



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 one internal service fund and one enterprise fund: the Self-Insurance Trust Fund manages the City's insurance portfolio and self-insured workers' compensation program, and the Solid Waste Fund manages the City's operations related to solid waste in support of State AB 939.



Fiscal Year 2014 Budget Highlights

Led by the Finance and Administrative Services Departments, the City will fully implement a new financial management system with a state-of-the-art system featuring the latest technologies and best practices in financial accounting and reporting. This new system will help City staff do their work more effectively and ultimately increase the level of services provided to the public.



DEPARTMENT SUMMARY

Finance

Department Financial and Staffing Summary

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	46.50	46.50	46.50	47.05	47.05
Hourly Employee Hours	1,386	1,938	2,296	800	850
Revenues					
Donations	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 81,600
Fees and Service Charges	17,629,080	17,879,577	18,156,495	19,241,810	19,721,581
Insurance Premiums	2,547,084	2,598,025	2,598,025	2,756,112	2,785,293
Interest Income	119,893	116,000	68,199	60,300	55,200
Intergovernmental	847,981	421,967	370,814	494,816	195,000
Premium Rebate	-	600,000	600,000	-	-
Licenses	14,138	9,000	13,829	9,180	9,364
OSH Premiums	-	187,961	187,961	193,833	202,887
Other Revenue	466,704	464,600	711,820	410,100	412,932
Transfers In	23,686	-	-	-	-
Workers Comp. Premiums	2,500,000	2,600,000	2,600,000	2,950,702	3,086,670
Overhead Allocation Recovery	2,935,330	2,803,729	2,803,729	3,097,189	3,159,130
General Fund Subsidy	1,107,012	1,557,648	1,428,198	1,384,770	1,534,400
Total Department Revenue	\$28,270,908	\$29,318,507	\$ 29,619,070	\$ 30,678,812	\$ 31,244,057
Expenditures					
Salaries and Benefits	\$ 4,523,897	\$ 4,934,959	\$ 4,749,878	\$ 5,056,695	\$ 5,240,358
Supplies and Services	22,714,375	23,201,414	23,313,052	24,729,727	25,454,156
Special Projects	584,392	689,203	674,327	635,463	673,173
Appropriated Reserve	-	-	21,774	33,106	25,000
Capital Equipment	622,164	80,675	14,609	13,709	13,783
Debt Service	3,693,950	172,905	172,905	-	-
Non-Capital Equipment	6,604	2,270	423	-	-
Tax Expense	7,514	8,000	8,000	8,000	8,000
Transfers Out	60,503	61,671	61,671	67,556	50,000
Premium Rebate	-	183,102	183,102	-	-
Total Department Expenditures	\$32,213,399	\$29,334,199	\$ 29,199,741	\$ 30,544,256	\$ 31,464,470
Addition to (Use of) Reserves	\$ (3,942,491)	\$ (15,692)	\$ 419,329	\$ 134,556	\$ (220,413)

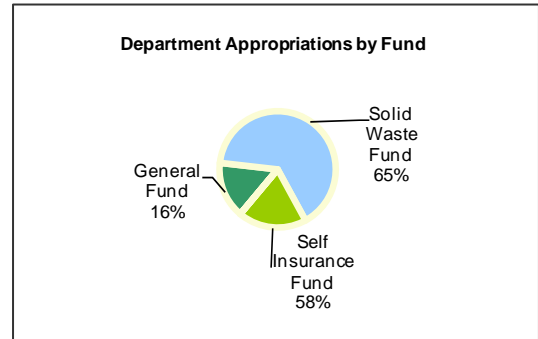
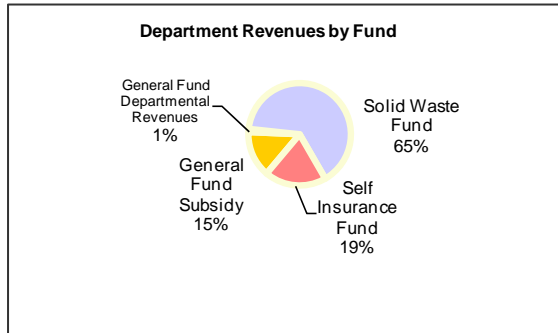
The Finance Department is budgeted in the General Fund, Self-Insurance Trust Fund, and Solid Waste Fund.



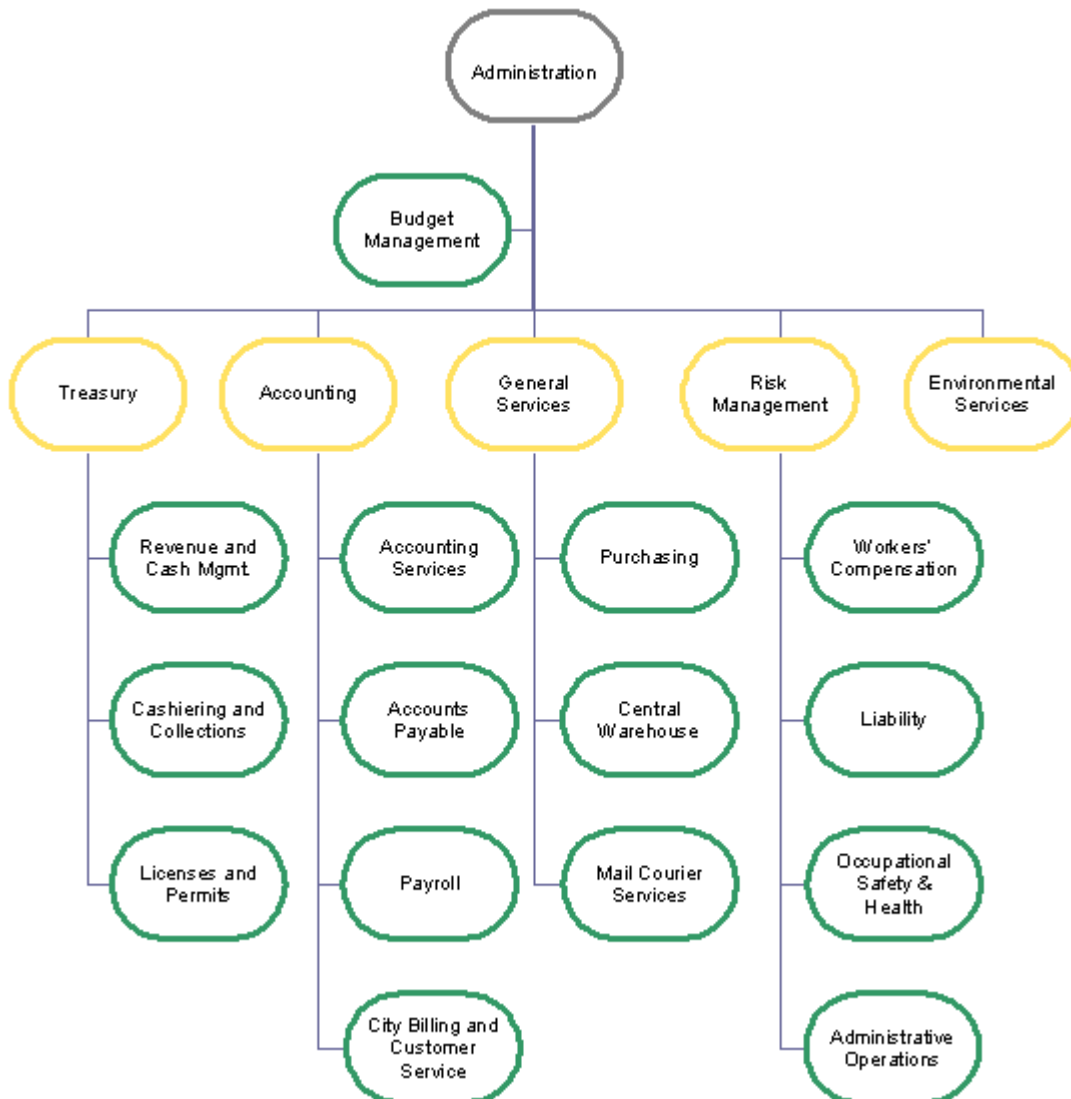
DEPARTMENT SUMMARY

Finance

Department Fund Composition



Program Organizational Chart



FINANCE PROGRAMS

➤ Administration

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



RECENT PROGRAM ACHIEVEMENTS

Completed negotiations with MarBorg Industries for a ten-year franchise agreement that will be effective starting July 1, 2013.

In conjunction with other participating jurisdictions, completed the due diligence review of a proposal to construct a Resource Recovery Park at Tajiguas Landfill.

Administration

(Program No. 1411)

Mission Statement

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

Program Activities

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

Project Objectives for Fiscal Year 2014

- In concert with other participating jurisdictions, conduct financial and technical due diligence on the MarBorg proposal to construct a materials recovery facility component of the Resource Recovery Project. Complete analysis within 6 months of receipt of proposal.
- Implement the key financial modules of the Financial Management System Replacement (General Ledger, Budgeting, Accounts Payable, Accounts Receivable and Purchasing) project by January 2014; and implement the remaining modules by June 2014.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	1.30	1.30	1.30	1.30	1.30
Hourly Employee Hours	0	0	0	0	0
Revenues					
Other Revenue	\$ 6,228	\$ -	\$ 6,800	\$ 7,000	\$ 7,000
Overhead Allocation Recovery	118,025	112,701	112,701	130,325	132,931
General Fund Subsidy	100,142	128,884	128,097	81,140	107,317
Total Revenue	\$ 224,395	\$ 241,585	\$ 247,598	\$ 218,465	\$ 247,248
Expenditures					
Salaries and Benefits	\$ 153,719	\$ 158,665	\$ 159,417	\$ 161,099	\$ 165,767
Supplies and Services	49,969	54,520	59,781	49,366	51,481
Special Projects	13,193	20,400	20,400	-	22,000
Tax Expense	7,514	8,000	8,000	8,000	8,000
Total Expenditures	\$ 224,395	\$ 241,585	\$ 247,598	\$ 218,465	\$ 247,248

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Ensure that Finance Programs meet 75% of their program objectives.				
Percent of Finance program objectives met	78%	75%	75%	75%

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Santa Barbara City Employee Mortgage Loan Assistance Program (EMLAP) loans administered	32	32	31	30

FINANCE PROGRAMS

Administration

➤ **Revenue & Cash Management**

Cashiering & Collections

Licenses & Permits

Budget Management

Accounting Services

Payroll

Accounts Payable

City Billing & Customer Service

Purchasing

Central Warehouse

Mail Courier Services

Risk Management – Workers' Compensation

Risk Management – Liability

Risk Management – Occupational Safety & Health

Risk Management – Administrative Operations

Solid Waste



RECENT PROGRAM ACHIEVEMENTS

Managed a smooth transition as the City's bank changed ownership.

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 \$160 million.
- Submit monthly investment reports to Finance Committee and City Council.
- Manage the City's banking relationships.
- Ensure timely reconciliation of all cash transactions.
- Assist departments in establishing appropriate controls and procedures for the receipt of cash and for petty cash disbursements.
- Provide ongoing analysis of City revenues.
- Forecast and manage cash to ensure adequate liquidity for expenditure requirements.
- Conduct a monthly analysis of all City and Banking revenues.

Project Objectives for Fiscal Year 2014

- Provide a comprehensive analysis of General Fund revenues to the Finance Committee on a quarterly basis.
- Purchase investments for the City's Investment Portfolio that are consistent with investment objectives.
- Submit an annual Statement of Investment Policy for Fiscal Year 2014 to Council by September 30, 2013.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	2.60	2.60	2.60	2.60	2.60
Hourly Employee Hours	120	350	400	0	0
Revenues					
Overhead Allocation Recovery	\$ 290,365	\$ 277,267	\$ 277,267	\$ 309,230	\$ 315,415
General Fund Subsidy	151,530	253,325	233,318	208,891	217,636
Total Revenue	\$ 441,895	\$ 530,592	\$ 510,585	\$ 518,121	\$ 533,051
Expenditures					
Salaries and Benefits	\$ 299,312	\$ 323,145	\$ 326,581	\$ 327,686	\$ 338,161
Supplies and Services	125,979	126,804	123,117	140,435	144,890
Special Projects	16,604	80,643	60,887	50,000	50,000
Total Expenditures	\$ 441,895	\$ 530,592	\$ 510,585	\$ 518,121	\$ 533,051

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Submit 100% of monthly investment reports to City Council within 30 days of month-end.				
Number of months in which investment report is submitted within 30 days	12	12	12	12

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Average portfolio balance	166.1M	165M	\$165M	\$165M
Variance between the City portfolio and LAIF book rates of return	+1.26%	+/-1%	+/-1.35%	+/-1%
Average days to maturity of the portfolio	958 days	900 days	900 days	900 days
Credit rating of portfolio holdings.	AAA	AAA	AAA	AAA

FINANCE PROGRAMS

Administration
Revenue & Cash Management

➤ **Cashiering & Collections**

Licenses & Permits
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Risk Management – Occupational Safety & Health
Risk Management – Administrative Operations
Solid Waste

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.

Project Objectives for Fiscal Year 2014

- Implement the Cash Receipting component of the City's Financial Management System Replacement project by January 2014.



RECENT PROGRAM ACHIEVEMENTS

Cross-trained cashiering staff for better efficiency.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	4.20	4.15	4.15	4.15	4.15
Hourly Employee Hours	379	0	0	0	0
Revenues					
Other Revenue	\$ 97	\$ -	\$ -	\$ -	\$ -
Overhead Allocation Recovery	376,659	359,669	359,669	382,263	389,907
General Fund Subsidy	40,786	78,661	77,042	76,197	89,765
Total Revenue	\$ 417,542	\$ 438,330	\$ 436,711	\$ 458,460	\$ 479,672
Expenditures					
Salaries and Benefits	\$ 344,663	\$ 360,294	\$ 358,984	\$ 372,825	\$ 388,096
Supplies and Services	72,879	78,036	77,727	85,635	91,576
Total Expenditures	\$ 417,542	\$ 438,330	\$ 436,711	\$ 458,460	\$ 479,672

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Accurately process 99% of treasury receipts on the day received.				
Percentage of treasury receipts processed on the day received	99.6%	99%	99%	99%
Accurately prepare deposit summary and daily bank deposit with less than 10 correcting entries needed.				
Correcting entries needed	8	<10	<10	<10

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Payments processed at public counter	52,953	45,000	45,000	45,000
Utility billing lockbox payments processed	150,377	122,400	147,000	147,000
Transient Occupancy Tax (TOT) payments recorded and reconciled	546	1,800	1,800	1,800
Utility Users Tax (UUT) payments recorded and reconciled	681	1,950	1,950	1,950

FINANCE PROGRAMS

Administration
Revenue & Cash Management
Cashiering & Collections

➤ **Licenses & Permits**

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RECENT PROGRAM ACHIEVEMENTS

Increased revenue by issuing over 2,000 new business licenses; 500 of which were located by diligent search efforts of a consultant hired to find unlicensed businesses.

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 monthly collections of Transient Occupancy Tax.
- Administer the billing and collections for the city's four assessment districts: Parking and Business Improvement Area (PBIA), Old Town Business Improvement District, Downtown Business Improvement District, and the new Tourism Business Improvement District.
- Process delinquency notices and initiate collection efforts for past due accounts.
- Process and issue over 13,000 City licenses and permits.
- Review outside sources and publications to identify unlicensed businesses.

Project Objectives for Fiscal Year 2014

- Send quarterly Parking Business Improvement Area (PBIA) billings to downtown businesses within the 75-minute free parking district.
- Send annual Downtown and Old Town Business Improvement District billings by February 28, 2014.
- Perform an annual audit of all businesses within the 3 downtown assessment districts by street address to ensure that all current businesses are billed as required.
- Ensure that newly-licensed businesses are billed appropriately for the district assessments.
- Send annual business license renewal notices no later than 30 days before current license expiration.
- On a quarterly basis, send delinquency letters for unpaid PBIA assessments.
- Collect Tourism Business Improvement District (TBID) fees from hotels in the cities of Santa Barbara and Carpinteria and remit to the Santa Barbara Conference and Visitors' Bureau and Film Commission on a monthly basis.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	3.95	4.00	4.00	4.50	4.50
Hourly Employee Hours	17	1,000	1,000	0	0
Revenues					
Fees and Service Charges	\$ 39,755	\$ 32,000	\$ 39,700	\$ 42,283	\$ 42,428
Licenses	14,138	9,000	13,829	9,180	9,364
Other Revenue	684	-	666	-	-
Overhead Allocation Recovery	113,962	108,821	108,821	133,680	136,353
General Fund Subsidy	224,380	296,952	275,390	284,552	295,661
Total Revenue	\$ 392,919	\$ 446,773	\$ 438,406	\$ 469,695	\$ 483,806
Expenditures					
Salaries and Benefits	\$ 337,116	\$ 380,775	\$ 380,663	\$ 400,440	\$ 412,738
Supplies and Services	55,803	65,998	57,743	69,255	71,068
Total Expenditures	\$ 392,919	\$ 446,773	\$ 438,406	\$ 469,695	\$ 483,806

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Locate 300 unlicensed businesses using periodicals, MuniServices, Franchise Tax Board and State Board of Equalization sources.				
Number of new businesses located from reference sources	291	100	555	300

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
New business licenses issued	1,753	1,600	2,030	1,800
Business license renewals	12,838	11,200	11,230	11,700
Business license delinquency notices	3,368	3,000	3,330	3,350
Percent of business licenses paid by due date	76%	75%	75%	75%
Assessment district billings	4,709	3,350	4,550	4550
Assessment district delinquency notices	1,184	900	1,100	1,100
Percent of PBIA assessments paid by due date	73%	75%	75%	75%
Percent of accounts sent to collections	2%	2%	2%	2%

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RECENT PROGRAM ACHIEVEMENTS

Provided Budget Development 101 training to City Staff and continue to reach out to City departments for feedback to improve the efficiency of the budget process and preparation of the budget document.

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.
- Provide guidance to departments on departmental revenue estimates.
- Provide expertise to City Council and departments on economic and financial conditions and policy issues affecting the budget.
- Provide ongoing budgetary guidance and support to all City departments in administering the annual budget.
- Prepare and publish the City's Two-Year Financial Plan and Annual Budget.

Project Objectives for Fiscal Year 2014

- Produce and distribute the Adopted Two-Year Financial Plan for Fiscal Years 2014 and 2015 within 90 days of budget adoption.
- Receive the Government Finance Officers Association (GFOA) Distinguished Budget Award for the Adopted Two-Year Financial Plan for Fiscal Years 2014 and 2015.
- Submit the Fiscal Year 2015 Recommended Mid-Cycle Budget Addendum to Council and City Clerk before May 1, 2014 in accordance with the Council-established budget filing deadline.
- Implement the budget module of the City's Financial Management System Replacement project.
- Maintain minimum distribution of printed budget documents by only distributing to City Council and Executive Management to reduce paper use and waste.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	2.50	2.50	2.50	2.50	2.50
Hourly Employee Hours	0	0	0	0	0
Revenues					
Overhead Allocation Recovery	\$ 195,652	\$ 186,827	\$ 186,827	\$ 213,505	\$ 217,776
General Fund Subsidy	194,369	248,054	243,047	216,693	244,860
Total Revenue	\$ 390,021	\$ 434,881	\$ 429,874	\$ 430,198	\$ 462,636
Expenditures					
Salaries and Benefits	\$ 328,153	\$ 347,363	\$ 339,417	\$ 349,800	\$ 358,876
Supplies and Services	61,868	72,095	69,654	80,398	83,760
Special Projects	-	15,000	20,380	-	20,000
Non-Capital Equipment	-	423	423	-	-
Total Expenditures	\$ 390,021	\$ 434,881	\$ 429,874	\$ 430,198	\$ 462,636

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Complete 90% of all budget journal entries to record budget amendments within 4 working days of approval.				
Percent of budget journal entries completed within 4 working days	97%	85%	90%	90%

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Budget adjustments	128	150	130	140
Days to produce the adopted budget document after fiscal year-end	29	31	11	31

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➤ **Accounting Services**

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Compensation
Risk Management – Liability
Risk Management –
Occupational Safety & Health
Risk Management –
Administrative Operations
Solid Waste



RECENT PROGRAM ACHIEVEMENTS

Recorded the dissolution of the redevelopment agency and set up accounting records for the successor agency.

Accounting Services

(Program No. 1431)

Mission Statement

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

Program Activities

- Establish and maintain an accounting system of funds, accounts, and internal controls in accordance with Governmental Accounting Standards Board standards and Generally Accepted Accounting Principles.
- Prepare year-end closing entries, balance and reconcile all funds and accounts, coordinate and communicate with the City's independent auditors, and prepare the Comprehensive Annual Financial Report for the City.
- Prepare and submit fiscal reports, including compliance audits of grant funds and various State Controller's Reports 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.

Project Objectives for Fiscal Year 2014

- Complete and file mandatory annual disclosure reports for all debt issues prior to February 15, 2014.
- Publish the City CAFR on the City's website within 7 days of presentation to City Council.
- Implement key financial components (General Ledger, Accounts Payable, and Purchasing) of the City's Financial Management System Replacement project by January 2014.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	3.10	2.85	2.85	3.85	3.85
Hourly Employee Hours	0	0	0	0	0
Revenues					
Overhead Allocation Recovery	\$ 271,401	\$ 259,963	\$ 259,963	\$ 287,210	\$ 292,954
General Fund Subsidy	213,886	233,977	251,564	308,641	329,839
Total Revenue	\$ 485,287	\$ 493,940	\$ 511,527	\$ 595,851	\$ 622,793
Expenditures					
Salaries and Benefits	\$ 351,801	\$ 373,988	\$ 388,556	\$ 457,746	\$ 477,042
Supplies and Services	133,486	119,952	122,971	138,105	145,751
Total Expenditures	\$ 485,287	\$ 493,940	\$ 511,527	\$ 595,851	\$ 622,793

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Compile and produce the annual Comprehensive Annual Financial Report (CAFR) for the City within 170 days of fiscal year-end.				
Days after June 30 to issue City CAFR	166	170	170	170
Receive an unqualified audit opinion for the annual financial statement audit for the City.				
Unqualified audit opinion	1	1	1	1
Receive the Government Finance Officers Association (GFOA) award for achievement in financial reporting for the City's CAFR.				
Award for financial reporting	1	1	1	1
Complete 100% of monthly bank reconciliations within 45 days of receiving bank statements.				
Percent of bank reconciliations completed within 45 days	83%	100%	25%	100%
Complete 100% of general ledger closings within 7 working days of month-end.				
Percent of general ledger closings completed within 7 working days of month-end	100%	100%	100%	100%

Accounting Services

(Continued)

Measurable Objectives for Fiscal Year 2014 (cont.)

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Complete and input 100% of regular monthly interim financial reports into Legistream within 45 days of month-end.				
Percent of interim financial reports input into Legistream within 45 days	100%	100%	100%	100%
Complete and file all State Controller's Reports before the deadlines.				
Percent of State Controller's Reports prepared and filed before the deadlines	100%	100%	100%	100%
Complete the annual reserve allocation within 150 days of year-end.				
Days from year-end to complete the annual reserve allocation	138	150	160	150
Prepare 100% of quarterly and mid-year interim financial reviews for submission to the Finance Committee and City Council within 45 days of month-end.				
Percent of quarterly and mid-year interim financial reviews submitted within 45 days	N/A	N/A	N/A	100%
Submit the audited OMB-A133 Single Audit for the City to the Federal Government within 275 days of year-end.				
Days after June 30 to submit Single Audit	N/A	N/A	N/A	275

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Audit adjustments required by independent auditor	0	0	0	2
Journal entries posted	1,717	1,700	1,702	1,700

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➤ **Payroll**

Accounts Payable
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Solid Waste



RECENT PROGRAM ACHIEVEMENTS

COBRA premium assistance tax credit was applied for on 2011 quarterly tax returns, and was received during FY13 as a tax refund for the City in the amount of \$ 8,016.60.

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.

Project Objectives for Fiscal Year 2014

- 🍃 Review 45 printed payroll reports to identify opportunities to improve the effectiveness and usefulness of the reports, and eliminate or consolidate them as appropriate.
- 🍃 Identify and implement two new automated procedures as determined by Payroll staff (in collaboration with Information Systems staff) and report any paper reduction realized.
- Prepare 2013 W-2 forms for distribution by January 23, 2014.
- Audit and reconcile all payroll tax and liability accounts, and adjust the general ledger as necessary on an ongoing basis throughout the fiscal year.


Project Objectives for Fiscal Year 2014 (cont'd)

- o Ensure that 100% of program staff attends City computer training classes related to job duties in order to maintain and/or upgrade computer skills.
- o Prepare and electronically submit the Local Government Compensation Report for calendar year 2012 to the State Controller's Office by October 18, 2013.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	2.45	2.45	2.45	2.45	2.45
Hourly Employee Hours	0	0	0	0	0
Revenues					
Overhead Allocation Recovery	\$ 114,536	\$ 109,369	\$ 109,369	\$ 125,384	\$ 127,892
General Fund Subsidy	157,916	177,235	173,818	168,590	179,794
Total Revenue	\$ 272,452	\$ 286,604	\$ 283,187	\$ 293,974	\$ 307,686
Expenditures					
Salaries and Benefits	\$ 220,306	\$ 234,432	\$ 232,694	\$ 239,450	\$ 246,162
Supplies and Services	47,541	52,172	50,493	54,524	61,524
Non-Capital Equipment	4,605	-	-	-	-
Total Expenditures	\$ 272,452	\$ 286,604	\$ 283,187	\$ 293,974	\$ 307,686

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Process and pay payroll accurately and timely 99.9% of the time.				
Accuracy rate of timesheet data entry	99.95%	99.9%	99.95%	99.9%
Achieve a 96% accuracy rate of timesheets submitted by departments during the fiscal year.				
Accuracy rate of timesheets submitted by departments	96.54%	96%	96.66%	96%
Reconcile 11 of 12 (91.6%) monthly insurance billings within 30 days of receipt from benefits administrator.				
Percent of insurance billings reconciled within 30 days	100%	91.6%	100%	100%
Increase the number of employees opting out of printed pay advices by 50 to a projected total of 750 employees.				
 Number of additional employees opting out of printed pay advices	52	50	52	50

Payroll (Continued)

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Value of benefits and withholding accounts reconciled bi-weekly per payroll staff member	\$4,626,007	\$4,500,000	\$4,884,332	\$4,700,000
City employees per payroll staff member	641	640	642	640
Program cost per paycheck issued	\$5.27	\$5.25	\$5.61	\$5.75
Program cost per timesheet processed	\$5.42	\$5.50	\$5.80	\$5.95
W-2s issued annually	1,920	1,920	1,923	1,920
Percent of staff hours worked per quarter	89.33%	88%	86.54%	88%

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➤ **Accounts Payable**

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Central Warehouse
Mail Courier Services
Risk Management – Workers’
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Risk Management – Liability
Risk Management –
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Risk Management –
Administrative Operations
Solid Waste



RECENT PROGRAM ACHIEVEMENTS

Total Value of discounts
utilized during calendar
year 2012 resulted in
City savings of \$8,338.

Accounts Payable

(Program No. 1433)

Mission Statement

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

Program Activities

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

Project Objectives for Fiscal Year 2014

- Review 5 accounts payable financial reports to identify opportunities to improve the effectiveness and usefulness of the reports, and eliminate, consolidate them as appropriate.
- Implement and conduct accounts payable cross-training for all payroll staff to ensure they are fully cross-trained on calendar year-end and fiscal year-end processing.
- Prepare 2013 1099-MISC forms for distribution by January 23, 2014.
- Ensure that 100% of program staff attends City computer training classes related to job duties in order to maintain and/or upgrade computer skills.
- Implement the Accounts Payable component of the City’s Financial Management System Replacement project by January 2014.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	1.75	1.75	1.75	1.75	1.75
Hourly Employee Hours	0	0	0	0	0
Revenues					
Overhead Allocation Recovery	\$ 134,854	\$ 128,771	\$ 128,771	\$ 146,254	\$ 149,179
General Fund Subsidy	71,548	90,177	89,804	79,895	85,725
Total Revenue	\$ 206,402	\$ 218,948	\$ 218,575	\$ 226,149	\$ 234,904
Expenditures					
Salaries and Benefits	\$ 144,827	\$ 153,304	\$ 154,579	\$ 156,342	\$ 160,321
Supplies and Services	61,575	65,644	63,996	69,807	74,583
Total Expenditures	\$ 206,402	\$ 218,948	\$ 218,575	\$ 226,149	\$ 234,904

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Issue 99% of vendor payments within 2 working days of receipt of claim for payment.				
Percent of payments issued within 2 working days after receipt of claim	100%	99%	100%	99%
Issue 99% of payments to vendors, error free.				
Percent of payments issued error free to vendors	99.54%	99%	99.52%	99%

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Invoices processed	54,794	53,000	54,946	55,000
Program cost per payment issued	\$10.42	\$10.75	\$10.52	\$10.75
Percentage of available discounts taken by departments	61.53%	65%	67.1%	65%
Percentage of available discounts taken by Accounts Payable staff	20.11%	20%	16.91%	20%
Total value of discounts available	\$9,891	\$10,350	\$10,986	\$10,350
Total value of discounts utilized	\$8,075	\$8,800	\$9,228	\$8,800

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- Risk Management – Liability
- Risk Management – Occupational Safety & Health
- Risk Management – Administrative Operations
- Solid Waste



RECENT PROGRAM ACHIEVEMENTS

Launch of the new Utilities Online Website. Promoted new service via bill stuffers and a media release.

City Billing & Customer Service

(Program No. 1434)

Mission Statement

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

Program Activities

- Prepare and mail approximately 380,000 consolidated utility bills annually for water, wastewater, and refuse collection services.
- Prepare and mail approximately 34,000 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 18,000 service orders to utility customer accounts, including customer updates, water meter reading verification, bill collection efforts, and water service changes.


Project Objectives for Fiscal Year 2014

- Prepare comprehensive written procedures for major components of the utility billing system and other important functions of the division.
- Ensure that program staff attends relevant training classes appropriate to assigned job duties in order to maintain and/or upgrade technical skills.
- Assist in the transition of the new vendor for Utility Billing and Accounts Receivable statement printing and mailing beginning in August 2013.
- Implement the Accounts Receivable/Billing components of the City's Financial Management System Replacement project by January 2014.
- Implement and conduct cross-training for all Utility Billing staff to ensure they are fully cross-trained on Utility User Tax exemption application processing, Extraordinary Use application processing and Accounts Receivable processing.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	3.85	4.10	4.10	4.10	4.10
Hourly Employee Hours	0	0	0	0	0
Revenues					
Other Revenue	\$ 209,205	\$ 305,000	\$ 250,000	\$ 250,000	\$ 250,000
Overhead Allocation Recovery	614,364	586,653	586,653	677,965	691,525
Total Revenue	\$ 823,569	\$ 891,653	\$ 836,653	\$ 927,965	\$ 941,525
Expenditures					
Salaries and Benefits	\$ 299,387	\$ 374,152	\$ 347,905	\$ 370,855	\$ 386,443
Supplies and Services	269,600	273,699	286,191	288,933	289,463
Total Expenditures	\$ 568,987	\$ 647,851	\$ 634,096	\$ 659,788	\$ 675,906

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Notify 99% of Extraordinary Water Use applicants of credit determination within 15 days of receipt of application.				
Percent of Extraordinary Water Use applicants notified within 15 days of credit determination	N/A	99%	85%	99%
Enter 99% of Utility User Tax (UUT) exemption applications within 10 days of receipt.				
Percent of UUT exemption applications entered within 10 days	N/A	N/A	N/A	99%
Enter 99% of automatic payment account data within 10 days of receipt.				
Percent of new automatic payment accounts entered within 10 days	N/A	N/A	N/A	99%
Enter new automatic payment accounts accurately 99% of the time.				
Percent of new automatic payment accounts entered accurately	N/A	N/A	N/A	99%
Enter 99% of electronic service requests submitted by the City's trash hauler within 10 days.				
Percent of electronic service requests entered within 10 days	N/A	N/A	N/A	99%
Increase the number of customers opting out of printed utility bills in favor of online billing by 300.				
 Number of additional customers opting out of printed utility bills	N/A	N/A	N/A	300

PROGRAMS & SERVICES

City Billing & Customer Service (Continued)

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Bills issued annually	358,998	379,000	380,270	380,000
Service orders prepared annually	19,458	17,000	18,470	18,000
Average time spent (minutes) on customer service calls	2.18 min	2.5 min	2.07 min	2.5 min
Customers on automatic pay, including utility bills, airport and harbor	6,409	6,500	6,800	7,000

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➤ **Purchasing**

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



RECENT PROGRAM ACHIEVEMENTS

In FY 2012, Purchasing saved over \$704,000 through the competitive bid process and we are on a pace to save a similar amount in FY 2013.

Purchasing

(Program No. 1441)

Mission Statement

Maintain public trust and fiscal responsibility by competitively obtaining quality goods and general services that meet or exceed department specifications, by encouraging open and fair competition among suppliers, and providing value added services to support the City's mission.

Program Activities

- Prepare Quick Quote, Bid and Proposal packages and track cost savings.
- Advertise and solicit for competitive bids for goods, materials, and general services that meet the City's needs.
- Leverage the City's purchasing power and resources by utilizing cooperative purchasing contracts when the goods and materials meet department specifications and needs.
- Educate City staff and potential bidders on the City's procurement processes.
- Assist departments and divisions with developing procurement strategies for achieving their goals

Project Objectives for Fiscal Year 2014

- Conduct at least one class to train City staff on City's purchasing policies and procedures.
- Complete an external customer (vendors/contractors) survey by June 30, 2014.
- Conduct a compliance audits of three or more Blanket Purchase Orders (BPOs).
- Track and publish cost savings on formal bids for ordinary services and goods.
- Implement the Purchasing, Contracts, and Bidding components if the City's Financial Management System Replacement project by January 2014.

Project Objectives for Fiscal Year 2014 (cont'd)

- Increase City department participation in on-line ordering to 85% of office supply orders versus phone or fax submittals
- 🍃 Conduct a class on writing specifications to encourage green purchasing solutions.
- Make recommendations of updating the municipal codes with a focus on the competitive thresholds
- Conduct at least one training class on the professional service agreement process

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	5.75	5.75	5.75	4.75	4.75
Hourly Employee Hours	0	0	0	0	0
Revenues					
Overhead Allocation Recovery	\$ 545,148	\$ 520,559	\$ 520,559	\$ 521,505	\$ 531,934
General Fund Subsidy	108,975	177,922	52,822	117,498	133,383
Total Revenue	\$ 654,123	\$ 698,481	\$ 573,381	\$ 639,003	\$ 665,317
Expenditures					
Salaries and Benefits	\$ 559,068	\$ 597,544	\$ 478,015	\$ 515,645	\$ 533,243
Supplies and Services	95,055	100,937	95,366	118,358	127,074
Special Projects	-	-	-	5,000	5,000
Total Expenditures	\$ 654,123	\$ 698,481	\$ 573,381	\$ 639,003	\$ 665,317

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Re-bid 95% of Blanket Purchase Orders over \$50,000 to ensure that the City is receiving competitively priced services and materials.				
Percent of Blanket Purchase Orders over \$50,000 re-bid	99%	95%	95%	95%
Issue Purchase Orders under \$25,000 within ten (10) calendar days from receipt of complete requisitions.				
Average number of days to process informal requisitions into purchase orders	3.3	15	6	10
Issue Purchase Orders over \$25,000 within forty-five calendar days from receipt of complete requisition.				
Average number of days to process formal requisitions into purchase orders	25.3	45	38	45

Purchasing (Continued)

Measurable Objectives for Fiscal Year 2014 (Cont'd)

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Maintain the City department participation in on-line ordering at 80% or higher for office supply.				
Percentage of participation in on-line ordering	84%	80%	86%	80%
Complete an annual internal customer satisfaction survey and achieve an overall customer satisfaction rating of 90% or higher.				
Overall customer satisfaction rating	100%	90%	90%	90%

Other Performance Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Purchase Orders (all categories) issued including change orders services and goods	2,822	3,100	2,600	2,850
Purchase Orders (PO) issued for ordinary services and supplies over \$2500.00	1,096	1,100	900	1,200
Blanket Purchase Orders (BPO) issued for ordinary services and supplies	818	950	750	700
Purchase Orders (PS) and Contracts (T) issued for Professional Services	131	150	200	200
Change Orders (CO) issued to purchase orders and contracts	741	950	775	750
Average Purchase Orders processed per Buyer (2 buyers)	737	1,000	1,300	1,425
Request for Proposals/Qualifications (RFPs/RFQs) received by Purchasing	2	10	3	5
Formal Bids for ordinary services and supplies	84	125	70	80
Percent of sole source (SS) purchase orders for ordinary services and supplies	7.62%	5%	10%	>5%
Percent of after-the-fact purchase orders. (internal)	N/A	>1%	>1%	>1%

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➤ **Central Warehouse**

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RECENT PROGRAM ACHIEVEMENTS

For the first two quarters of FY 2013, generated over \$16,000 through the disposal of surplus property and saved approximately \$11,000 by bidding inventory items.

Central Warehouse

(Program No. 1442)

Mission Statement

Competitively purchase inventory and issue goods that meet or exceed our customers’ specifications, partner with our customers to identify new or better products, provide services that exceed our customers’ expectations, and dispose of City surplus in accordance with the Municipal Code.

Program Activities

- Issue inventory.
- Maintain inventory accuracy through monthly cycle counts.
- Reorder stock as necessary.
- Package similar stock items together for bidding purposes and track annual cost savings.
- Dispose of surplus City property and track auction proceeds.

Project Objectives for Fiscal Year 2014

- Award a new contract for auction services by June 30, 2014.
- Perform a customer satisfaction survey by June 30, 2014.
- Track Auction proceeds from surplus items (excluding vehicles).
- Track cost saving from bids and quotes on inventory items.
- Implement the Inventory component of the City’s Financial Management System Replacement project by January 2014.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	1.20	1.20	1.20	1.20	1.20
Hourly Employee Hours	0	0	0	0	0
Revenues					
Overhead Allocation Recovery	\$ 125,045	\$ 119,404	\$ 119,404	\$ 126,292	\$ 128,817
General Fund Subsidy	31,987	41,540	34,968	44,686	48,152
Total Revenue	\$ 157,032	\$ 160,944	\$ 154,372	\$ 170,978	\$ 176,969
Expenditures					
Salaries and Benefits	\$ 87,490	\$ 93,174	\$ 89,892	\$ 91,544	\$ 93,787
Supplies and Services	69,586	67,270	64,480	79,434	83,182
Special Projects	(44)	500	-	-	-
Total Expenditures	\$ 157,032	\$ 160,944	\$ 154,372	\$ 170,978	\$ 176,969

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Maintain an accuracy rate of 99.9% for the monthly inventory count.				
Accuracy rate for the monthly inventory count	100%	99.9%	100%	99.9%
Process and fill 99% of issue requisitions within one day.				
Percent of issue requisitions processed within one working day	100%	99%	100%	99%
Achieve a turnover for 20 key inventory items of 12 times per year				
Inventory turnover rate for 20 key items (times per year)	13.9	12	12.8	12
Complete 100% of monthly inventory counts completed within one day.				
Percentage of monthly inventory counts completed within in working day	100%	100%	100%	100%
Increase the number of inventory items under contract to 87%.				
Percentage of inventory items under contract	95.4%	87%	89%	90%

Other Performance Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Number of issue requisitions processed	2,970	3,200	3,100	3,200
Number of processed orders from vendors	389	500	350	375
Number of stock items on hand	1,242	1,250	1,234	1,250

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➤ **Mail Courier Services**

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



RECENT PROGRAM ACHIEVEMENTS

Installed GPS tracking on the mail vehicle to optimize the mail routes.

Mail Courier Services

(Program No. 1452)

Mission Statement

Collect and distribute U.S. Postal Service and interdepartmental mail to all City departments accurately and efficiently.

Program Activities

- Collect the City's United States Postal Service (U.S.P.S.) mail twice daily.
- Provide interoffice mail courier service to 34 stops at City offices and selected outside agencies.
- Process outgoing U.S.P.S. mail daily.
- Post mail information on the Courier's SharePoint page.
- Maintain departmental billing records.
- Track certified mail receipts to ensure that receipts are returned to the right departments.

Project Objectives for Fiscal Year 2014

- Receive zero service related complaints Notify customers of changes in postal rates and post rates on SharePoint
- Provide Finance with timely accurate postal charges by department each month

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	1.20	1.20	1.20	1.20	1.20
Hourly Employee Hours	0	0	0	0	0
Revenues					
Overhead Allocation Recovery	\$ 35,319	\$ 33,725	\$ 33,725	\$ 43,576	\$ 44,447
General Fund Subsidy	66,075	74,723	70,885	66,164	67,887
Total Revenue	\$ 101,394	\$ 108,448	\$ 104,610	\$ 109,740	\$ 112,334
Expenditures					
Salaries and Benefits	\$ 89,780	\$ 94,647	\$ 94,819	\$ 95,313	\$ 97,449
Supplies and Services	9,615	11,954	9,791	14,427	14,885
Non-Capital Equipment	1,999	1,847	-	-	-
Total Expenditures	\$ 101,394	\$ 108,448	\$ 104,610	\$ 109,740	\$ 112,334

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Process incoming and outgoing U.S.P.S. mail within 1 working day 99% or more of the time.				
Percent of outgoing U.S.P.S. mail sent within 1 working day	99.6%	99%	99.7%	99%
Provide mail services according to the published schedules 99% or more of the time.				
Percent of mail stops serviced in accordance with the mail schedule	100%	99%	100%	99%
Complete a Customer Survey by June 30 and achieve an overall customer satisfaction rating of 90% or higher.				
Overall Customer Satisfaction rating	90%	90%	90%	90%
Monthly cross training (12) with Central Stores.				
Number of cross trainings	N/A	12	18	12

Other Performance Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Pieces of outgoing U.S.P.S. mail processed	137,075	120,000	135,000	130,000
Percentage of damaged/spoiled mail	0.02%<	0.02%<	0.02%<	0.02%<
Percent of returned mail for incorrect postage	0%	0%	0%	0%
Labor cost per piece of outgoing U.S.P.S. mail	\$0.27	\$0.33	\$0.32	\$0.35

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



RECENT PROGRAM ACHIEVEMENTS

Modified Duty Program reduced temporary disability payments by \$337,688 in FY12; claims filed remain at historic low levels for seventh consecutive year.

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.

Project Objectives for Fiscal Year 2014

- Audit performance of the Third Party Administrator. Submit audit report by December 31, 2013.
- Update the Risk Management Workers’ Compensation Frequency and Severity Report by September 30, 2013.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	1.55	1.55	1.55	1.55	1.55
Hourly Employee Hours	131	196	376	250	250
Revenues					
Other Revenue	\$ 25,544	\$ -	\$ -	\$ -	\$ -
Workers' Comp. Premiums	2,500,000	2,600,000	2,600,000	2,950,702	3,086,670
Total Revenue	\$ 2,525,544	\$ 2,600,000	\$ 2,600,000	\$ 2,950,702	\$ 3,086,670
Expenditures					
Salaries and Benefits	\$ 153,026	\$ 186,430	\$ 188,513	\$ 198,066	\$ 208,165
Supplies and Services	2,236,653	2,213,719	2,213,719	2,562,513	2,724,830
Special Projects	-	100	100	100	100
Premium Rebate	3,693,950	172,905	172,905	-	-
Total Expenditures	\$ 6,083,629	\$ 2,573,154	\$ 2,575,237	\$ 2,760,679	\$ 2,933,095
Addition to (Use of) Reserves	\$ (3,558,085)	\$ 26,846	\$ 24,763	\$ 190,023	\$ 153,575

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Conduct annual claim review with four departments with the highest claims frequency.				
Claim reviews conducted	5	4	4	4
Obtain 50% of collision preventability determination reports from the operating departments.				
Percent of preventability reports received	84%	50%	50%	50%
Investigate 50% of the industrial injuries with lost time within 45 days.				
Percent of investigations completed	57%	50%	50%	50%

Workers' Compensation (Continued)

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Total claim costs (paid and reserved) current FY	\$1,210,096	\$1,076,590	\$750,000	\$946,487
Annual gross amount of medical costs billed	\$2,893,165	\$1,734,741	\$2,000,000	\$2,166,546
Annual gross amount of medical costs paid	\$786,137	\$618,767	\$650,000	\$704,600
Annual cost of professional medical bill review services	\$73,689	\$73,689	\$73,689	\$73,689
Claims filed (current FY only)	129	147	140	137
Open claims all years at FYE	197	174	160	187
Litigation ratio	22%	20%	20%	20%
Percent of claims filed without lost time	81%	78%	66%	66%
Percent of eligible employees placed in a modified work assignment	96%	96%	94%	94%
Modified duty days worked.	1,972	1,830	1,700	1,701
Modified duty cost savings	\$358,588	\$362,524	\$350,000	\$368,207

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RECENT PROGRAM ACHIEVEMENTS

The percent of open litigated claims continues its downward trend for the fifth consecutive year.

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.
- Assess and 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.
- Report loss amounts monthly and annually.
- Respond to citizen and public requests for assistance.

Project Objectives for Fiscal Year 2014

- Update the Risk Management General Liability Frequency and Severity Report by September 30, 2013.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	1.10	1.10	1.10	1.10	1.10
Hourly Employee Hours	611	392	500	550	600
Revenues					
Insurance Premiums	\$ 1,547,084	\$ 1,578,025	\$ 1,578,025	\$ 1,514,146	\$ 1,480,292
Premium Rebate	-	600,000	600,000	-	-
Other Revenue	1,649	-	-	-	-
Total Revenue	\$ 1,548,733	\$ 2,178,025	\$ 2,178,025	\$ 1,514,146	\$ 1,480,292
Expenditures					
Salaries and Benefits	\$ 151,928	\$ 150,797	\$ 150,797	\$ 149,827	\$ 154,260
Supplies and Services	1,300,411	1,562,363	1,494,321	1,364,319	1,326,032
Premium Rebate	-	183,102	183,102	-	-
Total Expenditures	\$ 1,452,339	\$ 1,896,262	\$ 1,828,220	\$ 1,514,146	\$ 1,480,292
Addition to (Use of) Reserves	\$ 96,394	\$ 281,763	\$ 349,805	\$ -	\$ -

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Complete 90% of claims investigations within 45 days.				
Percent of claims acted upon within 45 days of receipt	95%	90%	95%	90%
Route 90% of public hazard concerns to the appropriate department within 4 working days.				
Percent of public hazard concerns routed to the appropriate department within 4 working days of receipt	99%	90%	90%	90%
Obtain 90% of collision preventability determination reports from the operating departments.				
Percent of preventability reports received	89%	90%	70%	90%

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Liability claims filed during the year	142	131	120	130
Current open claims	90	79	85	80
Annual claim costs paid	\$226,942	\$571,615	\$250,000	\$303,173
Percent of claims filed resulting in litigation	8%	8%	10%	8%
Percent of open claims litigated	16%	21%	20%	20%

Liability (Continued)

Other Program Measures (Cont'd)

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Percent of claims closed within 11 months of filing	87%	82%	90%	81%
Reported vehicle incidents	83	92	80	90
Percent of vehicle incidents resulting in claims	19%	23%	30%	23%
Preventable collision costs	\$22,592	\$65,811	\$60,000	\$63,601
Site visits conducted	87	120	80	102
Incident reports completed	118	160	175	150

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FINANCE PROGRAMS

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



RECENT PROGRAM ACHIEVEMENTS

Revised facility safety inspection procedures and schedule to improve results and value to the operating departments.

Occupational Safety & Health

(Program No. 1463)

Mission Statement

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

Program Activities

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

Project Objectives for Fiscal Year 2014

- Coordinate monthly IIPP Training calendar.
- Collect 80% of facility safety inspection findings from operating departments by March 1, 2014.
- 🍃 Post Cal/OSHA Log 300A electronically by February 1, 2014.

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	0.80	0.80	0.80	0.80	0.80
Hourly Employee Hours	0	0	0	0	0
Revenues					
OSH Premiums	\$ -	\$ 187,961	\$ 187,961	\$ 193,833	\$ 202,887
Total Revenue	-	187,961	187,961	193,833	202,887
Expenditures					
Salaries and Benefits	\$ 69,423	\$ 87,222	\$ 87,222	\$ 91,875	\$ 96,375
Supplies and Services	39,568	105,542	105,542	101,958	106,512
Total Expenditures	\$ 108,991	\$ 192,764	\$ 192,764	\$ 193,833	\$ 202,887
Addition to (Use of) Reserves	\$ (108,991)	\$ (4,803)	\$ (4,803)	\$ -	\$ -

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Ensure the number of occupational injuries at the level do not exceed the 5 year average.				
Occupational injury claims filed	129	147	147	142
Ensure compliance with State and Federal OSHA mandates.				
Percent compliance with State and Federal OSHA mandates	100%	100%	100%	100%

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Employees attending Injury Illness Prevention Program training sessions	1,554	1,525	1,525	1,700
IIPP training sessions conducted	72	84	75	78
Lost work days due to occupational injuries	1,035	1,158	900	1,176
Occupational Safety Trainers	91	84	75	88

FINANCE PROGRAMS

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



RECENT PROGRAM ACHIEVEMENTS

Revised format for the executive summary of the semi-annual report.

Administrative Operations

(Program No. 1464)

Mission Statement

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


Program Activities

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

Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	0.70	0.70	0.70	0.70	0.70
Hourly Employee Hours	0	0	0	0	0
Revenues					
Insurance Premiums	\$ 1,000,000	\$ 1,020,000	\$ 1,020,000	\$ 1,241,966	\$ 1,305,001
Interest Income	119,893	116,000	68,199	60,300	55,200
Total Revenue	\$ 1,119,893	\$ 1,136,000	\$ 1,088,199	\$ 1,302,266	\$ 1,360,201
Expenditures					
Salaries and Benefits	\$ 78,889	\$ 92,868	\$ 92,868	\$ 98,894	\$ 103,553
Supplies and Services	1,348,181	1,194,424	1,186,263	1,258,839	1,317,008
Total Expenditures	\$ 1,427,070	\$ 1,287,292	\$ 1,279,131	\$ 1,357,733	\$ 1,420,561
Addition to (Use of) Reserves	\$ (307,177)	\$ (151,292)	\$ (190,932)	\$ (55,467)	\$ (60,360)

Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Ensure 80% completion of Division program objectives.				
Percent of objectives achieved	86%	80%	80%	80%
Compile and post semi-annual loss data.				
 Post loss data semi annually	2	2	2	2

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Dollar value of property damage and worker's compensation expenses recovered from negligent third parties	\$93,851	\$100,000	\$100,000	\$54,000
Total cost of risk as percentage of city operating and capital expenditures	2.7%	3%	3%	3%

FINANCE PROGRAMS

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

➤ Solid Waste



RECENT PROGRAM ACHIEVEMENTS

In February of 2013, Environmental Services brought to Council for approval a new ten-year exclusive franchise for solid waste collection services with MarBorg Industries, Inc.

Solid Waste

(Program No. 1471)

Mission Statement

Provide reliable, cost-effective collection of residential and commercial recyclables, greenwaste, foodscraps and refuse through the City's franchised hauler, with a primary focus on maximizing diversion of solid waste from landfill disposal.




Program Activities

- Design solid waste programs that protect public health and the environment; maintain the City's compliance with State solid waste mandates.
- Develop a cost-effective solid waste management system to allow the City to maintain control of its waste stream
- Pursue long-term alternatives to disposal and continuously reduce the volume of material disposed in landfills through aggressive recycling, composting and related diversion strategies.
- Ensure contract compliance with the franchised hauler.
- Manage all components of the City's waste management system.
- Provide information to the public and respond to concerns about hauling services.
- Participate in regional solid waste forums such as the Multi-Jurisdictional Solid Waste Task Group (MJSWTG).

Project Objectives for Fiscal Year 2014

- 🍃 Conduct the Spirit of Service Awards by May 31, 2014.
- 🍃 Hold two electronic waste collection events.
- 🍃 Evaluate and expand comprehensive mixed recycling programs at 10 City facilities.
- 🍃 In concert with the other participating jurisdictions, conduct financial and technical due diligence on the MarBorg proposal to construct the materials recovery facility component of the Resource Recovery Project within six months after receiving the proposal.
- 🍃 Work with the other participating jurisdictions to develop a cooperative structure to work out matters related to the Resource Recovery Project.

Project Objectives for Fiscal Year 2014 (Cont'd)

-  Participate in the environmental review process for the Resource Recovery Project and bring the Final EIR to Council to make requisite findings on the document.
-  Monitor compliance of large grocery retailers that are subject to the Single Use Bag ordinance and take appropriate enforcement action.
-  Establish a revenue sharing agreement with MarBorg for business sector commingled recyclables by December 31, 2013 or re-direct them to Gold Coast Recycling.
-  Develop waste generation profiles for business and multi-unit residential customers in order to evaluate the adequacy of solid waste enclosures for new development or proposed remodels.
-  Conduct an evaluation of Environmental Services finances and develop options for balancing the operating budget by January 1, 2014.



Financial and Staffing Information

	Actual FY 2012	Amended FY 2013	Projected FY 2013	Adopted FY 2014	Proposed FY 2015
Authorized Positions	8.50	8.50	8.50	8.55	8.55
Hourly Employee Hours	128	0	20	0	0
Revenues					
Donations	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 81,600
Fees and Service Charges	17,589,325	17,847,577	18,116,795	19,199,527	19,679,153
Intergovernmental	847,981	421,967	370,814	494,816	195,000
Other Revenue	223,297	159,600	454,354	153,100	155,932
Transfers In	23,686	-	-	-	-
Total Revenue	\$ 18,764,289	\$ 18,509,144	\$ 19,021,963	\$ 19,927,443	\$ 20,111,685
Expenditures					
Salaries and Benefits	\$ 855,009	\$ 926,159	\$ 878,956	\$ 979,288	\$ 1,019,920
Supplies and Services	16,736,606	17,036,285	17,231,897	18,253,421	18,740,537
Special Projects	554,639	572,560	572,560	580,363	576,073
Appropriated Reserve	-	-	21,774	33,106	25,000
Capital Equipment	622,164	80,675	14,609	13,709	13,783
Transfers Out	60,503	61,671	61,671	67,556	50,000
Total Expenditures	\$ 18,828,921	\$ 18,677,350	\$ 18,781,467	\$ 19,927,443	\$ 20,425,313
Addition to (Use of) Reserves	\$ (64,632)	\$ (168,206)	\$ 240,496	\$ -	\$ (313,628)











Solid Waste

(Continued)




Measurable Objectives for Fiscal Year 2014

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
Meet with 200 new and existing business clients about the environmental and financial benefits of recycling.				
 Business contacts made regarding the benefits of recycling	200	200	200	200
Generate 5,200 cubic yards of additional diversion at food-serving businesses on an annualized basis.				
 Yards of additional diversion at food-serving businesses (annualized)	NA	5,200	5,200	5,200
Respond to 98% of code enforcement calls within one business day.				
Percentage of code enforcement calls responded to within one business day	94%	98%	97%	98%
Respond to hauler service complaints within two business days.				
Percentage of hauler complaints responded to within two business days	100%	98%	98%	98%

Other Program Measures

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
 Tons of solid waste disposed of at Tajiguas Landfill	74,136	79,772	76,482	78,012
 Tons of mixed recyclables diverted from the Tajiguas Landfill (franchise only)	18,662	18,915	19,910	20,308
 Mixed recyclables diverted from Tajiguas Landfill as a percentage of trash (franchise only)	NA	31%	29%	31%
 Tons of greenwaste diverted from the Tajiguas Landfill (franchise only)	13,365	13,633	14,238	14,523
 Greenwaste diverted from Tajiguas Landfill as a percentage of trash disposed (franchise only)	NA	27%	26%	27%
 Tons of foodscraps diverted from Tajiguas Landfill	2,757	2,773	3,036	3,127
 Hauler service complaints received	8	12	4	12
 Number of calls handled by Code Enforcement staff	183	200	158	161
 Percent of business accounts with 2/3 or more of monthly trash service dedicated to recycling and greenwaste, and/or foodscraps	20.5%	22%	22%	22%
 Percent of single-family residential accounts with 2/3 or more of monthly trash service dedicated to recycling and greenwaste	71.2%	71%	73%	73%

Other Program Measures (Cont'd)

	Actual FY 2012	Budget FY 2013	Projected FY 2013	Adopted FY 2014
 Percent of multi-unit residential account with 2/3 or more of monthly trash service dedicated to recycling and greenwaste	18.2%	17.5%	19%	18%
 Percent of buildings and facilities owned, operated, or controlled by the City with 2/3 or more of monthly trash service dedicated to recycling, greenwaste, or foodscraps	16.4%	19%	16%	17%
 Pounds of household hazardous waste collected at the City ABOP and UCSB facility (less electronic waste)	306,139	311,534	341,762	348,597
 Pounds of electronics waste collected at City-sponsored events	381,858	425,838	317,786	324,142

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