



DEPARTMENT SUMMARY

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 two internal service funds: The Risk Management Fund manages the City's insurance portfolio and workers' compensation program, and the Duplications and Mail Services Fund operates a full-service print shop and provides mail service to all City departments and facilities. Finance also provides financial services to the California Law Enforcement Telecommunications System (CLETS).



Fiscal Year 2004 Budget Highlights

The Finance Department scaled back its General Fund budgeted expenditures for fiscal year 2004 by almost \$70,000 to help balance the overall General Fund budget, without significantly impacting the department's level of services. In its continuing efforts to cut costs and do "more with less", the Department is working on plans for a re-organization of the department that will shift resources where they are most needed and improve overall efficiency.

The Risk Management Fund continues to face uncertainty with its property and liability insurance and workers' compensation costs that will continue to escalate again in fiscal year 2004.



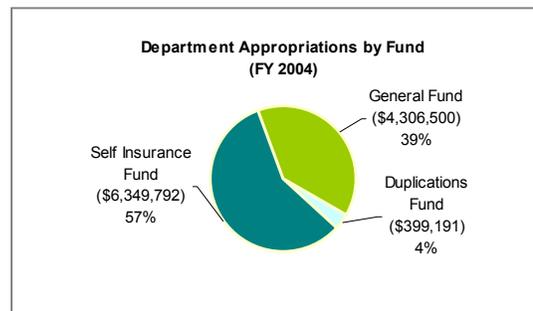
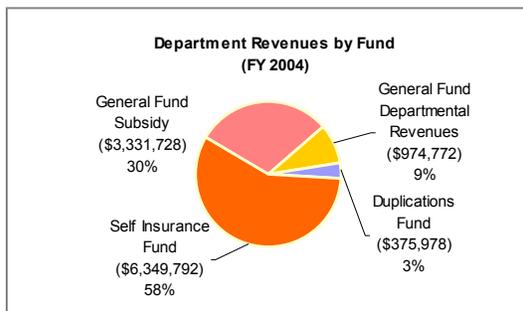
DEPARTMENT SUMMARY

Finance

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	49.00	49.00	47.00
Revenues			
Fees and Services Charges	862,362	862,265	902,500
Franchise Fees - Cable Television	-	-	322,272
Interest Income	-	-	120,000
Workers Compensation Premiums	2,220,464	3,204,521	3,453,228
Insurance Premiums	1,571,011	2,510,638	2,554,214
ACCEL- Return of Premium	750,000	200,000	222,350
Other	362,357	91,386	125,978
General Fund Subsidy	2,433,961	2,590,155	3,331,728
Total Department Revenue	\$ 8,200,155	\$ 9,458,965	\$ 11,032,270
Expenditures			
Salaries and Benefits	3,093,510	3,334,029	3,479,172
Supplies and Services	5,801,093	6,105,436	7,223,632
Public and Education Access Support	-	-	322,272
Special Projects	6,104	-	-
Tax Expense	8,297	11,500	11,500
Non-Capital Equipment	17,277	8,000	18,907
Equipment Capital	50,352	-	-
Total Department Expenditures	\$ 8,976,633	\$ 9,458,965	\$ 11,055,483
Addition to (Use of) Reserves	\$ (776,478)	\$ -	\$ (23,213)

Department Fund Composition

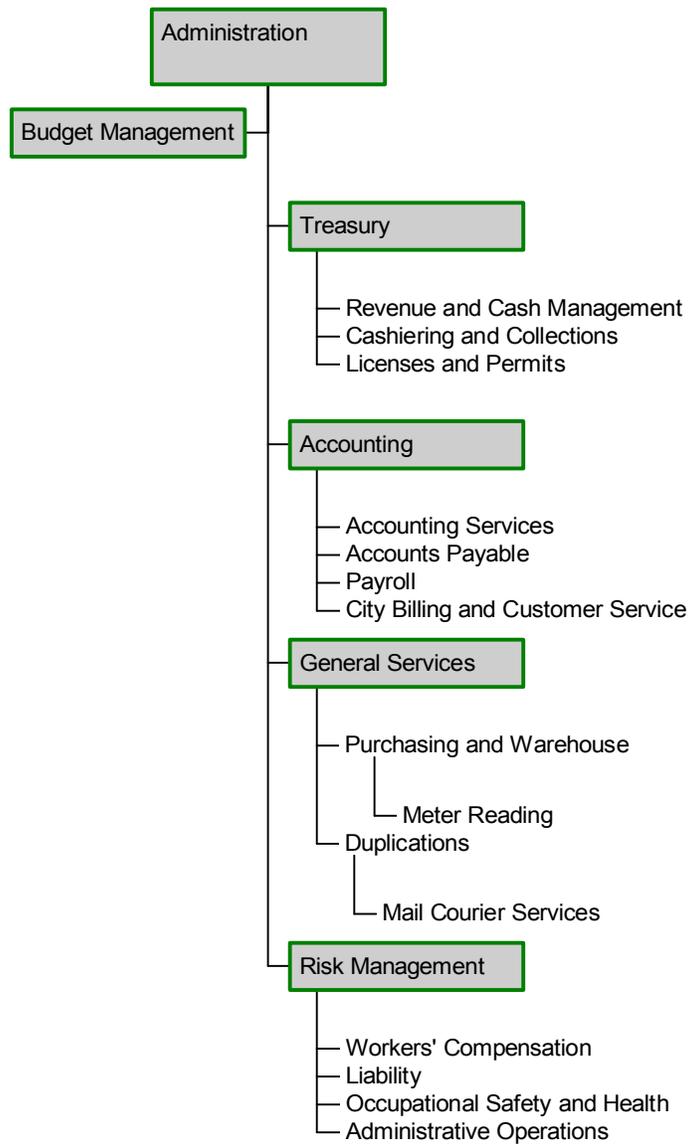




DEPARTMENT SUMMARY

Finance

Program Organizational Chart



FINANCE

➤ Administration

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



RECENT PROGRAM ACHIEVEMENTS

The City refinanced three of the City's Certificate of Participation Issues, resulting in savings of over \$800,000 per year in debt service costs.

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 City Administration 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 \$140 million 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.

Objectives for Fiscal Year 2004

- Ensure that Finance programs meet 80% of program objectives.
- Respond to 98% of cable service customer inquiries within one business day of receipt.
- Process 100% of travel claims within two business days of receipt.
- Coordinate implementation of service changes as recommended in the Finance divisions' customer service surveys.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	5.00	5.00	2.20
Revenues			
Franchise Fees - Cable Television	-	-	322,272
General Fund Subsidy	595,280	555,628	281,922
Total Revenue	\$ 595,280	\$ 555,628	\$ 604,194
Expenditures			
Salaries and Benefits	477,111	453,851	231,735
Supplies and Services	105,983	90,277	28,380
Public and Educational Access Support	-	-	322,272
Non-Capital Equipment	3,889	-	10,307
Tax Expense	8,297	11,500	11,500
Total Expenditures	\$ 595,280	\$ 555,628	\$ 604,194

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of Finance program objectives completed	n/a	80%	80%
Percent of cable service inquiries receiving initial response within one business day	n/a	98%	98%
Cable service inquiries	n/a	25	25
Percent of travel claims processed within two business days of receipt	n/a	99%	100%
Council Agenda Reports reviewed	n/a	400	400
New EMLAP loans closed	n/a	6	7

PROGRAMS & SERVICES

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RECENT PROGRAM ACHIEVEMENTS

Automated banking functions were expanded and enhanced.

The use of automated Treasury Receipts increased accuracy in revenue reporting.

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 \$140 million.
- Prepare and present 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.

Objectives for Fiscal Year 2004

- Purchase investments for the City and Redevelopment Agency that are consistent with investment objectives.
- Maintain a minimum average "AA" credit quality for securities in the portfolio.
- Meet or exceed the Local Agency Investment Fund (LAIF) book rate of return on an annual basis.
- Present 100% of monthly investment reports to the Finance Committee and City Council within 30 days of month-end.
- Reduce Treasury Receipt errors by 10%.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	2.75	2.75	2.05
Revenues			
General Fund Subsidy	236,223	251,048	317,538
Total Revenue	\$ 236,223	\$ 251,048	\$ 317,538
Expenditures			
Salaries and Benefits	211,561	224,628	175,779
Supplies and Services	24,662	26,420	141,759
Total Expenditures	\$ 236,223	\$ 251,048	\$ 317,538

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Average portfolio balance	n/a	\$140,000,000	\$140,000,000
Average days to maturity of the portfolio	n/a	480 days	550 days
Average credit rating of portfolio holdings	n/a	AA	AA
Portfolio book rate of return compared to LAIF	n/a	+1.50%	+1.00%
Average daily dollar amount of bank credits	n/a	\$700,000	\$750,000
Average daily dollar amount of bank debits	n/a	\$700,000	\$750,000
Correcting journal entries prepared	n/a	122	110
Days after month-end in which investment reports are presented	n/a	< 30 days	< 30 days

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Revenue & Cash
Management

➤ **Cashiering & Collections**

Licenses & Permits

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RECENT PROGRAM ACHIEVEMENTS

Staff updated the Petty Cash policy and increased the petty cash limit to reduce claims processing costs.

Treasury Receipt processing was improved.

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.

Objectives for Fiscal Year 2004

- Accurately process 100% of treasury receipts on the day received.
- Complete an analysis of options for electronic payments and credit cards and report implementation recommendations.
- Perform a cost analysis of the cash receipting process using baseline data gathered in FY 2003.
- Maintain a maximum 24-hour notification from the bank for deposit variances.
- Increase petty cash audits by 10%.
- Administer a customer service survey to assess public satisfaction with customer service at the cashiering counter and use survey results to initiate improvements.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	4.65	4.65	4.50
Revenues			
Fees and Service Charges	270,651	313,307	356,538
Total Revenue	\$ 270,651	\$ 313,307	\$ 356,538
Expenditures			
Salaries and Benefits	266,120	307,593	318,291
Supplies and Services	3,309	5,114	37,647
Non-Capital Equipment	1,222	600	600
Total Expenditures	\$ 270,651	\$ 313,307	\$ 356,538

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percentage of treasury receipts processed each day	n/a	99%	100%
Payments processed at public counter	n/a	55,000	55,000
Bank notifications received within 24 hours	n/a	100%	100%
Utility billing lockbox payments processed	n/a	233,000	233,000
Transient Occupancy Tax (TOT) payments recorded and reconciled monthly	n/a	67	67
Utility Users Tax (UUT) payments recorded and reconciled monthly	n/a	111	111
Petty cash audits performed	n/a	30	33
Satisfaction rating by Cashiering and Collections customers	n/a	n/a	75%

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RECENT PROGRAM ACHIEVEMENTS

Staff standardized and streamlined over 80 licenses and permit forms.

Customer service was enhanced through Internet access of the business license application form.

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 (PBIA) assessments, Old Town and Downtown Business Improvement District assessments and Fire Inspection Fees.
- Process delinquency notices and initiate collection efforts for past due accounts.
- Process and issue over 13,000 City licenses and permits.
- Issue taxicab permits and monitor drivers and companies to ensure timely vehicle inspections and current insurance coverage.
- Process applications for exemption from Utility Users Tax on water billings and coordinate with other utilities for this exemption.
- Review outside sources and publications to identify unlicensed businesses.

Objectives for Fiscal Year 2004

- Commence the audit program for the Transient Occupancy Tax (TOT) and Business License Tax.
- Conduct a cost analysis of issuing miscellaneous licenses and permits, and review associated fees.
- Identify text in SBMC Title 5 that will require revision in future years.
- Locate 100 unlicensed businesses as a result of the field inspection program.
- Implement simplified procedures, developed by Finance and Land Development Team, to improve business license application processing.
- Administer a customer service survey to assess applicant satisfaction with information, forms, and processes for obtaining various licenses and permits and use survey results to initiate improvements.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	2.60	2.60	4.20
Revenues			
General Fund Subsidy	198,254	229,918	330,908
Service Charges	12,854	-	2,500
Total Revenue	\$ 211,108	\$ 229,918	\$ 333,408
Expenditures			
Salaries and Benefits	189,753	206,351	249,321
Supplies and Services	21,355	23,567	84,087
Total Expenditures	\$ 211,108	\$ 229,918	\$ 333,408

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Unlicensed businesses located as a result of business license field inspection program	n/a	0	100
New business licenses issued	n/a	1,650	1,750
Business license renewals	n/a	10,000	10,100
Business license delinquency notices	n/a	2,500	2,525
Percent of business licenses paid by due date	n/a	75%	75%
Taxicab permits issued	n/a	167	167
Assessment district billings	n/a	4,000	4,000
Assessment district delinquency notices	n/a	1,000	1,000
Percent of PBIA assessments paid by due date	n/a	75%	75%
Percent of accounts sent to collections	n/a	3%	2%
Satisfaction rating by License and Permit customers	n/a	n/a	80%

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RECENT PROGRAM ACHIEVEMENTS

Budget Management staff received GFOA's Distinguished Budget Award for the Biennial Financial Plan for fiscal years 2002-03.

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.
- Project 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 implementing the annual budget.
- Publish the City's Two-Year Financial Plan and Annual Budget and the popular Budget-at-a-Glance, including CD-ROM and posting on the City's web site.

Objectives for Fiscal Year 2004

- Complete 100% of all budget journal entries to record Council-approved budget amendments within seven working days of approval date.
- Conduct and analyze a customer service survey for Budget Management, and implement service changes as recommended.
- Project General Fund non-departmental revenues within a 2% variance margin.
- Post Fiscal Year 2004 Recommended Budget on the Internet within 15 days of the filing date.
- Produce the Fiscal Year 2005 Adopted Annual Budget within 30 days from the date of adoption.
- Ensure that all policy reserves are calculated and met each year.
- Receive a Government Finance Officers Association (GFOA) Distinguished Budget Award.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	0.00	0.00	2.85
Revenues			
General Fund Subsidy	-	-	367,582
Total Revenue	\$ -	\$ -	\$ 367,582
Expenditures			
Salaries and Benefits	-	-	286,752
Supplies and Services	-	-	80,830
Total Expenditures	\$ -	\$ -	\$ 367,582

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Days to enter budget journal entries in system after date of adoption	n/a	8	7
Budget amendment journal entries prepared	n/a	150	150
Budgets distributed (hard copy and CD-ROM)	n/a	100	100
Consecutive biennial GFOA Distinguished Budget Awards received	n/a	3	4
Variance between General Fund non-departmental revenue projections and actual	n/a	2%	2%
Days to produce adopted budget document from adoption date	n/a	30	30
Days to post recommended budget to the internet from filing date	n/a	15	15
Departments rating program service as good to excellent	n/a	-	95%

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RECENT PROGRAM ACHIEVEMENTS

During fiscal year 2003, Accounting Services worked with Information Systems to provide departmental financial information and reports on-line, reducing staff time distributing reports by 88% every month.

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 the Governmental Accounting Standards Board and Generally Accepted Accounting Principles.
- Prepare year-end closing transactions, balance and reconcile all funds and accounts, coordinate and communicate with 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 departmental users, management, and the City Council as needed.

Objectives for Fiscal Year 2004

- Receive unqualified audit opinions for the Fiscal Year 2003 annual financial audits of the City and the Redevelopment Agency.
- Compile, produce and issue the Fiscal Year 2003 Comprehensive Annual Financial Report (CAFR) for the City and the Redevelopment Agency within 150 days of fiscal year end.
- Receive awards for achievement in financial reporting for the City's CAFR from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO).
- Maintain the new Capital Asset Management software and develop FMS reports for added reconciliation purposes.
- Complete and file 100% of all State and Federal financial reports by stated deadlines.
- Complete 92% of general ledger monthly closings within five working days after month-end.
- Complete all bank reconciliations within 30 days of receiving the bank statements.
- Conduct a customer satisfaction survey.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	2.40	2.40	2.20
Revenues			
General Fund Subsidy	209,703	219,604	310,050
Total Revenue	\$ 209,703	\$ 219,604	\$ 310,050
Expenditures			
Salaries and Benefits	183,783	205,128	185,800
Supplies and Services	25,920	14,476	124,250
Total Expenditures	\$ 209,703	\$ 219,604	\$ 310,050

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Number and dollar value of Federal and State grants received and accounted for	n/a	21 / \$1.7M	21/\$1.7M
Number and dollar value of housing and rehab loans accounted for	n/a	404 / \$34.6M	407 / \$35.2
Days after fiscal year-end to produce and issue CAFR	n/a	210	150
Consecutive GFOA and CSMFO Achievement Awards for CAFR	n/a	5	6
Percent of monthly closing completed within 5 days after month-end	n/a	92%	92%
Percent of bank statements reconciled within 30 days of month end	n/a	100%	100%
Audit adjustments required by independent auditor	n/a	5	3
Hours spent distributing monthly financial reports to departments	n/a	96	12
Percent of customer satisfaction surveys rated good or excellent	n/a	n/a	85%

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RECENT PROGRAM ACHIEVEMENTS

Employee work records
are archived with CD
storage.

Staff updates the Intranet
regularly with employee
payroll instructions and
forms.

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.
- Initiate tax payments and issue quarterly tax reports.
- Reconcile payroll deductions and benefits payable to the general ledger.
- Reconcile billing statements with receivables and payroll withholdings by person for employees, retirees, and cobra members.
- Initiate claims for payment to benefit providers.
- Initiate Public Employees Retirement System (PERS) payments and perform a reconciliation to reports and payroll withholdings.
- Update the payroll system tables 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.

Objectives for Fiscal Year 2004

- Conduct a customer satisfaction survey to determine department satisfaction with payroll processing.
- Complete an analysis of performance measurement information to improve efficiency.
- Prepare W-2 forms for distribution by January 14, 2004.
- Process payroll accurately and timely 99.9% of the time.
- Develop an electronic system to archive daily work records.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	2.40	2.40	2.45
Revenues			
General Fund Subsidy	170,810	178,260	313,193
Total Revenue	\$ 170,810	\$ 178,260	\$ 313,193
Expenditures			
Salaries and Benefits	151,417	162,748	176,201
Supplies and Services	19,393	15,512	136,992
Total Expenditures	\$ 170,810	\$ 178,260	\$ 313,193

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Accuracy Rate of program timesheet data entry	n/a	99.9%	99.9%
Accuracy rate of submitted timesheets by departments	n/a	80%	85%
Dollar value of benefits and withholding accounts reconciled per payroll staff member	n/a	\$2,500,000	\$3,000,000
Garnishments and liens processed	n/a	160	150
City employees per payroll staff	n/a	535	535
Direct cost per paycheck issued	n/a	\$0.32	\$0.35
Date W-2's are ready for disbursement	n/a	January 15	January 14
W-2's issued	n/a	2,111	2,000
Percent of customer satisfaction responses rated good to excellent	n/a	n/a	90%

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RECENT PROGRAM ACHIEVEMENTS

Staff updated check
printing processes and
equipment to enable
daily check printing.

Accounts Payable

(Program No. 1433)

Mission Statement

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

Program Activities

- Perform audit and data entry of claims submitted for payment.
- Implement State sales tax payments and 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.
- Perform daily 'Positive Pay' check disbursement reports to the bank.

Objectives for Fiscal Year 2004

- Conduct a customer satisfaction survey.
- Complete an analysis of performance measurement information to improve efficiency.
- Complete annual reconciliation of City's vendor accounts, including vendor consolidation, and correcting of errors and missing data.
- Prepare 1099-Misc forms for distribution by January 14, 2004.
- Issue 99% of checks within five working days of department approval.
- Conduct departmental claims training to increase percentage of available discounts taken by departments to 25%.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	1.80	1.80	1.75
Revenues			
General Fund Subsidy	114,393	116,988	185,555
Total Revenue	\$ 114,393	\$ 116,988	\$ 185,555
Expenditures			
Salaries and Benefits	100,114	103,730	112,811
Supplies and Services	14,279	13,258	72,744
Total Expenditures	\$ 114,393	\$ 116,988	\$ 185,555

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Dollar value of accounts payable checks issued annually	n/a	\$65,567,803	\$65,567,803
Claims processed	n/a	28,000	28,000
Percent of accounts payable checks issued error free per month	n/a	99%	99%
Percent of available discounts taken by departments	n/a	2%	25%
Percent of available discounts taken by Accounts Payable staff	n/a	62%	62%
Direct cost per check issued	n/a	\$0.37	\$0.40
Percent of customer service survey responses rated good to excellent	n/a	n/a	85%
Percent of checks issued less than five working days after department approval	n/a	94%	96%

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RECENT PROGRAM ACHIEVEMENTS

The City utility billing system was updated to divide trash-hauling services into two separate areas of the City, as provided in new contracts with Marborg Industries and BFI Industries.

City Billing & Customer Service

(Program No. 1434)

Mission Statement

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

Program Activities

- Prepare and mail approximately 360,000 utility bills annually, including bills 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 10,000 service orders to utility customers accounts, including customer updates, water meter reading verification, bill collection efforts, and water service changes.

Objectives for Fiscal Year 2004

- Reduce errors in the billing auto-payment system by 50%.
- Decrease time spent on customer telephone inquiries by 5%.
- Cross-train an Accounting Technician in accounting and reporting of the City's various housing loan programs.
- Administer a customer service survey to assess customer satisfaction.
- Develop a method to determine the accuracy and timeliness of billing.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	5.20	5.20	3.60
Revenues			
Fees and Service Charges	365,578	311,693	293,462
General Fund Subsidy	12,573	94,477	241,357
Total Revenue	\$ 378,151	\$ 406,170	\$ 534,819
Expenditures			
Salaries and Benefits	171,511	177,420	235,367
Supplies and Services	206,640	228,750	299,452
Total Expenditures	\$ 378,151	\$ 406,170	\$ 534,819

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Utility bills issued monthly	n/a	29,860	29,880
Miscellaneous bills issued monthly	n/a	2,210	2,220
Service orders prepared monthly	n/a	926	930
Phone calls received from customers	n/a	1,960	2,000
Customers on automatic pay including utility bills and harbor slips	n/a	4,006	4,200
Customers assisted at the counter	n/a	152	150
Cost per bill issued	n/a	\$0.86	\$0.84
Total time spent on telephone customer inquiries	n/a	980 hours	931 hours

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RECENT PROGRAM ACHIEVEMENTS

Warehouse inventory levels were reduced to better serve the City's needs and create space for the Purchasing office relocation.

Purchasing & Warehouse

(Program Nos. 1441, 1442)

Mission Statement

Competitively purchase quality goods and services that meet department specifications; inventory and issue approved warehouse items to support city operations, including emergencies and dispose of City surplus 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.
- Routinely review warehouse stock for quantity re-order levels and adjust as appropriate.
- Dispose of surplus City property.

Objectives for Fiscal Year 2004

- Re-bid 100% of the Blanket Purchase Orders over \$50,000 to insure that the City is receiving competitively priced services and materials.
- Develop a computerized "Bidder's List".
- Ensure that 100% of Buyers are cross-trained in all program operations to serve all City departments.
- Maintain the accuracy of the monthly inventory count within two percent (2%).
- Implement a policy and procedures to automate ordering, reordering and backordering of supplies.
- Analyze customer satisfaction survey results for Purchasing and Warehouse operations and implement changes or improvements as appropriate and necessary.
- Develop a measurement for warehouse inventory turnover rate.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	7.95	7.95	7.30
Revenues			
General Fund Subsidy	529,107	549,741	600,533
Total Revenue	\$ 529,107	\$ 549,741	\$ 600,533
Expenditures			
Salaries and Benefits	480,586	507,386	493,991
Supplies and Services	48,169	42,355	106,542
Equipment Capital	352	-	-
Total Expenditures	\$ 529,107	\$ 549,741	\$ 600,533

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Purchase orders issued for all categories	n/a	9,400	940
Cash purchase orders issued for routine services and supplies under \$500	n/a	4,900	4,900
Purchase orders issued for routine services and supplies over \$500	n/a	4,000	4,000
Purchase orders issued for professional services	n/a	500	500
Purchase orders processed per Buyer	n/a	3,133	3,133
RFPs/RFQs advertised	n/a	100	100
Different categories of items in warehouse inventory	n/a	1,760	1,760
Labor cost as a percentage of surplus revenue	n/a	7%	7%

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RECENT PROGRAM ACHIEVEMENTS

During fiscal year 2003, City meter readers identified all obsolete turn-off valves needing replacement within the City's water system.

Meter Reading

(Program No. 1443)

Mission Statement

Read water meters in the City for accurate and timely utility billings, and respond to field service requests in a timely, courteous, efficient and safe manner.

Program Activities

- Read approximately 26,000 water meters every 27-33 days.
- Process approximately 10,000 service orders to begin and terminate service.
- Maintain water meters and make recommendations for replacement.
- Download daily route meter reading data to the centralized utility billing system.
- Field check new water meter installations.
- Maintain and manage an active water meter inventory.
- Provide information to public service providers regarding unusual circumstances affecting the elderly through the Gatekeeper Program.

Objectives for Fiscal Year 2004

- Respond to 100% of service orders within one working day.
- Maintain a 99% or better meter reading accuracy rate.
- Read 100% of water meters according to an approved schedule.
- Complete an analysis of customer service survey results to determine satisfaction with service calls.
- Identify and report all 1" non-Metron water meters for replacement.
- Create a Payment Arrangement Policy to standardize how customers can extend payments.
- Revise and improve all forms for bilingual speaking customers.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	6.20	6.20	5.60
Revenues			
General Fund Subsidy	367,618	394,491	383,090
Total Revenue	\$ 367,618	\$ 394,491	\$ 383,090
Expenditures			
Salaries and Benefits	325,292	362,633	338,120
Supplies and Services	42,326	31,858	44,970
Total Expenditures	\$ 367,618	\$ 394,491	\$ 383,090

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of late reads "rush" within two working days	n/a	100%	100%
Percent of service orders within one working day	n/a	100%	100%
Percent of meters read according to schedule	n/a	100%	100%
Accuracy rate of meters read	n/a	98%	99%
Percent of responses to customer service survey rated good to excellent	n/a	n/a	80%
Meters turned off for non-payment	n/a	2,000	2,000
Average monthly cost per meter read	n/a	\$0.978	\$0.978
Total meter reads	n/a	25,721	25,721

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RECENT PROGRAM ACHIEVEMENTS

In fiscal year 2003, Duplications purchased and installed a new high-speed color copier, increasing the level of program service and revenue.

Duplications

(Program No. 1451)

Mission Statement

Provide quality, full-service printing, copying and post-press services through a combination of both in-house and contract resources in a timely, confidential and cost-effective manner.

Program Activities

- Provide typesetting, design and layout services.
- Produce brochures, flyers, forms, manuals and stationery for all city departments.
- Perform finishing operations such as folding, collating, stapling, drilling and binding.
- Write specifications for printing orders sent to outside vendors.
- Prepare cost estimates and bill departments for services provided.
- Print utility billings and prepare them for mailing.
- Review informational brochure outlining services provided by Duplications and update as necessary.

Objectives for Fiscal Year 2004

- Process at least 95% of service requests in-house.
- Complete 96% of printing and copying orders within the promised timeframe.
- Update the Fee Schedule for duplicating services.
- Conduct a customer service survey and analyze results to evaluate customer satisfaction and implement changes or improvements as appropriate.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	2.05	2.05	2.10
Revenues			
Fees and Services Charges	213,279	237,265	250,000
Other	47,288	40,556	66,132
Total Revenue	\$ 260,567	\$ 277,821	\$ 316,132
Expenditures			
Salaries and Benefits	122,417	137,206	142,332
Supplies and Services	132,550	140,615	197,013
Equipment Capital	50,000	-	-
Total Expenditures	\$ 304,967	\$ 277,821	\$ 339,345
Addition to (Use of) Reserves	\$ (44,400)	\$ -	\$ (23,213)

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Duplications service requests and total number of copies	n/a	2,000 / 3,000,000	2,000 / 3,000,000
Utility billing printing cycles and total number of pieces processed	n/a	900 / 420,000	900 / 420,000
Average cost per black and white copy	n/a	\$0.06	\$0.06
Average cost per color copy	n/a	\$0.30	\$0.30
Percent of service requests completed on-time	n/a	96%	96%
Percent of service requests processed in-house	n/a	95%	95%
Average days to complete service orders	n/a	2.5 days	2.5 days
Percent of total jobs completed using overtime hours	n/a	n/a	8%

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RECENT PROGRAM ACHIEVEMENTS

The City's mail courier makes 5,460 pick-up and delivery stops to City departments, and collects the City's mail from the U.S. Post Office 520 times, every year.

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.

Objectives for Fiscal Year 2004

- Send 80% of outgoing U.S.P.S. mail at the discounted presort rate.
- Provide mail courier services according to an approved mail service schedule 96% of the time.
- Analyze customer service survey results to evaluate customer satisfaction, and implement changes or improvements as appropriate.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	1.00	1.00	1.00
Revenues			
Other	38,374	50,830	59,846
Total Revenue	\$ 38,374	\$ 50,830	\$ 59,846
Expenditures			
Salaries and Benefits	32,044	39,746	41,826
Supplies and Services	6,330	11,084	18,020
Total Expenditures	\$ 38,374	\$ 50,830	\$ 59,846

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Pieces of outgoing U.S.P.S. mail	n/a	370,000	370,000
Percent of total U.S.P.S. mail sent at presort rate	n/a	80%	80%
Pieces of interoffice mail and correspondence	n/a	25,000	25,000
Percent of established mail-courier stops completed in accordance with approved schedule	n/a	96%	96%
Dollar savings to City using presort mailings	n/a	\$5,600	\$5,600
Labor cost per piece of outgoing U.S.P.S. mail	n/a	\$0.024	\$0.024
Program cost per piece of outgoing/incoming U.S.P.S. mail and interoffice mail	n/a	\$0.066	\$0.066

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RECENT PROGRAM ACHIEVEMENTS

Cost containment efforts continue to provide significant reduction in the cost of medical services, including reducing the amount paid for medical services during FY 02 by \$1,079,085.

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 and monitor legislation, legal opinions, and case law for changes in the law.
- 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 and provide training on workers' compensation.

Objectives for Fiscal Year 2004

- Reduce medical costs paid by 15% from the gross amount billed.
- Investigate 50% of the industrial injuries with lost time within 45 days of the date of knowledge.
- Implement improvements recommended by a management audit of the program.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	2.75	1.70	1.75
Revenues			
Workers Compensation Premiums	2,220,464	3,204,521	3,236,152
Other	256,909	-	-
Total Revenue	2,477,373	3,204,521	3,236,152
Expenditures			
Salaries and Benefits	195,547	144,472	151,513
Supplies and Services	2,727,440	3,056,349	3,084,639
Special Projects	3,052	-	-
Non-Equipment Capital	7,183	3,700	-
Total Expenditures	2,933,222	3,204,521	3,236,152
Addition to (Use of) Reserves	\$ (455,849)	\$ -	\$ -

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Claims filed	n/a	226	226
Total claim costs paid + reserves for future payments	n/a	\$1,853,882	\$2,400,000
Ratio of closed to open claims	n/a	50%	50%
Employees who receive temporary total disability	n/a	111	111
Percent of claims filed without lost time	n/a	40%	40%
Gross medical costs paid	n/a	\$2,200,000	\$2,500,000
Cost of professional medical bill review services	n/a	\$100,465	\$101,000
Modified Duty placements	n/a	40	40
Percent of eligible employees with an industrial injury placed in a Modified Duty assignment	n/a	40%	50%
Percent of lost time injuries investigated within 45 days of knowledge	50%	50%	50%
Medical cost savings using fee schedules, PPO contracts, and other services	15%	15%	15%

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RECENT PROGRAM ACHIEVEMENTS

Risk Management staff
customized loss-
prevention training and
reduced vehicle and
equipment damage.

Risk Management - Liability

(Program No. 1462)

Mission Statement

Identify and correct potential workplace hazards, provide loss prevention training, and prudently adjust damage claims.

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.
- Prepare preventability reports of vehicle and equipment damage.
- Organize defensive driving classes and materials.
- Notarize City and employee documents.
- Report loss amounts monthly and annually.
- Assess and provide needed Loss Prevention Training.

Objectives for Fiscal Year 2004

- Reduce preventable fleet collisions by 5%.
- Complete 85% of claim investigations within 45 days.
- Verify that departmental Workplace Security Programs are updated in accordance with the recommendations of the Workplace Security Assessment project completed in fiscal year 2003.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	2.25	1.25	1.30
Revenues			
Liability Insurance Premiums	1,571,011	704,425	765,892
ACCEL- Return of Premium	750,000	200,000	16,140
Other	19,786	-	-
Total Revenue	2,340,797	904,425	782,032
Expenditures			
Salaries and Benefits	186,254	114,653	128,453
Supplies and Services	2,422,737	786,072	649,579
Special Projects	3,052	-	-
Non-Capital Equipment	4,983	3,700	4,000
Total Expenditures	2,617,026	904,425	782,032
Addition to (Use of) Reserves	\$ (276,229)	\$ -	\$ -

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Liability claims filed	n/a	175	175
Percent of claims closed with no litigation	n/a	95%	95%
Percent of claims closed with no payment	n/a	75%	75%
Percent of open claims litigated	n/a	5%	5%
Percent of claims closed within nine months of filing	n/a	85%	85%
Loss prevention class attendees	n/a	250	250
Driving class attendees	n/a	100	100
Reported vehicle collisions	n/a	115	109
Preventable vehicle collisions and percent of total	n/a	19 / 14%	18 / 13%
Percent of vehicle collisions resulting in claims	n/a	5%	4%

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RECENT PROGRAM ACHIEVEMENTS

Occupational Injuries were reduced by 5% in fiscal year 2003.

The City network of Safety Trainers increased by 25% in fiscal year 2003.

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 job safety analysis.

Program Activities

- Review and update the Injury Illness Prevention Program (IIPP) to conform with 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.
- Conduct Job Safety Analysis for job classifications with most frequent work injuries.
- Respond to hazards and safety concerns identified by employees.
- Provide loss data for monthly and annual reports.
- Conduct departmental safety audits for program compliance.
- Identify job task hazards that cause the most frequent work injuries and recommend corrective actions.
- Maintain City network of internal occupational safety trainers.

Objectives for Fiscal Year 2004

- Reduce occupational injuries by 5%.
- Maintain compliance with State and Federal OSHA mandates.
- Conduct Job Safety Analysis on 15% of the most frequent work injuries.
- Conduct two departmental safety audits.
- Ensure that staff receives Level III and Level IV asbestos training as appropriate.
- Implement a new Fall Protection Program.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	0.00	1.25	1.30
Revenues			
Occupational Health and Safety Fees	-	188,030	217,076
Total Revenue	\$ -	\$ 188,030	\$ 217,076
Expenditures			
Salaries and Benefits	-	102,880	119,625
Supplies and Services	-	85,150	97,451
Total Expenditures	\$ -	\$ 188,030	\$ 217,076

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Employees attending Injury Illness Prevention Program training sessions	n/a	1,000	1,000
Ergonomic evaluations conducted	n/a	20	40
Job safety analyses completed	n/a	15	20
Safety audits conducted for all operating divisions	n/a	2	2
Lost work days due to occupational injuries	n/a	3,785	3,596
Occupational Safety Trainers	n/a	130	130

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RECENT PROGRAM ACHIEVEMENTS

Staff distributed comprehensive monthly and annual Loss Data Reports, and created an Intranet site to improve service to department staff.

Administrative Operations

(Program No. 1464)

Mission Statement

Manage Risk division programs and assist operating departments to assess exposures to loss.

Program Activities

- Create and maintain risk management information system.
- Review and execute contracts, agreements, leases, and grants.
- Identify, evaluate, and rate all risks of accidental loss.
- Respond to citizen and public requests for assistance.
- 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.

Objectives for Fiscal Year 2004

- Ensure completion of 80% of Risk Management Division program objectives.
- Route 100% of public hazard concerns to the appropriate department within two working days.
- Add interactive features to the Risk Management Intranet site.
- Compile and distribute monthly and annual comprehensive loss data reports to operating departments.
- Conduct a customer service survey for each Risk Management program.
- Develop a cost allocation system to distribute liability and workers' compensation loss expenses by operating department.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	0.00	0.80	0.85
Revenues			
Interest Income	-	-	120,000
Property Insurance Allocation	-	1,618,183	1,788,322
ACCEL- Return of Premium	-	-	206,210
Total Revenue	-	1,618,183	2,114,532
Expenditures			
Salaries and Benefits	-	83,604	91,255
Supplies and Services	-	1,534,579	2,019,277
Non-Capital Equipment	-	-	4,000
Total Expenditures	-	1,618,183	2,114,532
Addition to (Use of) Reserves	\$ -	\$ -	\$ -

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of divisional objectives accomplished	n/a	80%	80%
Public hazard concerns received	n/a	72	72
Percent of public hazard concerns routed to appropriate department within two working days of receipt	n/a	100%	100%
Comprehensive loss data reports prepared and distributed to each department	n/a	12	12
Dollar value of property damage and workers' compensation expenses recovered from negligent third parties	n/a	\$100,000	\$100,000
Total cost of risk as percentage of total city operating and capital expenditures	n/a	3%	3%

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