risk Management –  
Occupational Safety & Health  
➤ Risk Management –  
Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Updated cost allocation  
plan.

100% of staff uses  
alternate work  
schedules.

## Administrative Operations

(Program No. 1464)

### Mission Statement

Manage division programs and assist operating departments to assess exposure to loss.

### Program Activities

- Create and maintain a risk management information system.
- Review and execute contracts, agreements, leases, and grants.
- Identify, evaluate, and rate all risks of accidental loss.
- Respond to employee, supervisor and management requests for assistance.
- Market and negotiate placement of commercial insurance policies.
- Initiate investigation and recovery of costs for loss or damage to City property caused by insurable perils or a negligent third party.
- Notarize City and employee documents.

### Key Objectives for Fiscal Year 2008

- Ensure completion of 80% of Risk Management Division program objectives.
- Compile and distribute a quarterly and an annual loss data report to operating departments.
- Update administrative procedures for processing industrial disability retirements by March 31, 2008.
- Update Risk Management Intranet site by December 31, 2007.
- Reduce the number of multiple hard copies (advertisements, State hearing notices, seminar notices professional journals, etc.) sent to Risk Management.

## Financial and Staffing Information

	Actual FY 2006	Amended FY 2007	Projected FY 2007	Adopted FY 2008	Proposed FY 2009
<b>Authorized Positions</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>
<b>Hourly Employee Hours</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Interest Income	\$ 280,309	\$ 286,000	\$ 286,000	\$ 355,865	\$ 361,434
Property Insurance Premiums	1,038,477	1,072,359	1,072,359	1,400,000	1,400,000
Other Revenue	48,637	-	-	-	-
<b>Total Revenue</b>	<b>\$ 1,367,423</b>	<b>\$ 1,358,359</b>	<b>\$ 1,358,359</b>	<b>\$ 1,755,865</b>	<b>\$ 1,761,434</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 95,600	\$ 107,513	\$ 106,000	\$ 110,087	\$ 117,381
Supplies and Services	1,090,883	1,249,396	1,381,951	1,284,648	1,281,901
Non-Capital Equipment	-	1,500	700	5,500	1,500
<b>Total Expenditures</b>	<b>\$ 1,186,483</b>	<b>\$ 1,358,409</b>	<b>\$ 1,488,651</b>	<b>\$ 1,400,235</b>	<b>\$ 1,400,782</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 180,940</b>	<b>\$ (50)</b>	<b>\$ (130,292)</b>	<b>\$ 355,630</b>	<b>\$ 360,652</b>

## Program Performance Measures

<b>Performance Measures</b>	Actual FY 2006	Projected FY 2007	Adopted FY 2008
Percent of division objectives accomplished	86%	80%	80%
Loss data reports	13	13	4
Dollar value of property damage and workers' compensation expenses recovered from negligent third parties	\$71,703	\$100,000	\$100,000
Total cost of risk as percentage of total city operating and capital expenditures	2.1%	3.0%	3.0%
LEAP training hours attended per division employee	N/A	16	16

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