

Finance Department

Rick Bruneau, Director

MISSION

To manage, protect, and report on City of San José financial resources to enhance the City's financial condition for residents, businesses, and investors

CITY SERVICE AREA

Strategic Support

CORE SERVICES

DISBURSEMENTS

Facilitate timely and accurate payment of the City's financial obligations.

FINANCIAL REPORTING

Provide accurate and meaningful reporting on the City's financial condition.

PURCHASING AND RISK MANAGEMENT

Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets.

REVENUE MANAGEMENT

Bill and collect City resources to enhance the City's financial condition.

DEBT AND TREASURY MANAGEMENT

Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition.

Strategic Support: Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, Administrative Support, and Emergency Response and Recovery

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Disbursements Core Service</i>	
Accounts Payable	Facilitates timely and accurate payment of the City's non-payroll disbursements. Customers of this service include City departments, employees, government agencies, non-profit corporations, consultants, contractors, and vendors who provide goods and services to the City.
Payroll	Facilitates timely and accurate payment of payroll to City employees and provides responses to information requests City-wide. The City has employees divided among many different bargaining units with various compensation requirements contained in each respective unit's Memoranda of Agreement.
<i>Financial Reporting Core Service</i>	
General Accounting	Provides accurate and meaningful reporting on the City's financial condition and primarily responsible for the accounting of City-wide financial activity for all City funds, with services including management of the Financial Management System, preparation of the Annual Comprehensive Financial Report, preparation of various Cost Allocation Plans, capital assets accounting, monthly financial information publications, City-wide reports for audit purposes, and coordination of stand-alone audits.
Special Accounting	Manages accounting responsibilities related to special facility districts, grant programs, assessment districts, loans, debt transactions, bank reconciliations, investments, and deferred compensation; and prepares and submits legally mandated reports including the City's Federal Single Audit Report.
<i>Purchasing and Risk Management Core Service</i>	
Purchasing	Following transparent and competitive procurement procedures, supports the operations of all City departments by ensuring the timely procurement and delivery of products and services other than construction and consulting services. Establishes City-wide procurement policies and procedures and provides City-wide training and guidance to departments to enable them to facilitate procurements that are decentralized. Manages the P-Card program to enable the procurement of small dollar purchase transactions.
Risk Management	Ensures insurance coverage for City assets, establishes City-wide risk management policies and procedures, and provides City-wide training and guidance to departments on risk-related programs. Manages property and casualty claims from inception to conclusion and performs the centralized subrogation function to recapture losses resulting from third-party wrongdoing or negligence resulting in loss of or damage to City-owned property.

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Revenue Management Core Service</i>	
Accounts Receivable	Develops, maintains, and updates business systems and processes to support the delivery of City services through timely collection of payments due to the City, including services, taxes, fees, and other revenues.
Business Tax	Enforces the general business tax ordinance by ensuring that taxes and related fees are collected. Issues business tax certificates and processes applications for the following regulatory permits: amusement devices, carnivals/circuses, Christmas tree lots, flower vendors, handbills, pawnbrokers, pool and billiard rooms, pumpkin patches, and second-hand dealers.
Revenue Audit and Compliance	Monitors and conducts compliance reviews of various tax and fee programs related to the following: Transient Occupancy Tax, Convention Center Facility District Tax, Hotel Business Improvement District Fees, Utility Users Tax, Franchise Fees, Telephone Line Tax, Tow agreements, Solid Waste Enforcement Fees, Disposal Facility Tax, Cardroom Tax, Marijuana Business Tax, and Sales and Use Taxes.
Utility Billing System	Develops and streamlines business systems and processes that support the delivery of City services through timely billing and collection of storm, sewer, garbage, and water fees. This program provides billing and customer support related to storm and sanitary sewer charges, garbage, water, and associated liens.
<i>Debt and Treasury Management Core Service</i>	
Banking Management	Manages the City's centralized banking relationships and cash operations for multiple programs throughout the City. Oversees payments of various tender types processed on multiple billing systems, including Building Permits, Business Taxes, Utility Billing, Airport Fees, and Fire Citations.
Cashiering and Payment Processing	Manages over-the-counter payments made for various programs, including Business Tax, Transient Occupancy Tax and Hotel Business Improvement District, Utility Billing, Airport, and Utility Users Tax.
Debt Management	Responsible for City debt issuance, credit facilities, and other borrowing, debt management projects, and debt administration activities, including performing compliance activity related to statutory, regulatory, and contractual requirements for 90 different obligations, including bonds, commercial paper, credit facilities, a lease-purchase agreement, and conduit bonds for affordable housing projects. Finances the construction of new facilities and improvements to existing City facilities through various bond measures and other financing tools. Public infrastructure and affordable housing are also facilitated through special taxes and various types of bonds.
Investment Management	Manages the City's cash flow and invests the City's operating funds in accordance with the Investment Policy mandates of safety, liquidity, and yield. Responsible for cash flow forecasts, portfolio management, Investment Policy updates and compliance, interest earnings forecasts, and related reporting. Performs counterparty credit risk analysis of the City clean energy program.

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Finance Management and Administration	Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support.
Finance Successor Agency to the Redevelopment Agency Administration	Supports the general winding down of the former Redevelopment Agency in an orderly manner, pursuant to AB X1 26. Responsibilities include all aspects of the financial management of the San José Successor Agency to the Redevelopment Agency, such as accounts payable, accounts receivable, debt management, investments, cash management, financial reporting, and preparation of Recognized Obligation Payments Schedule (ROPS).
Finance Emergency Response and Recovery	Provides for the coordination and delivery of emergency financial services and recovery activities.

Finance Department

Department Budget Summary

Expected 2024-2025 Service Delivery

- Ensure City financial resources are protected and available to address the short-term and long-term needs of the community, provide accurate and timely payments to City employees and vendors, deliver accurate and timely financial reports, and maintain efficient business systems and processes for timely billing and collection efforts.
- Ensure prudent use of public funds through competitive processes and cooperative purchasing with other government agencies and cooperative purchasing organizations.
- Maintain favorable bond ratings to ensure lowest cost of capital, provide financial modeling and analysis to meet the increasingly complex needs of the City, and ensure effective management of the City investment portfolio.
- Maintain adequate insurance coverage by monitoring the insurance market and assessing the City's risk exposure to ensure the best value and coverage economically possible.

2024-2025 Key Budget Actions

- Makes permanent 1.0 Analyst position and extends 1.0 Analyst and 1.0 Accounting Technician positions through June 30, 2025 in the Disaster Recovery and Grants Management group to extend and realign staffing responsible for grant funds management, reporting, audit support, and reimbursement efforts.
- Adds one-time funding to continue temporary staffing in the Specialized Accounting group - 70% funded by the San José Clean Energy Fund to support accounting operations in the Energy Department and 30% funded by the General Fund to support financial statement preparation, audit support, and bank account reconciliation.
- Makes permanent 1.0 Analyst position and eliminates 1.0 vacant Senior Account Clerk position in the Finance Administration group to provide additional capacity for public records management and other internal administrative support.
- Eliminates 1.0 vacant Senior Financial Analyst from the Debt Management group in the Debt and Treasury Management Division and 1.0 vacant Investigator Collector position from the Accounts Receivable group in the Revenue Management Division.

Operating Funds Managed

- American Rescue Plan Fund
- Cash Reserve Fund
- City Hall Debt Service Fund
- Community Facilities Revenue Fund
- Convention Center Facilities District Revenue Fund
- Coronavirus Relief Fund
- Emergency Reserve Fund
- Gift Trust Fund
- Ice Centre Revenue Fund

Finance Department

Department Budget Summary

	2022-2023 Actuals ***	2023-2024 Adopted ****	2024-2025 Forecast	2024-2025 Proposed
Dollars by Core Service				
Debt and Treasury Management	296,075,123	6,044,562	6,241,980	6,032,828
Disbursements	2,996,373	3,420,545	3,308,624	3,282,939
Financial Reporting	3,487,700	4,487,586	3,657,257	3,747,257
Purchasing and Risk Management	5,942,440	7,555,781	8,091,271	8,091,271
Revenue Management	8,874,659	12,555,250	9,022,742	8,838,829
Strategic Support - Other - Strategic Support	30,191,470	50,922,448	51,640,702	51,648,575
Strategic Support - Strategic Support	3,356,031	3,454,456	2,609,264	3,041,794
Total	\$350,923,796	\$88,440,628	\$84,571,840	\$84,683,493
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	20,750,302	23,163,283	24,654,167	24,751,747
Overtime	101,793	53,615	53,615	53,615
Subtotal Personal Services	\$20,852,095	\$23,216,898	\$24,707,782	\$24,805,362
Non-Personal/Equipment	1,303,433	2,693,992	1,379,692	1,385,892
Total Personal Services & Non-Personal/Equipment	\$22,155,528	\$25,910,890	\$26,087,474	\$26,191,254
Other Costs *				
City-Wide Expenses	6,966,934	16,720,102	11,467,198	11,467,198
Debt Service/Financing	321,120,853	43,772,000	44,613,253	44,613,253
Housing Loans and Grants	0	0	0	0
Other	655,445	1,573,776	1,853,258	1,853,258
Other - Capital	0	0	0	0
Overhead Costs	25,037	463,860	550,657	558,530
Total Other Costs	\$328,768,268	\$62,529,738	\$58,484,366	\$58,492,239
Total	\$350,923,796	\$88,440,628	\$84,571,840	\$84,683,493

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2022-2023 Actuals column reflect those included in the 2022-2023 Adopted Budget.

*** 2022-2023 Actuals may not subtotal due to rounding.

**** The amounts in the 2023-2024 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Finance Department

Department Budget Summary

	2022-2023 Actuals ***	2023-2024 Adopted ****	2024-2025 Forecast	2024-2025 Proposed
Dollars by Fund				
General Fund (001)	310,559,120	41,109,791	35,784,860	35,562,418
American Rescue Plan Fund (402)	0	0	0	0
Building Development Fee Program Fund (237)	75,750	79,218	84,082	84,082
City Hall Debt Service Fund (210)	25,190,712	25,209,000	25,201,000	25,201,000
Community Facilities Revenue Fund (422)	0	0	0	0
Convention and Cultural Affairs Fund (536)	0	450,000	682,000	682,000
Convention Center Facilities District Revenue Fund (791)	7,614,728	10,162,000	10,605,000	10,605,000
Emergency Reserve Fund (406)	166,915	50,000	778	264,000
Fire Development Fee Program Fund (240)	6,534	7,033	7,481	7,481
Ice Centre Revenue Fund (432)	4,900,045	7,489,088	7,915,045	7,915,045
Integrated Waste Management Fund (423)	775,946	1,084,066	1,053,680	1,053,680
Low And Moderate Income Housing Asset Fund (346)	64,985	86,041	94,306	94,306
Planning Development Fee Program Fund (238)	27,426	28,953	30,570	30,570
Public Works Development Fee Program Fund (241)	16,210	17,343	18,340	18,340
Public Works Program Support Fund (150)	16,320	20,000	20,000	20,000
Real Property Transfer Tax Fund (404)	0	0	307,608	307,608
San José Clean Energy Operating Fund (501)	256,506	477,479	313,709	384,582
San José-Santa Clara Treatment Plant Operating Fund (513)	114,316	162,374	180,372	180,372
Sewer Service And Use Charge Fund (541)	263,603	904,938	1,037,987	1,037,987
Storm Sewer Operating Fund (446)	72,660	217,783	231,873	231,873
Water Utility Fund (515)	763,674	867,497	979,292	979,292
Capital Funds	38,346	18,024	23,857	23,857
Total	\$350,923,796	\$88,440,628	\$84,571,840	\$84,683,493
Positions by Core Service **				
Debt and Treasury Management	23.20	23.56	23.56	22.56
Disbursements	16.50	16.36	16.36	16.36
Financial Reporting	18.63	18.41	17.41	17.41
Purchasing and Risk Management	22.00	23.00	23.00	23.00
Revenue Management	38.99	38.99	38.99	37.66
Strategic Support - Strategic Support	14.67	14.67	10.67	13.67
Total	133.99	134.99	129.99	130.66

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*** 2022-2023 Actuals may not subtotal due to rounding.

**** The amounts in the 2023-2024 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Finance Department

Department Budget Summary

	2022-2023	2023-2024	2024-2025	2024-2025	2024-2025
	Actuals **	Adopted	Forecast	Proposed	Proposed Positions

Dollars by Program*

Debt and Treasury Management

Banking Management	1,050,070	1,391,279	1,300,439	1,300,439	1.35
Cashiering and Payment Processing	1,309,274	1,184,925	1,267,607	1,267,607	8.90
Debt Management	292,660,939	2,351,846	2,486,073	2,276,921	7.25
Investment Management	1,054,840	1,116,512	1,187,861	1,187,861	5.06
Sub-Total	296,075,123	6,044,562	6,241,980	6,032,828	22.56

Disbursements

Accounts Payable	1,248,121	1,271,489	1,269,902	1,244,217	6.76
Payroll	1,748,252	2,149,056	2,038,722	2,038,722	9.60
Sub-Total	2,996,373	3,420,545	3,308,624	3,282,939	16.36

Financial Reporting

General Accounting	2,228,044	3,480,041	2,644,230	2,644,230	11.45
Special Accounting	1,259,656	1,007,545	1,013,027	1,103,027	5.96
Sub-Total	3,487,700	4,487,586	3,657,257	3,747,257	17.41

Purchasing and Risk Management

Purchasing	3,277,737	3,408,832	3,641,062	3,641,062	18.80
Risk Management	2,664,702	4,146,949	4,450,209	4,450,209	4.20
Sub-Total	5,942,440	7,555,781	8,091,271	8,091,271	23.00

Revenue Management

Accounts Receivable	1,445,073	2,047,852	2,349,551	2,204,467	7.70
Business Tax	1,998,140	6,472,450	2,519,740	2,519,740	12.30
Revenue Audit and Compliance	1,556,746	2,274,634	2,370,283	2,331,454	8.36
Utility Billing System	3,874,700	1,760,314	1,783,168	1,783,168	9.30
Sub-Total	8,874,659	12,555,250	9,022,742	8,838,829	37.66

Strategic Support - Other - Strategic Support

Finance Funds Debt/Financing Costs	0	43,772,000	44,613,253	44,613,253	0.00
Finance Other Departmental - City-Wide	3,147	6,572,500	6,360,000	6,360,000	0.00
Finance Other Operational - Administration	194,855	114,088	116,792	116,792	0.00
Finance Overhead	17,651	463,860	550,657	558,530	0.00
Finance Transfers	29,975,817	0	0	0	0.00
Sub-Total	30,191,470	50,922,448	51,640,702	51,648,575	0.00

Strategic Support - Strategic Support

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** 2022-2023 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2022-2023 Actuals **	2023-2024 Adopted	2024-2025 Forecast	2024-2025 Proposed	2024-2025 Proposed Positions
Finance Emergency Response and Recovery	1,280,086	1,302,283	688,716	1,086,655	6.00
Finance Management and Administration	2,075,945	2,152,173	1,920,548	1,955,139	7.67
Sub-Total	3,356,031	3,454,456	2,609,264	3,041,794	13.67
Total	\$350,923,796	\$88,440,628	\$84,571,840	\$84,683,493	130.66

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Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2023-2024 Adopted to 2024-2025 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2023-2024):	134.99	25,910,890	23,363,689
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(1,335,200)	(1,232,200)
• Accounts Receivable Staffing		67,500	67,500
• Disaster Recovery and Grants Management Temporary Staffing (3.0 Accounting Technician and 1.0 Analyst I/II)	(4.00)	(693,361)	(693,361)
• San José Clean Energy Accounting Staffing (1.0 Supervising Accountant)	(1.00)	(203,535)	(61,060)
• Enterprise Resource Planning Replacement Project Management Staffing		(4,400)	(4,400)
One-time Prior Year Expenditures Subtotal:	(5.00)	(2,168,996)	(1,923,521)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Accountant I/II to 1.0 Analyst I/II		2,010,472	1,840,994
• Fund Shift: Measure E - 5% Program Administration		307,608	0
• Software/Information Services: Bloomberg Terminal		20,000	20,000
• Software/Information Services: Public Resource Advisory Group (PRAG)		7,500	7,500
Technical Adjustments Subtotal:	0.00	2,345,580	1,868,494
2024-2025 Forecast Base Budget:	129.99	26,087,474	23,308,662
Budget Proposals Recommended			
1. Disaster Recovery and Grants Management Staffing	3.00	397,939	134,717
2. Specialized Accounting Staffing		90,000	27,000
3. Administrative Services Staffing	0.00	34,591	34,591
4. Debt Management Staffing	(1.00)	(209,152)	(209,152)
5. Revenue Management Staffing	(1.00)	(145,084)	(145,084)
6. Revenue Compliance Staffing	(0.33)	(38,829)	(38,829)
7. Accounting Staffing	0.00	(25,685)	(25,685)
Total Budget Proposals Recommended	0.67	103,780	(222,442)
2024-2025 Proposed Budget Total			
	130.66	26,191,254	23,086,220

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2024-2025 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Disaster Recovery and Grants Management Staffing	3.00	397,939	134,717

Strategic Support CSA
Strategic Support – Strategic Support Core Service
Finance Emergency Response and Recovery Program

This action makes permanent 1.0 Analyst position and extends 1.0 Analyst and 1.0 Accounting Technician positions through June 30, 2025 to continue staffing in the Disaster Recovery and Grants Management team. This reflects a realignment of the group, which currently consists of 1.0 Division Manager and 2.0 Senior Analyst permanent positions, and 3.0 Accounting Technician and 1.0 Analyst temporary positions that will expire on June 30, 2024. The Analyst add will permanently support and enhance the use of the WebGrants system, which is the current City grants system for multiple departments and was formerly support by the Office of Economic Development and Cultural Affairs. The position will assist in grant fund management, monitor subrecipient compliance and reporting, administer desk reviews and site audits, and produce reports used by other departments and the City Council. The temporary Analyst and Accounting Technician positions will continue the management of Citywide grants and reimbursement efforts with various Federal Emergency Management Agency project applications for public assistance; assist with compliance of desk review and audits for external grantors, which includes but not limited to the U.S. Treasury Office of Inspector General, State Audit of Homelessness Funding, and Work2Future; and aid in the implementation of recommendations from the internal Citywide Grants Management audit report. (Ongoing costs: \$147,969)

2. Specialized Accounting Staffing		90,000	27,000
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Strategic Support CSA
Financial Reporting Core Service
Special Accounting Program

This action adds one-time personal services funding for temporary staffing, funded 70% by the San José Clean Energy Fund and 30% by the General Fund. The temporary position will continue to play a pivotal role in bolstering the accounting operations within the Energy Department, with a key focus on streamlining accounts payable processes to drive operational efficiency. Other responsibilities include technical and managerial support for auditing the Energy Department's standalone financial statements; implementing software solutions for the automation of the annual financial statements; the development and maintenance of accounting policies, procedures, and business processes in strict adherence to generally accepted accounting principles (GAAP); the establishment of policies for accounts receivable, such as but not limited to the reserves for uncollectible accounts and write-offs; and provide training to team members. The temporary position will also assist the Finance Department's Specialized Accounting division by consolidating the Energy Department's standalone financial statements into the City's Annual Comprehensive Financial Report (ACFR), reviewing financial statements of other City funds, and providing support for audits of the Successor Agency to the Redevelopment Agency of the City of San José. (Ongoing costs: \$0)

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2024-2025 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Administrative Services Staffing	0.00	34,591	34,591
<p><i>Strategic Support CSA</i> <i>Strategic Support – Strategic Support Core Service</i> <i>Finance Management and Administration Program</i></p> <p>This action makes permanent 1.0 Analyst position and eliminates 1.0 vacant Senior Account Clerk position within the Finance Department’s Administration division. The Analyst position supports the Finance Department’s Administration division by absorbing the Senior Account Clerk responsibilities and also serving as the Finance Department’s Public Records Liaison. The Public Records Liaison complies with regulations for 120 public requests annually for sensitive information, tracks and manages those public requests, and coordinates with multiple departments. In addition, this position will coordinate the storage of confidential documents for the Accounting, Debt Management, Treasury, Revenue Management, and Purchasing divisions; manage and maintain the Web Services and SharePoint Hub; maintain and approve department timecards; lead Finance Department staff through trainings; support recruiting, onboarding and offboarding employees; and aid with employee retention, engagement, and safety. (Ongoing costs: \$44,470)</p>			
4. Debt Management Staffing	(1.00)	(209,152)	(209,152)
<p><i>Strategic Support CSA</i> <i>Debt and Treasury Management Core Service</i> <i>Debt Management Program</i></p> <p>As a cost reduction to help bring the General Fund into structural alignment, this action eliminates 1.0 vacant Senior Financial Analyst position from the Debt Management group in the Debt and Treasury Management Division of the Finance Department. The Finance Department has not been able to successfully recruit a Senior Financial Analyst to fill this position over the past two years. Elimination of the Senior Financial Analyst position will make permanent the increased workload for the Deputy Director of the Debt and Treasury Management Division, Debt Administrator, and the remaining 3.0 Financial Analysts within the group, which could potentially cause delays in the implementation of a debt management software system, refining private activity monitoring practices, developing advanced analytics and progressing special projects, such as creation of the Flea Market Community Facilities District. (Ongoing savings: \$207,424)</p>			
5. Revenue Management Staffing	(1.00)	(145,084)	(145,084)
<p><i>Strategic Support CSA</i> <i>Revenue Management Core Service</i> <i>Accounts Receivable Program</i></p> <p>As a cost reduction to help bring the General Fund into structural alignment, this action eliminates 1.0 vacant Investigator Collector position from the Accounts Receivable (AR) group in the Revenue Management Division within the Finance Department. As this position has been vacant for an extended period of time, revenue collections are not anticipated to be impacted. The AR group will need to continue to rely on a third-party collection agency, which historically has a nominal success rate of 4.3% collections on delinquent accounts, which can lead to an increase in lost revenue for the City. (Ongoing savings: \$146,880)</p>			

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment







2024-2025 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. Revenue Compliance Staffing	(0.33)	(38,829)	(38,829)
<i>Strategic Support CSA Revenue Management Core Service Revenue Audit and Compliance Program</i>			
<p>As a cost reduction to help bring the General Fund into structural alignment, this action eliminates 0.33 vacant Hearing Officer Part-Time unbenefited position from the Revenue Compliance group in the Revenue Management Division within the Finance Department. Based on existing demand, this position is no longer needed. (Ongoing savings: \$38,455)</p>			
7. Accounting Staffing	0.00	(25,685)	(25,685)
<i>Strategic Support CSA Disbursements Core Service Accounts Payable Program</i>			
<p>This action makes permanent 1.0 Accountant position and eliminates 1.0 Principal Account Clerk position within the Accounts Payable (AP) group. The Accountant position will support the AP group by absorbing the Principal Account Clerk responsibilities and take on additional responsibilities such as monitoring of new and existing Automated Clearing House (ACH) requests; aid in generating reports, such as but not limited to quarterly and annual AP performance measure reporting and compiling funds financial statements for the Annual Comprehensive Financial Report (ACFR); resolve internal third-party auditing variance discrepancies; coordination of reporting accuracy and preventive fraudulent incidents with the General Ledger group; lead process improvements, such as the FMS 9.1 accounts, AP operations, SimplyGov's Employee Reimbursement system, and Travel Request BPA's; and the development of automation for existing accounting procedures. (Ongoing savings: \$13,388)</p>			
2024-2025 Proposed Budget Changes Total	0.67	103,780	(222,442)

Finance Department

Performance Summary

Disbursements

Performance Measures

	2022-2023 Actual	2023-2024 Target	2023-2024 Estimated	2024-2025 Target
 % of disbursements paid accurately and timely	95%	91%	95%	95%
 % of reimbursements paid to employees accurately and timely	99%	99%	99%	99%
 % of payroll disbursements paid accurately and timely	99%	99%	99%	99%
 % of disbursements paid to vendors accurately and within 45 days ¹	81%	N/A	80%	80%
 Cost per payment	\$11.13	\$11.88	\$11.58	\$11.58
 Average number of days from invoice date to check issuance	27	27	27	27

¹ The department has revised this measure from 30 days to 45 days to accommodate both invoices that are due by 30 days and 45 days. The 2023-2024 Adopted Target of 68% was developed based on invoices due by 30 days; and no value was set for the 2023-2024 Adopted Target based on invoices due by 30 days and 45 days but will start to be measured as part of the 2024-2025 Proposed operating budget.

Activity and Workload Highlights

	2022-2023 Actual	2023-2024 Forecast	2023-2024 Estimated	2024-2025 Forecast
Total number of payments made	268,763	254,500	268,763	268,763
Vendor invoices paid	77,489	75,000	75,000	75,000

Finance Department

Performance Summary

Financial Reporting

Performance Measures

	2022-2023 Actual	2023-2024 Target	2023-2024 Estimated	2024-2025 Target
% of financial reports that are produced accurately and timely	98%	99%	98%	98%
Received Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award.	100%	100%	100%	100%
Received unmodified audit opinion on the Annual Comprehensive Finance Report (ACFR) ¹	Yes	N/A	Yes	Yes

¹ This new department measure reports the Annual Comprehensive Finance Report (ACFR) has received an unmodified audit opinion, which is the highest accounting standard for all industries. The 2023-2024 Adopted Target was not developed and will start to be measured as a part of the 2024-2025 Proposed operating budget.

Activity and Workload Highlights





	2022-2023 Actual	2023-2024 Forecast	2023-2024 Estimated	2024-2025 Forecast
Total number of financial reports provided	2,152	2,150	2,150	2,150

Finance Department

Performance Summary

Purchasing and Risk Management

Performance Measures

	2022-2023 Actual	2023-2024 Target	2023-2024 Estimated	2024-2025 Target
 % of cost savings achieved through the centralized purchasing process	3.6%	4.1%	3.6%	3.6%
 Cost of purchasing services as a percentage of the total dollars procured	1.41%	1.41%	1.41%	1.41%
 % of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	51%	80%	51%	70%
- 26 business days for POs >\$10K and ≤ \$100K	77%	80%	76%	80%
- 38 business days for POs >100K and ≤ \$250K	84%	80%	84%	80%
- 83 business days for POs >\$250K and ≤ \$1.0M	94%	95%	94%	95%
- 108 business days for POs > \$1.0M	97%	85%	98%	95%
 Percentage of contracts processed for insurance clearance within five days of receipt	99%	92%	98%	90%

Activity and Workload Highlights

	2022-2023 Actual	2023-2024 Forecast	2023-2024 Estimated	2024-2025 Forecast
Total dollars procured	\$270.4M	\$258.5M	\$268.1M	\$276.1M
Total cost savings achieved through the centralized purchasing process	\$9.7M	\$10.6M	\$9.6M	\$9.9M
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	174	320	163	263
- 26 business days for POs >\$10K and ≤ \$100K	578	669	542	586
- 38 business days for POs >100K and ≤ \$250K	180	180	169	167
- 83 business days for POs >\$250K and ≤ \$1.0M	178	162	167	174
- 108 business days for POs > \$1.0M	41	25	39	35
Total insurable value of the City's assets	\$5.5B	\$5.8B	\$6.5B	\$7.0B
Total number of contracts processed for insurance clearance	1,912	1,787	2,227	2,450

Finance Department

Performance Summary

Revenue Management

Performance Measures

	2022-2023 Actual	2023-2024 Target	2023-2024 Estimated	2024-2025 Target
<div style="display: flex; align-items: center;"> <div style="background-color: black; color: white; padding: 2px 5px; margin-right: 5px;">\$</div> <div> Return on Investment (ROI) - Revenue Management </div> </div>	5.84	5.00	5.94	5.00

¹ The 2021-2022 Actual ROI calculation included large one-time payments.

Activity and Workload Highlights

	2022-2023 Actual	2023-2024 Forecast	2023-2024 Estimated	2024-2025 Forecast
Revenue Management Aging Receivable ¹ Balance				
Current Receivables ²				
- 0 – 30 days ⁴	\$28,979,720	\$8,849,993	\$8,637,559	\$8,603,855
- 31 – 60 days	\$5,471,791	\$5,284,106	\$5,403,971	\$5,437,881
- 61 – 90 days	\$7,747,603	\$4,251,157	\$4,626,012	\$4,725,592
Delinquent Receivables ³				
- 91 – 120 days	\$2,942,278	\$2,554,117	\$2,685,525	\$2,813,902
- 121 – 365 days	\$13,817,162	\$10,680,332	\$13,065,150	\$13,441,156
- 366 – 730 days	\$17,765,606	\$16,683,580	\$16,857,071	\$15,311,338
- 731 – 999+ days	\$23,312,368	\$22,420,781	\$20,852,165	\$18,082,266

¹ Includes Business Tax, Fire, Administrative Citations, miscellaneous accounts receivable, and Utility Billing.

² Current = 90 days or less

³ Delinquent = 91 days or more




⁴ Total amount for 2022-2023 Actual includes a one-time \$20.0 million Department of Transportation grant collection.

Finance Department

Performance Summary

Debt and Treasury Management

Performance Measures

	2022-2023 Actual	2023-2024 Target	2023-2024 Estimated	2024-2025 Target
 City's General Obligation Bond rating <ul style="list-style-type: none"> - Moody's - Standard & Poor's - Fitch 	Aa1 AA+ AAA	Aa1 AA+ AAA	Aa1 AA+ AAA	Aa1 AA+ AAA
 Average return on investments <ul style="list-style-type: none"> Comparison Benchmarks - Local Agency Investment Fund (LAIF) - Bank of America Merrill Lynch (BAML) 	2.350% 2.170% 4.310%	2.900% N/A ¹ N/A ¹	2.900% N/A ¹ N/A ¹	2.900% N/A ¹ N/A ¹
 Cost of Investment Program as a percentage of the City's total investment portfolio	0.042%	0.045%	0.049%	0.049%

¹ Due to volatility in market conditions, targets and estimates cannot be determined. Bank of America Merrill Lynch (BAML) and Local Agency Investment Fund (LAIF) release these figures on an annual and monthly basis.

Activity and Workload Highlights

	2022-2023 Actual	2023-2024 Forecast	2023-2024 Estimated	2024-2025 Forecast
Total debt portfolio managed	\$4.600B	\$4.200B	\$4.750B	\$4.900B
Total of the City's investment portfolio	\$2.622B	\$2.500B	\$2.500B	\$2.500B

Finance Department

Department Position Detail

Position	2023-2024 Adopted	2024-2025 Proposed	Change
Accountant I/II	17.00	16.00	(1.00)
Accounting Technician	13.00	11.00	(2.00)
Administrative Officer	1.00	1.00	-
Analyst I/II	13.00	17.00	4.00
Assistant Director	1.00	1.00	-
Buyer I/II/III	6.00	6.00	-
Debt Administrator	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	4.00	4.00	-
Director of Finance	1.00	1.00	-
Division Manager	1.00	1.00	-
Financial Analyst	5.00	5.00	-
Hearing Officer U PT	0.99	0.66	(0.33)
Investigator Collector I/II	11.00	10.00	(1.00)
Investment Officer	1.00	1.00	-
Principal Account Clerk	3.00	2.00	(1.00)
Principal Accountant	3.00	3.00	-
Principal Office Specialist	1.00	1.00	-
Program Manager	6.00	6.00	-
Risk Manager	1.00	1.00	-
Senior Account Clerk	13.00	12.00	(1.00)
Senior Accountant	7.00	7.00	-
Senior Analyst	10.00	10.00	-
Senior Financial Analyst	1.00	0.00	(1.00)
Senior Investigator Collector	2.00	2.00	-
Senior Office Specialist	4.00	4.00	-
Staff Specialist	3.00	3.00	-
Supervising Accountant	4.00	3.00	(1.00)
Total Positions	134.99	130.66	(4.33)