



# 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 two internal service funds: The Risk Management Fund manages the City's insurance portfolio and self-insured 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.



### Fiscal Year 2006 Budget Highlights

The Finance Department will be expanding its revenue audit program beginning next fiscal year. The proposed fiscal years 2006 and 2007 budgets include funding for additional audits of hotels in the city for compliance with the city's Transient Occupancy Tax Ordinance. In addition, Treasury Division staff has recently subscribed to a Franchise Tax Board program that provides data to identify businesses that have not obtained a city business license.

The fiscal year 2006 proposed budget includes funding to replace the business license system to address data retention and reporting capabilities.



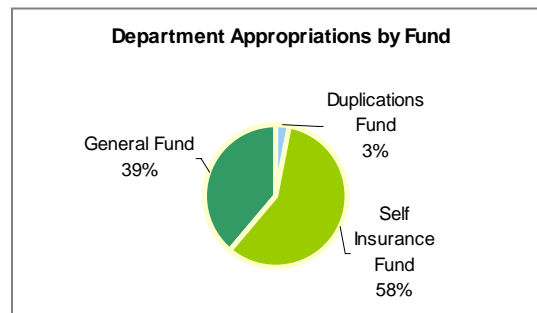
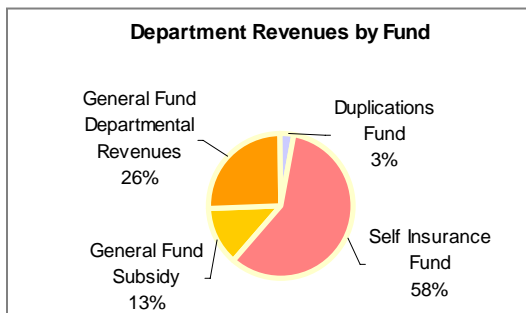
# DEPARTMENT SUMMARY

## Finance

### Department Financial and Staffing Summary

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>47.00</b>	<b>45.60</b>	<b>46.00</b>	<b>46.00</b>	<b>46.00</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>
<b>Revenues</b>					
Fees and Services Charges	\$ 214,792	\$ 233,950	\$ 183,810	\$ 180,000	\$ 175,000
Franchise Fees - Cable	367,582	382,161	326,873	342,618	359,749
Licenses	22,968	2,500	3,000	5,000	5,000
Workers Comp. Premiums	3,374,303	3,370,716	3,370,716	3,747,010	3,875,260
Insurance Premiums	2,554,741	2,650,000	2,650,000	3,235,236	3,271,446
Occup. Safety and Health Fees	217,076	228,744	228,744	253,162	289,917
ACCEL- Return of Premium	1,310,753	190,000	-	-	-
Interest Income	136,532	120,000	155,476	172,000	186,000
Market Valuation	(99,953)	-	-	-	-
Other Revenue	266,154	131,528	131,528	205,063	216,966
Overhead Allocation Recovery	N/A	2,494,760	2,494,760	2,937,516	3,055,018
General Fund Subsidy	3,876,762	1,732,955	1,696,447	1,657,009	1,681,138
<b>Total Department Revenue</b>	<b>\$ 12,241,710</b>	<b>\$ 11,537,314</b>	<b>\$ 11,241,354</b>	<b>\$ 12,734,614</b>	<b>\$ 13,115,494</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 3,247,381	\$ 3,634,520	\$ 3,577,104	\$ 4,039,331	\$ 4,207,650
Supplies and Services	6,629,457	7,616,906	7,196,697	8,275,839	8,486,095
Special Projects	406,268	407,354	367,873	392,618	389,749
Transfers Out	-	1,368	1,368	1,378	-
Non-Capital Equipment	18,228	14,429	16,608	11,200	15,500
Equipment Capital	-	-	-	2,748	5,000
Tax Expense	13,571	11,500	11,500	11,500	11,500
<b>Total Department Expenditures</b>	<b>\$ 10,314,905</b>	<b>\$ 11,686,077</b>	<b>\$ 11,171,150</b>	<b>\$ 12,734,614</b>	<b>\$ 13,115,494</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 1,926,805</b>	<b>\$ (148,763)</b>	<b>\$ 70,204</b>	<b>\$ -</b>	<b>\$ -</b>

### Department Fund Composition





# 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  
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

In fiscal year 2005, Administration staff obtained an additional \$1 million funding authorization for the Employee Mortgage Loan Assistance Program (EMLAP) and updated the EMLAP program guidelines.

## Administration

(Program No. 1411)

### Mission Statement

Provide management and administrative support to Finance programs and provide the City Council and departments with responsive financial information, analysis, and expertise.

### 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 \$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.

### Key Objectives for Fiscal Year 2006

- Ensure that Finance programs meet 75% of program objectives.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>2.20</b>	<b>1.95</b>	<b>1.95</b>	<b>1.95</b>	<b>1.95</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Franchise Fees - Cable	\$ 367,582	\$ 382,161	\$ 326,873	\$ 342,618	\$ 359,749
Overhead Allocation Recovery	N/A	115,902	115,902	130,324	135,539
General Fund Subsidy	362,193	175,308	185,026	157,688	196,940
<b>Total Revenue</b>	<b>\$ 729,775</b>	<b>\$ 673,371</b>	<b>\$ 627,801</b>	<b>\$ 630,630</b>	<b>\$ 692,228</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 223,199	\$ 210,816	\$ 211,578	\$ 242,742	\$ 256,956
Supplies and Services	78,705	36,786	47,642	31,770	32,023
Special Projects	402,726	407,165	352,873	342,618	389,749
Non-Capital Equipment	11,574	7,104	4,208	2,000	2,000
Tax Expense	13,571	11,500	11,500	11,500	11,500
<b>Total Expenditures</b>	<b>\$ 729,775</b>	<b>\$ 673,371</b>	<b>\$ 627,801</b>	<b>\$ 630,630</b>	<b>\$ 692,228</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of Finance program objectives met	73.3%	75%	75%
EMLAP loans administered	17	22	28

## FINANCE PROGRAMS

Administration

➤ **Revenue & Cash Management**

Cashiering & Collections

Licenses & Permits

Budget Management

Accounting Services

Payroll

Accounts Payable

City Billing & Customer Service

Purchasing

Central 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

Implemented an improved cash management process whereby cleared check data is transmitted and posted daily rather than monthly.

## 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 \$136 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 2006

- 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.
- 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.
- Provide investment information and data on City's website by September 30, 2005.

## Key Objectives for Fiscal Year 2006 (continued)

- Submit annual Statement of Investment Policy by June 30, 2006.
- Prepare comprehensive Investment Policies and Procedures Manual by September 30, 2005.
- Cross-train staff in the banking and investment functions by December 31, 2005.
- Prepare request for proposal for Investment Custodial Services by September 30, 2005.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>2.05</b>	<b>2.05</b>	<b>2.05</b>	<b>2.55</b>	<b>2.55</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 169,610	\$ 169,610	\$ 198,843	\$ 206,796
General Fund Subsidy	299,141	187,087	159,230	213,195	221,268
<b>Total Revenue</b>	<b>\$ 299,141</b>	<b>\$ 356,697</b>	<b>\$ 328,840</b>	<b>\$ 412,038</b>	<b>\$ 428,064</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 172,589	\$ 188,529	\$ 182,162	\$ 250,309	\$ 262,046
Supplies and Services	126,552	168,168	146,678	159,029	161,018
Non-Capital Equipment	-	-	-	2,700	5,000
<b>Total Expenditures</b>	<b>\$ 299,141</b>	<b>\$ 356,697</b>	<b>\$ 328,840</b>	<b>\$ 412,038</b>	<b>\$ 428,064</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Credit rating of portfolio holdings	AA	AA	AA
Portfolio book rate of return compared to LAIF	> 1.44	> LAIF	> LAIF
Months in which investment report is submitted within 30 days	12	12	12
Submittals to State Board of Equalization	N/A	N/A	4
Average portfolio balance	\$139 million	\$135 million	\$135 million
Average days to maturity of portfolio	478	478	500
Average daily dollar amount of bank credits	\$977,000	\$1,242,000	\$1,242,000
Average daily dollar amount of bank debits	\$1,006,000	\$1,238,000	\$1,238,000

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management

➤ **Cashiering & Collections**

Licenses & Permits  
Budget Management  
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Risk Management – Occupational Safety & Health  
Risk Management – Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Credit card payment option for customers was implemented at City Hall, Library and Police Departments.

## 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 2006

- Accurately process 99% of treasury receipts on the day received.
- Accurately prepare deposit summary and daily bank deposit with less than 25 correcting entries needed.
- Implement electronic payment capability for selected application(s) by June 30, 2006.



## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>4.50</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 239,347	\$ 239,347	\$ 261,731	\$ 272,201
Other Revenue	(43)	-	-	-	-
General Fund Subsidy	319,991	31,761	29,309	34,179	34,279
<b>Total Revenue</b>	<b>\$ 319,948</b>	<b>\$ 271,108</b>	<b>\$ 268,656</b>	<b>\$ 295,910</b>	<b>\$ 306,480</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 283,188	\$ 235,057	\$ 232,250	\$ 257,585	\$ 267,508
Supplies and Services	35,566	35,262	36,406	38,325	38,972
Special Projects	-	189	-	-	-
Non-Capital Equipment	1,194	600	-	-	-
<b>Total Expenditures</b>	<b>\$ 319,948</b>	<b>\$ 271,108</b>	<b>\$ 268,656</b>	<b>\$ 295,910</b>	<b>\$ 306,480</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percentage of treasury receipts processed each day	99%	99.95%	99%
Correcting entries needed	N/A	< 25	< 25
Payments processed at public counter	54,059	55,000	55,000
Utility billing lockbox payments processed	235,689	239,000	230,000
Transient Occupancy Tax (TOT) payments recorded and reconciled monthly	68	67	68
Utility Users Tax (UUT) payments recorded and reconciled monthly	130	128	130
Petty cash audits performed	55	33	33

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## RECENT PROGRAM ACHIEVEMENTS

Completed five Transient Occupancy Tax audits in fiscal year 2005.

## 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.
- 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.

### Key Objectives for Fiscal Year 2006

- 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.
- Evaluate Business License Software package(s) for improved billing and reporting options by September 30, 2005.
- Complete 5 Transient Occupancy Tax (TOT) audits.
- Present fee recommendations for issuing miscellaneous licenses and permits to City Council April 15, 2006.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>4.20</b>	<b>4.45</b>	<b>4.45</b>	<b>4.45</b>	<b>4.45</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Licenses	\$ 22,968	\$ 2,500	\$ 3,000	\$ 5,000	\$ 5,000
Fees and Service Charges	6,441	-	-	-	-
Overhead Allocation Recovery	N/A	79,183	79,183	88,427	91,964
Other Revenue	342	-	-	-	-
General Fund Subsidy	284,412	296,032	297,550	385,405	347,971
<b>Total Revenue</b>	<b>\$ 314,163</b>	<b>\$ 377,715</b>	<b>\$ 379,733</b>	<b>\$ 478,832</b>	<b>\$ 444,935</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 237,347	\$ 295,848	\$ 299,785	\$ 329,925	\$ 344,792
Supplies and Services	76,816	81,267	79,948	98,907	100,143
Special Projects	-	-	-	50,000	-
Non-Capital Equipment	-	600	-	-	-
<b>Total Expenditures</b>	<b>\$ 314,163</b>	<b>\$ 377,715</b>	<b>\$ 379,733</b>	<b>\$ 478,832</b>	<b>\$ 444,935</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
New businesses located from field inspection	154	100	100
New businesses located from reference sources	N/A	175	300
New business licenses issued	1,969	1,900	1,900
Business license renewals	10,879	10,200	10,600
Business license delinquency notices	2,540	2,550	2,650
Percent of business licenses paid by due date	77%	75%	75%
Assessment district billings	3,216	4,000	4,000
Assessment district delinquency notices	774	1,000	1,000
Percent of PBIA assessments paid by due date	76%	75%	75%
Percent of accounts sent to collections	2%	2%	2%

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Revenue & Cash Management  
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## RECENT PROGRAM ACHIEVEMENTS

Received the Government Finance Officers Association Distinguished Budget Award for the FY 2005 Adopted Budget, reflecting production of a document that achieves national program criteria.

## 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 providing 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 throughout the fiscal year.
- Publish the City's Two-Year Financial Plan and Annual Budget and the Budget-at-a-Glance, including CD-ROM and posting on the City's web site.

### Key Objectives for Fiscal Year 2006

- Complete 80% of all budget journal entries to record Council-approved budget amendments within 7 working days of approval.
- Receive the Government Finance Officers Association (GFOA) Distinguished Budget Award.
- Project General Fund non-departmental revenues within a 2% margin in relation to mid-year projections.
- Submit the FY 2007 Proposed Mid-Cycle Budget to Council and City Clerk by due date.
- Post the FY 2007 Proposed Mid-Cycle Budget on the Internet within 5 days following filing date.
- Produce the FY 2006-07 Two-Year Financial Plan within 30 days after prior year-end.
- Ensure that policy reserves are calculated each year.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>2.85</b>	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 186,833	\$ 186,833	\$ 234,507	\$ 243,887
General Fund Subsidy	370,221	195,328	195,070	191,464	199,853
<b>Total Revenue</b>	<b>\$ 370,221</b>	<b>\$ 382,161</b>	<b>\$ 381,903</b>	<b>\$ 425,971</b>	<b>\$ 443,740</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 306,635	\$ 305,145	\$ 306,397	\$ 346,284	\$ 362,833
Supplies and Services	63,160	77,016	75,506	77,687	78,907
Non-Capital Equipment	426	-	-	2,000	2,000
<b>Total Expenditures</b>	<b>\$ 370,221</b>	<b>\$ 382,161</b>	<b>\$ 381,903</b>	<b>\$ 425,971</b>	<b>\$ 443,740</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of budget journal entries completed within 7 days	60%	85%	85%
Consecutive GFOA Distinguished Budget Awards / Number of submissions for award	4 / 4	5 / 5	6 / 6
Number of budget adjustments	N/A	130	130
Days to produce the adopted budget document after fiscal year-end	95	30	30
Days to post the proposed budget to Internet	0	5	5

## FINANCE PROGRAMS

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## RECENT PROGRAM ACHIEVEMENTS

Published an interactive version of the City's Comprehensive Annual Financial Report (CAFR) on the Finance Internet web page for the first time.

## Accounting Services

(Program No. 1431)

### Mission Statement

Maintain and ensure the integrity of the City's financial records and audits and report financial information to Council, the public, and 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 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 2006

- Compile, produced, and issue the annual Comprehensive Annual Financial Reports (CAFRs) for the City and the Redevelopment Agency within 150 days of fiscal year-end.
- Receive an unqualified audit opinion for the annual financial statement audit.
- Receive Government Finance Officers Association (GFOA) and California Municipal Finance Officers (CSMFO) awards for achievement in financial reporting for the City's CAFR.
- Complete 92% of monthly bank reconciliations within 30 days of receiving bank statements.
- Complete 92% of general ledger monthly closings within 5 working days of month-end.
- Complete and submit 91% of monthly interim financial reports to City Council within 45 days of month-end.
- Reduce the number of bound copies of the RDA and City CAFRs printed for distribution by 25% by issuing electronic versions of the reports (via CD, email, or Internet access).
- Complete and file the required annual disclosure reports for all debt issues prior to February 15.

## Key Objectives for Fiscal Year 2006 (continued)

- Publish City and RDA CAFRs on the City's Internet web page within 7 days of presentation to City Council.
- Complete infrastructure asset capitalization by June 30, 2006, as required by GASB 34.
- Conduct at least one training workshop for employees to improve their knowledge of analyzing financial data and/or financial reporting.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>2.20</b>	<b>2.85</b>	<b>2.85</b>	<b>2.20</b>	<b>2.20</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 213,958	\$ 213,958	\$ 229,958	\$ 239,157
General Fund Subsidy	262,317	161,100	199,813	150,627	160,450
<b>Total Revenue</b>	<b>\$ 262,317</b>	<b>\$ 375,058</b>	<b>\$ 413,771</b>	<b>\$ 380,585</b>	<b>\$ 399,607</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 129,714	\$ 254,122	\$ 272,697	\$ 257,431	\$ 273,028
Supplies and Services	131,527	120,936	126,074	120,154	121,579
Special Projects	-	-	15,000	-	-
Non-Capital Equipment	1,076	-	-	3,000	5,000
<b>Total Expenditures</b>	<b>\$ 262,317</b>	<b>\$ 375,058</b>	<b>\$ 413,771</b>	<b>\$ 380,585</b>	<b>\$ 399,607</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Days after June 30 to issue City and RDA CAFRs	148	146	150
Unqualified audit opinions	1	1	1
Awards for achievement in financial reporting	1	2	2
Percent of bank statements completed within 30 days	17%	92%	92%
Percent of general ledger closings completed within 5 working days of month-end	N/A	92%	92%
Percent of interim reports submitted to Council within 45 days	N/A	N/A	91%
Audit adjustments required by independent auditor	3	2	3
Journal entries posted	N/A	N/A	480
Bound copies of the CAFR distributed	N/A	N/A	135
Electronic copies of the CAFR distributed	N/A	N/A	45

## FINANCE PROGRAMS

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

➤ **Payroll**

Accounts Payable  
City Billing & Customer Service  
Purchasing  
Central 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

Direct Deposit form improved and added to Intranet. Separate Family Sick Leave/Sick Leave calculations modified and added to pay stubs. Social Security Numbers eliminated from 6 department reports.

## 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 2006

- Process and pay payroll accurately and timely 99.9% of the time.
- Achieve a 94% accuracy rate of submitted timesheets during the fiscal year.
- Reconcile 60% of insurance billings within 30 days of receipt from company.
- Audit and, if necessary, update 52 of 92 payroll reports to improve effectiveness and usefulness of reports.
- Determine the feasibility and cost effectiveness of using electronic timesheets for citywide payroll timecard entry.



## Key Objectives for Fiscal Year 2006 (continued)

- Implement two new automated procedures as requested by employees in the February 2004 payroll survey.
- Prepare 2005 W-2 forms for distribution by January 17, 2006.
- Reconcile all payroll tax and liability accounts and adjust the general ledger as necessary by June 30, 2006.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<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>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 115,048	\$ 115,048	\$ 156,225	\$ 162,474
General Fund Subsidy	319,465	255,786	248,289	232,304	242,244
<b>Total Revenue</b>	<b>\$ 319,465</b>	<b>\$ 370,834</b>	<b>\$ 363,337</b>	<b>\$ 388,529</b>	<b>\$ 404,718</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 173,600	\$ 186,617	\$ 179,101	\$ 200,137	\$ 211,101
Supplies and Services	145,865	184,217	184,236	188,392	193,617
<b>Total Expenditures</b>	<b>\$ 319,465</b>	<b>\$ 370,834</b>	<b>\$ 363,337</b>	<b>\$ 388,529</b>	<b>\$ 404,718</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Accuracy rate of timesheet data entry	99.92%	99.91%	99.9%
Accuracy rate of timecards submitted by departments	N/A	95%	94%
Percent of insurance billings balanced within 30 days	N/A	N/A	60%
Dollar value of benefits and withholding accounts reconciled bi-weekly per payroll staff member	\$2,836,000	\$3,200,000	\$3,300,000
City employees per payroll staff	770	653	655
Program cost per paycheck issued	\$7.80	\$8.65	\$8.75
Program cost per timesheet processed	N/A	N/A	\$8.50
W-2's issued annually	2,032	2,072	2,100
Percent of staff hours worked per quarter	N/A	83.5%	85%

## FINANCE PROGRAMS

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

➤ **Accounts Payable**

City Billing & Customer Service  
Purchasing  
Central 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

Accounts Payable dataset was updated to change primary payment address to vendor selection address. Annual 1099-MISC forms were printed and distributed on January 11, 2005.

# 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.
- Perform daily 'Positive Pay' check disbursement reports to the bank.

## Key Objectives for Fiscal Year 2006

- Issue 99% of vendor payments within 2 working days of receipt of claim for payment.
- Issue 99% of payments error free to vendors.
- Audit and, if necessary, update 5 additional accounts payable reports to improve effectiveness and usefulness of reports.
- Complete an audit/analysis of accounts payable processing and procedures to determine the potential for enhancements, and implement enhancement findings by working with the Information Systems Division.
- Prepare 2005 1099-MISC forms for distribution by January 17, 2006.
- Develop and conduct an accounts payable departmental user training survey to determine City-wide training needs and provide training.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 115,198	\$ 115,198	\$ 114,470	\$ 119,049
General Fund Subsidy	188,713	76,240	78,513	91,284	93,823
<b>Total Revenue</b>	<b>\$ 188,713</b>	<b>\$ 191,438</b>	<b>\$ 193,711</b>	<b>\$ 205,754</b>	<b>\$ 212,872</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 112,368	\$ 120,187	\$ 118,961	\$ 130,398	\$ 135,670
Supplies and Services	76,345	71,251	74,750	75,356	77,202
<b>Total Expenditures</b>	<b>\$ 188,713</b>	<b>\$ 191,438</b>	<b>\$ 193,711</b>	<b>\$ 205,754</b>	<b>\$ 212,872</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of payments issued within 2 working days after receipt of claim	N/A	100%	99%
Percent of payments issued error free to vendors	N/A	99.5%	99%
Invoices processed	N/A	58,600	59,000
Program cost per payment issued	\$7.39	\$8.25	\$8.50
Percentage of available discounts taken by departments	28.18%	15.3%	15%
Percentage of discounts taken by A/P staff	63.06%	60.85%	62%
Total value of discounts available	N/A	N/A	\$9,200
Total value of discounts utilized	N/A	N/A	\$7,000

## FINANCE PROGRAMS

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

➤ **City Billing & Customer Service**

Purchasing  
Central 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

Successfully conducted a customer satisfaction survey and learned that 95% of our customers expressed an overall positive experience when dealing with our office.

## City Billing & Customer Service

(Program No. 1434)

### Mission Statement

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

### Program Activities

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

### Key Objectives for Fiscal Year 2006

- Issue 90% of refunds due on closed water accounts within 30 days.
- Accurately input 95% newly created auto-payment account information for utility billing and harbor slip customers.
- Notify Extraordinary Water use applicants of credit determination within 45 days of application's receipt.
- Complete an analysis of Extraordinary Water Use applications received and quantify the financial impact of the credits granted.
- Assess the number and dollar amount of delinquent customer accounts sent to our collection agency and perform analysis of the recovered dollar amount.
- Develop a tracking method for monitoring Utility Billing accuracy by February 28, 2006.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>3.60</b>	<b>3.60</b>	<b>3.60</b>	<b>3.75</b>	<b>3.75</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 559,653	\$ 559,653	\$ 607,061	\$ 631,343
General Fund Subsidy	517,123	-	-	-	-
<b>Total Revenue</b>	<b>\$ 517,123</b>	<b>\$ 559,653</b>	<b>\$ 559,653</b>	<b>\$ 607,061</b>	<b>\$ 631,343</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 206,790	\$ 252,745	\$ 257,958	\$ 291,556	\$ 302,118
Supplies and Services	310,087	306,881	278,861	288,612	292,871
Special Projects	246	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 517,123</b>	<b>\$ 559,626</b>	<b>\$ 536,819</b>	<b>\$ 580,168</b>	<b>\$ 594,989</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percentage of water refunds issued within 30 days of account being closed	N/A	90%	90%
Accuracy rate of customer account auto-payment data entry	N/A	95%	95%
Percent of Extraordinary Water Use applicants notified of credit determination within 45 days of receipt	N/A	N/A	95%
Bills issued monthly	32,111	32,000	31,980
Cost per bill issued	\$1.33	\$1.42	\$1.63
Service orders prepared monthly	1,062	1,088	1,000
Phone calls received from customers monthly	2,288	2,350	2,600
Customers on automatic pay including utility bills and harbor slips	3,977	4,400	4,300

## FINANCE PROGRAMS

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

### ➤ Purchasing

Central 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

Purchasing staff bid 84% of Blanket Purchase Orders exceeding \$50,000 to ensure that the City was receiving competitively priced services and materials.

## 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, and 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.

### Key Objectives for Fiscal Year 2006

- Re-bid 85% of Blanket Purchase Orders over \$50,000 to ensure that the City is receiving competitively priced services and materials.
- Process informal requests into purchase orders within an average of 30 calendar days.
- Process formal requests into purchase orders within an average of 75 calendar days.
- Achieve an 80% customer satisfaction rating for purchasing operations.
- Evaluate Purchasing Code revisions to determine if raising the bid thresholds would be efficient.
- Provide a purchasing training workshop to employees as part of the City’s Learning for Excellence an Achievement Program (LEAP) through quarterly orientations and an annual course.
- Develop a computerized “Bidder’s List.”

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>5.75</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 230,894	\$ 230,894	\$ 361,587	\$ 376,051
General Fund Subsidy	327,368	278,118	247,294	200,306	193,985
<b>Total Revenue</b>	<b>\$ 327,368</b>	<b>\$ 509,012</b>	<b>\$ 478,188</b>	<b>\$ 561,893</b>	<b>\$ 570,036</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 257,801	\$ 430,654	\$ 402,231	\$ 473,425	\$ 477,134
Supplies and Services	69,567	78,358	75,957	85,720	87,902
Equipment Capital	-	-	-	2,748	5,000
<b>Total Expenditures</b>	<b>\$ 327,368</b>	<b>\$ 509,012</b>	<b>\$ 478,188</b>	<b>\$ 561,893</b>	<b>\$ 570,036</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of Blanket Purchase Orders over \$50,000 re-bid	0%	85%	85%
Days to process informal requisitions into purchase orders	N/A	N/A	30
Days to process formal requisitions into purchase orders	N/A	N/A	75
Customer satisfaction rating for Purchasing Services	N/A	N/A	80%
Purchase Orders (all categories) issued, including change orders	6,151	6,300	5,000
Cash Purchase Orders (CPO) issued for routine services and supplies under \$500	1,368	1,850	550
Purchase Orders (PO) issued for routine services and supplies over \$500	1,955	1,800	1,800
Blanket Purchase Orders (BPO) issued for ordinary services and supplies	1,383	1,200	1,200
Purchase Orders (PS) issued for Professional Services	297	350	350
Change Orders (CO) issued	1,148	1,150	1,150
Request for Proposals/Qualifications (RFPs/RFQs) advertised	7	8	8
Bids for Ordinary Services and/or Materials	N/A	90	90
Average Purchase Orders processed per Buyer (3 Buyers)	1,947	2,100	1,675

## FINANCE PROGRAMS

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

➤ **Central 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

All inventory shelves were labeled with stock numbers, product description, and assigned an aisle number.

## 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

- 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.

### Key Objectives for Fiscal Year 2006

- Maintain the accuracy of the monthly inventory count within 2%.
- Process and fill 98% of issue requisitions within the promised timeframe.
- Complete monthly inventory within 1 working day.
- Evaluate the impact, feasibility, and cost savings of direct shipments of custodial supplies by vendors to City facilities.



## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	1.55	1.65	1.65	1.65	1.65
<b>Hourly Employee Hours</b>	N/A	0	0	0	0
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 90,991	\$ 90,991	\$ 105,389	\$ 109,604
General Fund Subsidy	226,486	45,484	46,796	38,754	41,848
<b>Total Revenue</b>	<b>\$ 226,486</b>	<b>\$ 136,475</b>	<b>\$ 137,787</b>	<b>\$ 144,143</b>	<b>\$ 151,452</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 194,743	\$ 103,581	\$ 104,753	\$ 112,180	\$ 118,775
Supplies and Services	28,447	32,894	33,034	31,963	32,677
Special Projects	3,296	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 226,486</b>	<b>\$ 136,475</b>	<b>\$ 137,787</b>	<b>\$ 144,143</b>	<b>\$ 151,452</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Accuracy percentage of monthly inventory	N/A	N/A	98%
Issue requisitions processed within the promised timeframe	N/A	98%	98%
Monthly inventories completed within 1 working day	N/A	10	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

### ➤ 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

All meter locations have been updated in the FMS system to help meter readers and customers to locate water meters easily.

## Meter Reading

(Program No. 1443)

### Mission Statement

Read water meters 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.

### Key Objectives for Fiscal Year 2006

- Respond to 100% of service orders within 1 working day.
- Maintain a 99.9% or better meter reading accuracy rate.
- Read 100% of water meters according to an approved schedule, monthly.
- Achieve 80% satisfaction rate for water meter reading services from customer satisfaction survey.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>5.60</b>	<b>5.65</b>	<b>5.65</b>	<b>5.65</b>	<b>5.65</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Overhead Allocation Recovery	N/A	\$ 378,143	\$ 378,143	\$ 448,994	\$ 466,953
General Fund Subsidy	399,332	30,738	32,391	-	-
<b>Total Revenue</b>	<b>\$ 399,332</b>	<b>\$ 408,881</b>	<b>\$ 410,534</b>	<b>\$ 448,994</b>	<b>\$ 466,953</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 355,275	\$ 360,556	\$ 360,207	\$ 381,729	\$ 394,551
Supplies and Services	44,057	48,325	50,327	55,961	57,233
<b>Total Expenditures</b>	<b>\$ 399,332</b>	<b>\$ 408,881</b>	<b>\$ 410,534</b>	<b>\$ 437,690</b>	<b>\$ 451,784</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of service calls responded to within 1 working day	100%	100%	100%
Accuracy rate of meters read	99%	99%	99.9%
Percent of meters read according to schedule	100%	100%	100%
Satisfaction rating of customers	N/A	N/A	80%
Percent of missed reads completed within two working days	100%	100%	100%
Return visits for missed reads annually	N/A	800	800
Meters turned off for non-payment	1,078	1,200	1,200
Meters read annually	310,680	310,680	312,660
Meters read per month per meter reader	N/A	5,178	5,211
Cost per meter read	N/A	N/A	\$12.30

## FINANCE PROGRAMS

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

Processed a high percentage of orders in-house reducing the time between ordering and completion as well as cost effective means for our customers.

## 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.

### Key Objectives for Fiscal Year 2006

- Process at least 97% of service requests in-house to ensure effective utilization of duplicating staff.
- Complete 95% of printing and copying orders within the promised timeframe.
- Update the fiscal year 2007 fee schedule for duplicating services by June 15, 2006.
- Implement service improvements for duplicating services based on comments received from a customer satisfaction survey.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>2.10</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Fees and Service Charges	\$ 208,351	\$ 233,950	\$ 183,810	\$ 180,000	\$ 175,000
Other Revenue	66,132	64,658	64,658	117,558	127,727
<b>Total Revenue</b>	<b>\$ 274,483</b>	<b>\$ 298,608</b>	<b>\$ 248,468</b>	<b>\$ 297,558</b>	<b>\$ 302,727</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 147,860	\$ 144,175	\$ 144,529	\$ 158,738	\$ 164,654
Supplies and Services	174,130	154,680	132,306	138,820	138,073
<b>Total Expenditures</b>	<b>\$ 321,990</b>	<b>\$ 298,855</b>	<b>\$ 276,835</b>	<b>\$ 297,558</b>	<b>\$ 302,727</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ (47,507)</b>	<b>\$ (247)</b>	<b>\$ (28,367)</b>	<b>\$ -</b>	<b>\$ -</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of service requests processed in-house	98%	97%	97%
Percent of printing and copying orders completed within promised timeframe	96%	95%	95%
Average cost per black and white copy (single-sided / double-sided)	\$ 0.03 / 0.06	\$ 0.03 / 0.06	\$ 0.03 / 0.06
Average cost per color copy (single-sided / double-sided)	\$ 0.30 / 0.60	\$ 0.30 / 0.60	\$ 0.30 / 0.60
Average days to complete service orders	2.9	3.0	3
Duplications service requests and total number of copies	1,729/ 2,400,000	1,400/ 1,700,000	1,400/ 2,000,000
Utility billing mailings and total number of pieces processed	850/ 402,687	725/ 412,000	720/ 410,000

## FINANCE PROGRAMS

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

Increased the number of presorted mail sent, increasing the financial savings to the City.

## 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 pre-sort standards on mail qualifying for discount rates.
- Review informational brochure outlining mail courier services and update as necessary.

### Key Objectives for Fiscal Year 2006

- Send 85% of outgoing U.S.P.S. mail at the discounted presort rate.
- Provide mail courier services according to an approved mail service schedule 98% of the time.
- Track savings to the City through the use of other delivery services (UPS).
- Complete an evaluation of the effectiveness of merging the Mail Courier Services program with the Warehouse program.
- Implement service improvements for mail courier services based on comments received from a customer satisfaction service survey.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>1.00</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Other Revenue	\$ 59,846	\$ 66,870	\$ 66,870	\$ 87,505	\$ 89,239
<b>Total Revenue</b>	<b>\$ 59,846</b>	<b>\$ 66,870</b>	<b>\$ 66,870</b>	<b>\$ 87,505</b>	<b>\$ 89,239</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 30,140	\$ 49,405	\$ 52,507	\$ 59,699	\$ 63,868
Supplies and Services	12,468	17,465	17,897	27,806	25,371
<b>Total Expenditures</b>	<b>\$ 42,608</b>	<b>\$ 66,870</b>	<b>\$ 70,404</b>	<b>\$ 87,505</b>	<b>\$ 89,239</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of mail processed at presort rates	75%	83%	85%
Percent of mail stops completed	98%	99%	98%
Pieces of outgoing U.S.P.S. mail processed	516,757	650,000	650,000
Pieces of interoffice mail and correspondence	26,430	26,000	25,000
Dollar savings to City using presort mailings	\$13,407	\$25,000	\$24,000
Labor cost per piece of outgoing U.S.P.S. mail	\$0.07	\$0.05	\$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  
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

TBA Reduced medical costs paid by 54%.  
Reduced indemnity claim costs by over \$300,000. Closed 215 claims. Reduced excess insurance premium by 30% over 2 fiscal years.

## 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 2006

- Conduct semi-annual claim reviews with the four departments with the highest claim frequency during fiscal year 2005 and annually with the remaining departments.
- Increase the use of modified work duty to 625 days.
- Complete the investigation on 50% of the industrial injuries with lost time within 45 days of knowledge.
- Complete contract audit of Third Party Administrator by December 31, 2005.
- Conduct two Risk Awareness classes for the LEAP Program by June 30, 2006.



## Key Objectives for Fiscal Year 2006 (continued)

- o Ensure that claim administrator sends loss data to nationwide public entity statistical clearinghouse to participate in national benchmarking effort by June 30, 2006.
- o Complete the evaluation on the merits of implementing a Medical Panel Network.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>1.75</b>	<b>1.55</b>	<b>1.55</b>	<b>1.55</b>	<b>1.55</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>
<b>Revenues</b>					
Workers Compensation Premium:	\$ 3,374,303	\$ 3,370,716	\$ 3,370,716	\$ 3,747,010	\$ 3,875,260
Other Revenue	126,148	-	-	-	-
<b>Total Revenue</b>	<b>\$ 3,500,451</b>	<b>\$ 3,370,716</b>	<b>\$ 3,370,716</b>	<b>\$ 3,747,010</b>	<b>\$ 3,875,260</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 161,083	\$ 158,084	\$ 158,355	\$ 151,434	\$ 157,120
Supplies and Services	2,704,815	3,276,782	3,182,248	3,595,576	3,718,140
Transfers Out	-	1,368	1,368	-	-
Non-Capital Equipment	957	1,500	600	-	-
<b>Total Expenditures</b>	<b>\$ 2,866,855</b>	<b>\$ 3,437,734</b>	<b>\$ 3,342,571</b>	<b>\$ 3,747,010</b>	<b>\$ 3,875,260</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 633,596</b>	<b>\$ (67,018)</b>	<b>\$ 28,145</b>	<b>\$ -</b>	<b>\$ -</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Review of open claims conducted with the department	N/A	8	17
Temporary Total Disability days not paid	N/A	600	625
Percent of industrial injuries, with lost work time, investigated within 45 days of knowledge	59%	50%	50%
Total annual claim costs (paid and reserved)	\$1,630,328	\$1,280,000	\$1,319,513
Annual gross amount of medical costs billed (all open claims)	\$2,387,244	\$2,100,000	\$2,252,867
Annual gross medical amount of costs paid (all open claims)	\$915,471	\$1,250,000	\$969,818
Annual cost of professional medical bill review services (all open claims)	\$114,597	\$101,000	\$102,654
Claims filed	193	205	195
Open claims all years at fiscal year end	238	225	214
Litigation Ratio (active litigated claims/number of open claims; all years)	N/A	20%	20%
Percent of claims filed without lost time	44%	40%	45%
Percent of eligible industrial injury employees on modified duty	76%	65%	70%

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
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Purchasing  
Central 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 number of claims filed and costs incurred decreased from fiscal year 2003 to fiscal year 2004. The number of City vehicle accidents and costs incurred for City related vehicle accidents also decreased during the same period.

## 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 2006

- Complete 90% of claim investigations within 45 days.
- Route 90% of public hazard concerns to appropriate department within 2 working days.
- Reduce preventable fleet collisions from 71 (FY 04) to 67.
- Conduct two departmental workplace security assessments and implement recommendations.
- Conduct two Risk Management classes for the LEAP program by June 30, 2006.
- Ensure that claim administrator sends loss data to nationwide public entity claim statistic clearinghouse by June 30, 2006 to participate in benchmarking study.
- Update fleet liability Illness Prevention Program sections by March 31, 2006.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>1.30</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>
<b>Revenues</b>					
Liability Insurance Premiums	\$ 766,050	\$ 1,224,163	\$ 1,224,163	\$ 1,560,366	\$ 1,562,694
ACCEL- Return of Premium	16,140	-	-	-	-
Other Revenue	13,710	-	-	-	-
<b>Total Revenue</b>	<b>\$ 795,900</b>	<b>\$ 1,224,163</b>	<b>\$ 1,224,163</b>	<b>\$ 1,560,366</b>	<b>\$ 1,562,694</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 110,898	\$ 125,989	\$ 124,976	\$ 121,530	\$ 126,384
Supplies and Services	368,092	1,199,898	1,132,317	1,437,458	1,436,310
Transfers Out	-	-	-	1,378	-
Non-Capital Equipment	1,989	1,625	600	-	-
<b>Total Expenditures</b>	<b>\$ 480,979</b>	<b>\$ 1,327,512</b>	<b>\$ 1,257,893</b>	<b>\$ 1,560,366</b>	<b>\$ 1,562,694</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 314,921</b>	<b>\$ (103,349)</b>	<b>\$ (33,730)</b>	<b>\$ -</b>	<b>\$ -</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percentage of claims acted upon within 45 days of receipt	90%	90%	90%
Percentage of public hazard complaints routed to appropriate departments, within 2 working days of receipt	N/A	N/A	90%
Preventable City vehicle collisions	N/A	N/A	67
Liability claims filed during the quarter	156	170	160
Total current open claims	N/A	100	100
Total annual claim costs paid	N/A	\$75,000	\$75,000
Percent of annual claims filed resulting in litigation	N/A	10%	10%
Percent of open claims litigated (all years)	13%	18%	15%
Percentage of claims closed within 11 months of filing	93%	85%	85%
Loss prevention class attendees, including Defensive Driver Classes	336	170	210
Reported vehicle incidents	139	130	130
Percent of vehicle collisions resulting in claims	9%	10%	10%
Amount paid for preventable accidents	N/A	\$30,000	\$30,000

## FINANCE PROGRAMS

- Administration
- Revenue & Cash Management
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- Licenses & Permits
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- Accounts Payable
- City Billing & Customer Service
- Purchasing
- Central 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

Loss work days reduced by 15% in fiscal year 2005. Conducted a citywide facility safety inspection.

## 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 and 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 a 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 network of internal occupational safety and health trainers.

### Key Objectives for Fiscal Year 2006

- Reduce occupational injuries by 5%.
- Maintain compliance with state and federal Occupational Safety and Health Association (OSHA) mandates.
- Conduct two departmental safety audits to examine loss prevention management and organization.
- Conduct Fall Protection Training.
- Coordinate department facility safety inspection to identify potential physical hazards.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<b>Authorized Positions</b>	<b>1.30</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>
<b>Hourly Employee Hours</b>	<b>N/A</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Revenues</b>					
Occupational Health and Safety F	\$ 217,076	\$ 228,744	\$ 228,744	\$ 253,162	\$ 289,917
<b>Total Revenue</b>	<b>\$ 217,076</b>	<b>\$ 228,744</b>	<b>\$ 228,744</b>	<b>\$ 253,162</b>	<b>\$ 289,917</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 61,045	\$ 121,818	\$ 76,465	\$ 170,482	\$ 180,259
Supplies and Services	39,850	126,046	80,861	82,680	109,658
Non-Capital Equipment	261	1,500	10,600	-	-
<b>Total Expenditures</b>	<b>\$ 101,156</b>	<b>\$ 249,364</b>	<b>\$ 167,926</b>	<b>\$ 253,162</b>	<b>\$ 289,917</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Occupational injury claims filed	N/A	205	195
Percent compliance with state and federal OSHA mandates	N/A	< 100%	<100%
Employees attending Injury and Illness Prevention Program training sessions	1,000	1,000	1,000
Ergonomic evaluations conducted	40	15	20
Safety audits conducted	0	2	2
Loss work days due to occupational injuries	3,596	3,300	3,000
Occupational Safety Trainers	130	94	94

## FINANCE PROGRAMS

Administration  
Revenue & Cash Management  
Cashiering & Collections  
Licenses & Permits  
Budget Management  
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Mail Courier Services  
Risk Management – Workers'  
Compensation  
Risk Management – Liability  
Risk Management –  
Occupational Safety & Health  
➤ Risk Management –  
Administrative Operations



## RECENT PROGRAM ACHIEVEMENTS

Created on-line work  
injury reporting.  
Updated the Risk cost  
allocation plan.

## Administrative Operations

(Program No. 1464)

### Mission Statement

Manage Risk Management 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 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 2006

- Ensure completion of 80% of Risk Management Division program objectives.
- Compile and distribute monthly and annual loss data reports to operating departments.
- Create on-demand workers' compensation and liability loss run reports for operating departments.
- Convert Risk Management Access training database to new Learning Management System by June 30, 2006.

## Financial and Staffing Information

	Actual FY 2004	Amended FY 2005	Projected FY 2005	Adopted FY 2006	Proposed FY 2007
<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>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>					
Interest Income	\$ 136,532	\$ 120,000	\$ 155,476	\$ 172,000	\$ 186,000
Market Valuation	(99,953)	-	-	-	-
Property Insurance Allocation	1,788,691	1,425,837	1,425,837	1,674,870	1,708,752
ACCEL- Return of Premium	1,294,613	190,000	-	-	-
Other Revenue	19	-	-	-	-
<b>Total Revenue</b>	<b>\$ 3,119,902</b>	<b>\$ 1,735,837</b>	<b>\$ 1,581,313</b>	<b>\$ 1,846,870</b>	<b>\$ 1,894,752</b>
<b>Expenditures</b>					
Salaries and Benefits	\$ 83,106	\$ 91,192	\$ 92,192	\$ 103,747	\$ 108,853
Supplies and Services	2,143,408	1,600,674	1,441,649	1,741,623	1,784,399
Non-Capital Equipment	751	1,500	600	1,500	1,500
<b>Total Expenditures</b>	<b>\$ 2,227,265</b>	<b>\$ 1,693,366</b>	<b>\$ 1,534,441</b>	<b>\$ 1,846,870</b>	<b>\$ 1,894,752</b>
<b>Addition to (Use of) Reserves</b>	<b>\$ 892,637</b>	<b>\$ 42,471</b>	<b>\$ 46,872</b>	<b>\$ -</b>	<b>\$ -</b>

## Program Performance Measures

	Actual FY 2004	Projected FY 2005	Adopted FY 2006
Percent of division objectives accomplished	N/A	80%	80%
Loss data reports	N/A	13	13
Dollar value of property damage and workers' compensation expenses recovered from negligent third parties	\$100,000	\$100,000	\$100,000
Total cost of risk as percentage of total City operating and capital expenditures	3%	3%	3%
Public hazard concerns received	72	72	70

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