



## SECTION 4: FINANCE DEPARTMENT

*The primary mission of the Finance Department is to manage and safeguard the City's financial assets. As part of that mission, Finance receives, accounts for, and invests all revenues generated by the City, Redevelopment Agency, Municipal Services Corporation, and Employee Pension Fund. Further, the Finance Department maintains accurate records of expenditure for all of those funds. In addition, Finance provides limited purchasing support, distributes general mail, and staffs the City's general telephone line and customer service counter.*

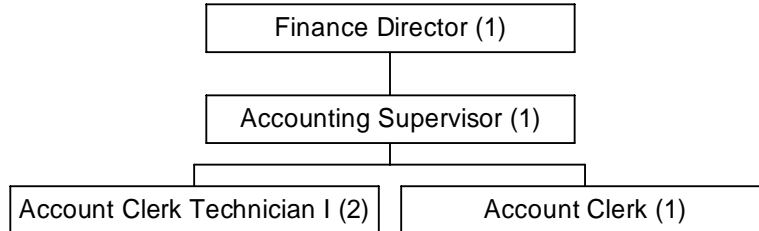
### **DEPARTMENT OVERVIEW**

The Finance Department provides services, information, and analyses to the public, City Council, management staff, and other City departments by:

- Developing and maintaining financial reporting systems to support the effective and efficient operations of the organization
- Keeping the public, City Council, and City management apprised of the financial condition of the City
- Coordinating the City's annual audit and preparation of the resultant Comprehensive Annual Financial Report (CAFR)
- Coordinating the City's annual budget process in conjunction with the City Manager's office and preparation of the final Adopted Operating Budget
- Providing budgeting, accounting, treasury, billing and collection, accounts payable, payroll, and other financial functions
- Coordinating the preparation of various annual and quarterly financial reports that must be submitted to a variety of state and federal agencies, such as the State Controller's Office
- Ensuring that the City's various assessments and taxes are appropriately placed on the County's property tax bill

- Responding to a variety of requests for financial information from various County and State agencies
- Providing general customer service support by answering Citywide telephone lines, staffing the main customer counter, and managing Citywide postal mail services
- Providing staff support to the City's Financial Advisory Board (FAB)

Chart 4-2  
Finance Department Organization Chart



### Position Listing

Changes in the Finance Department position listing reflects the need for the department to provide cross training on key duties such as payroll and accounts payable. Previously the payroll staff was classified as an Accountant I and there was concern that only one staff member was trained to perform the critical payroll function. The position change shows the Accounting position being reduced to an Account Clerk/Technician, with a corresponding increase in the two Account Clerk's to Technicians to provide the needed coverage. Because of the trade in positions the cost of this change is minimal. The addition of an account clerk in FY 2006-07 to implement revenue enhancement efforts and serve as a City Hall receptionist has provided increased customer service as well as increased revenues. Previously, temporary staff and part time staff performed business license renewal and enrollment, and efforts to enforce the collection of known businesses or to detect new businesses were performed at a minimum. The switch from part time and contract employees enabled Finance staff to process the increase in Receivable Invoices due to activities identified in the new Fee Study, and allowed time for enhancements for new business discovery and collection methods on business licenses.

Table 4-1  
Finance Position Listing

	FY 04-05	FY 05-06	FY 06-07	FY 07-08
Finance Director	0.00	1.00	1.00	1.00
Finance Manager	1.00	0.00	0.00	0.00
Accounting Supervisor	1.00	1.00	1.00	1.00
Accountant II	0.00	0.00	0.00	0.00
Accountant I	1.00	1.00	1.00	0.00
Account Clerk Technician	1.00	0.00	0.00	2.00
Account Clerk	0.00	2.00	2.00	1.00
<b>Total</b>	<b>4.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

## FY 2006-07 ACCOMPLISHMENTS

Assisted the new audit firm in the timely completion of our annual audit with minimal audit recommendations

Received the award for Excellence in Financial Reporting from the California Society of Municipal Finance Officers and the Government Finance Officers Association

Received the award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers

Issued \$9,610,000 in Lease Revenue Bonds to fund construction of the new City Hall

FY 2007-08 OBJECTIVES	CATEGORY
Provide accurate budget and expenditure data for the construction of City Hall	New
Receive the award for Excellence in Budgeting from the Government Finance Officers Association	New
Continue improvements to the City's financial system by bringing online various additional modules to the General Ledger	Ongoing
Work with Public Works to improve the Capital Improvement Program Budget	Ongoing
Improve on the following operational processes: <ul style="list-style-type: none"> <li>▪ Purchase Orders and Encumbrances</li> <li>▪ Purchasing and procurement</li> <li>▪ Capital Project Accounting</li> </ul>	Ongoing
Provide the City with sound fiscal management and facilitate the operations of all City departments by providing specialized financial data and support through a variety of business services	Ongoing
Provide clear audit and budget reports, thereby enhancing the City's financial accountability	Ongoing
Provide timely and accurate payroll services to all employees	Ongoing
Maintain up-to-date knowledge of payroll tax issues and other payroll-related topics	Ongoing
Audit and process for payment invoices submitted by suppliers and contractors in a timely fashion	Ongoing
Process invoices and payments for various billable fees and services such as fire inspections	Ongoing
Provide prompt and courteous service to both employees and the citizenry	Ongoing

Continue to train staff Citywide on the operation of the financial system	Ongoing
Assist business owners by providing information for opening a business in the City and processing the Business License application upon receipt	Ongoing
Prepare and submit quarterly investment reports to the City Council in accordance with Generally Accepted Accounting Principles (GAAP)	Ongoing

### **Finance Budget Overview**

While the Finance Department accounts for all revenue generated by the City, it is directly responsible for administering only one: the City's Business License Administration Fees. The revenues from this fund source are a result of the MAXIMUS fee study and began in FY 2005-06.

The FY 2007-08 budget projects a continuation of a variety of contracts. Included are contracts for MBIA MuniServices, which provides Sales and Utility Tax auditing, projections, and reporting; and for MAXIMUS, Inc., which provides for preparation of the California State Controller's reports as well as the SB-90 claims reimbursements from the State and the external audit performed by Maze & Associates, CPAs.

The Finance Department budget in FY 2007-08 is consistent with the prior year with the exception of accounting for the responsibility of certain debt service transfers in the Finance Department. No program expansion has been proposed.



# FINANCE DEPARTMENT BUDGET SUMMARY

		Expenditures by Fund 1050—Finance			
Fund		Actual FY 2004-05	Actual FY 2005-06	Budget FY 2006-07	Adopted FY 2007-08
101	General Fd	\$1,204,948	\$1,431,579	\$1,472,492	\$1,549,383
201	Gas Tax	202,440	1,590		
204	Measure C	238,505	125,000	125,000	345,000
205	Measure J		509,005	506,965	508,675
206	Measure A	374,239	378,575	377,015	367,740
210	Park In Lu				450,000
221	Grants	41,902			
401	Storm Debt	509,678	511,505	511,965	513,675
501	IWM Fund	32,079			
701	Pension Tr	236,641	216,026	206,500	186,500
801	RDA	105,128			
802	Low/Mod	7,477			
822	MSC	183,940	191,245	197,545	202,810
834	FA Debt Sv	364,565	369,228	371,265	366,990
835	City D/S			8,000,000	
		<b>\$3,501,541</b>	<b>\$3,733,753</b>	<b>\$11,768,747</b>	<b>\$4,490,773</b>

		Expenditure by Account 1050—Finance			
Account	Account Description	Actual FY 2004-05	Actual FY 2005-06	Budget FY 2006-07	Adopted FY 2007-08
51110	Regular Salaries & Wages	\$259,407	\$313,129	\$329,777	\$334,087
51140	Overtime Pay	6,406	4,548	8,000	8,000
51210	PERS Contributions	45,034	69,854	83,288	84,121
51220	FICA/Medicare	20,610	22,867	23,917	23,999
51230	Insurance & Benefits	55,023	64,412	66,589	74,872
51240	Workers Compensation	13,050	17,702	14,039	13,731
52110	Collect & Admin Services	50,408	55,744	55,000	55,000
52120	Legal & Financial Svcs	75,638	61,188	69,250	59,500
52130	Architect/Engineering Svc	1,643			
52190	Miscellaneous Prof Svcs	9,420			7,000
52230	Other Technical Services	10,890	2,741	15,000	10,000
53110	Utilities	709			
53290	Miscellaneous R&M Svcs	1,695		1,000	
53330	Vehic Replcmt Rental Chrg	232	232	1,444	1,357
54210	Telephone Expenses	1,257	3,675	3,000	4,000
54220	Mobile/Wireless Expenses	54	1,504		1,500
54410	Printing & Binding	88	3,024	2,000	2,000
54610	Travel & Training	2,670	6,208	6,500	5,000
54910	Dues & Subscriptions	955	1,275	1,500	1,500
55110	General Office Supplies	4,254	2,682	4,000	4,500
55120	Postage & Delivery	4,746	5,099	6,000	5,000
55130	Photocopying Charges	1,631	2,175	3,000	4,000
55290	Other Operating Supplies	332	734	1,500	1,500
56410	Office Equipment <\$10K	3,796	5,941	2,000	2,000

56420	Office Equipment >\$10K	4,037			
56520	Vehicles >\$10K		4,211		
58110	Principal Payments	635,000	675,000	715,000	755,000
58120	Interest Payments	422,207	392,840	364,025	326,475
58140	Fiscal Agent/Trustee Fees	1,566		1,500	
58230	Fines & Penalties	200	21		
58810	Retiree Pension	465,451	431,681	205,000	185,000
58920	Misc Finance Expense	4,560	15,156		15,000
59990	Operating Xfer Out	1,398,574	1,570,108	9,786,418	2,506,631
<b>Total All Accounts</b>		<b>\$3,501,541</b>	<b>\$3,733,753</b>	<b>\$11,768,747</b>	<b>\$4,490,773</b>

Revenues by Account  
1050—Finance

Account	Description	Actual	Actual	Budget	Adopted
		FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
46520	Program Fees	\$806	\$258		
46930	Business License Admin		72,964	97,000	80,000
<b>Total Revenues</b>		<b>\$806</b>	<b>\$73,223</b>	<b>\$97,000</b>	<b>\$80,000</b>

## EQUIPMENT REPLACEMENT FUND

The City maintains an Equipment Replacement Fund that provides partial funding for some of its significant equipment items and the vehicle fleet. The Equipment Replacement Fund is an internal service fund used to account for the revenues and expenses associated with providing vehicles and equipment to the City's individual departments.

Each department is charged a vehicle/equipment rental expenditure based on the cost of vehicles and equipment purchased for that department. The cost plus a six percent (6%) replacement increment is allocated over the useful life and charged directly to the department. The Equipment Replacement Fund is reimbursed by these charges to each department. The equipment detail is shown in **Table 4-2**.

Table 4-2  
Equipment Detail

	Life	Original Cost	Rental Charges 2006-2007	Rental Charges 2007-2008
<b>Administration-City Manager</b>				
Honda Civic Hybrid (1/2 to Comm. Dev. Admin.)	5	\$10,596	\$2,204	\$2,072
<b>Total</b>			<b>2,204</b>	<b>2,072</b>
<b>Administration-Information Services</b>				
Dodge Caravan (1/2 to Finance)	7	8,422	1,251	1,176
<b>Total</b>			<b>1,251</b>	<b>1,176</b>
<b>Finance</b>				
Dodge Caravan (1/2 to Information Services)	7	8,422	1,251	1,176
800 Mhz Equip-Info Sys	7	1,297	193	181
<b>Total</b>			<b>1,444</b>	<b>1,357</b>
<b>Police-Administration</b>				
800 Mhz Equip-Police	7	124,998	18,571	17,457
800 Mhz Equip-Pol MDTs	7	115,400	17,145	16,116
Police Admin. Vehicle	3	25,401		
Police Admin. Vehicle	3	25,452		
Police Admin. Vehicle	3	33,000		
Police Admin. Vehicle	3	36,655	12,707	11,945
<b>Total</b>			<b>48,423</b>	<b>45,518</b>
<b>Police-Operations</b>				
Parking Enforcement Vehicle	7	32,500	4,829	4,539
Parking Enforcement Vehicle	7	32,500	4,829	4,539
Patrol Vehicle	3	29,265		-
Patrol Vehicle	3	29,265		-
Patrol Vehicle	3	25,270		-
Patrol Vehicle	3	22,000		-
Patrol Vehicle	3	29,363	10,179	9,569
Patrol Vehicle	3	29,363	10,179	9,569
Patrol Vehicle	3	29,363	10,179	9,569
Patrol Vehicle	3	27,801	9,638	9,059
Patrol Vehicle	3	27,801	9,638	9,059
Patrol Vehicle	3	27,801	9,638	9,059
Patrol Vehicle	3	25,938	8,992	8,452
Patrol Vehicle	3	25,938	8,992	8,452
Patrol Vehicle	3	25,938	8,992	8,452
Patrol Vehicle	3	12,000	4,090	3,845
<b>Total</b>			<b>100,174</b>	<b>94,163</b>

<b>Police-Investigations</b>				
Detective Vehicle	3	29,000		
Detective Vehicle	3	29,000		
Detective Vehicle	3	25,401		
Detective Vehicle	3	25,470		
Detective Vehicle	3	23,751	8,234	7,740
Detective Vehicle	3	25,213	8,741	8,216
Prior Year Correction			(2,352)	(2,211)
<b>Total</b>			<b>14,622</b>	<b>13,745</b>
<b>Fire</b>				
Compressor	20	41,793	2,173	2,043
80 Air Paks	10	60,901	6,334	5,954
Exhaust System	20	37,926	1,972	1,854
800 Mhz Equip-Fire	7	93,614	13,908	13,074
Generator-Fire Dept.	15	77,724	5,389	5,066
Fire Dept. Training Div. Staff Vehicle	8	28,000	3,640	3,422
Battillion Chief Command Vehicle	8	29,534	3,839	3,609
Fire Dept. Pickup	8	35,000	4,550	4,277
Fire Dept. Power Wagon	15	75,000	5,200	4,888
Fire Dept. Power Wagon	15	75,000	5,200	4,888
Fire Truck	15	350,000	24,267	22,811
Fire Truck	15	370,000	25,653	24,114
<b>Total</b>			<b>102,126</b>	<b>95,998</b>
<b>Public Works</b>				
Concrete Grinder	7	7,429		
Turf Aerator	7	5,992		
800 Mhz Equip-Maint/Eng	7	27,375	4,067	3,823
Cargo Van	7	20,263	3,010	2,830
Pickup Truck	10	25,337	2,635	2,477
<b>Total</b>			<b>9,713</b>	<b>9,130</b>
<b>Recreation-Adult</b>				
800 Mhz Equip-Comm. Ctr.	7	20,029	2,976	2,797
Cargo Van	7	15,225	2,262	2,126
Pickup Truck	7	11,216	1,666	1,566
<b>Total</b>			<b>6,904</b>	<b>6,490</b>
<b>Recreation-Youth</b>				
Childcare Van	5	51,488		
Childcare Van	7	21,570	3,205	3,012
Childcare Van	7	17,942	2,666	2,506
<b>Total</b>			<b>5,870</b>	<b>5,518</b>
<b>Community Development-Administration</b>				
Honda Civic Hybrid (1/2 to Admin. City Manager)	5	10,596	2,204	2,072
<b>Total</b>			<b>2,204</b>	<b>2,072</b>
<b>Community Development-Building</b>				
800 Mhz Equip-Bldg.	7	9,786	1,454	1,367
Building Div. Pickup	10	20,434	2,125	1,998
Building Div. SUV Truck	10	23,083	2,401	2,257
<b>Total</b>			<b>5,980</b>	<b>5,621</b>
<b>Total All</b>		<b>\$2,541,840</b>	<b>\$300,915</b>	<b>\$282,860</b>