

# Finance Department

Julia H. Cooper, Director

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**T***o manage, protect and report on the City of San José's 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 the City's resources to enhance the City's financial condition

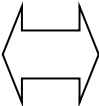
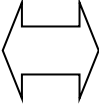
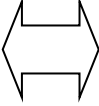
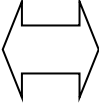
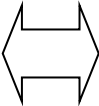
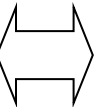
#### Treasury Management

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, and Administrative Support

# Finance Department

## Service Delivery Framework

| Core Service   |   | Key Operational Services  |
|--|---|---|
| <p><b>Disbursements:</b><br/><i>Facilitate timely and accurate payment of the City's financial obligations</i></p>   |    | <ul style="list-style-type: none"> <li>• Accounts Payable</li> <li>• Payroll</li> </ul>   |
| <p><b>Financial Reporting:</b><br/><i>Provide accurate and meaningful reporting on the City's financial condition</i></p>  |    | <ul style="list-style-type: none"> <li>• General Accounting and Analysis</li> <li>• Special Accounting</li> </ul>   |
| <p><b>Purchasing and Risk Management:</b><br/><i>Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets</i></p>     |    | <ul style="list-style-type: none"> <li>• Procurement</li> <li>• Risk Management (insurance)</li> </ul>  |
| <p><b>Revenue Management:</b><br/><i>Bill and collect the City's resources to enhance the City's financial condition</i></p>   |   | <ul style="list-style-type: none"> <li>• Accounts Receivable Collections</li> <li>• Business Tax Compliance</li> <li>• Utility Billing</li> <li>• Revenue Compliance and Monitoring</li> </ul>              |
| <p><b>Treasury Management:</b><br/><i>Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition</i></p> |  | <ul style="list-style-type: none"> <li>• Debt Management</li> <li>• Investment Management</li> <li>• Cash Management</li> <li>• Payment Processing</li> </ul>   |
| <p><b>Strategic Support:</b><br/><i>Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, and Administrative Support</i></p>                      |  | <ul style="list-style-type: none"> <li>• Analytical Support</li> <li>• Budget/Fiscal Management</li> <li>• Contract Administration</li> <li>• Website Services</li> <li>• Administrative Support</li> </ul> |

# Finance Department

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## Department Budget Summary

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### Expected 2015-2016 Service Delivery

- Ensure that the City's financial resources are protected and available to address the short-term and long-term needs of the community; accurate and timely payments to City employees and vendors; accurate and timely financial reports; and 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.
- 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's investment portfolio.
- Manage enterprise systems, including the Financial Management System (FMS), the Customer Information System (CIS), and the Oracle PeopleSoft Human Resources (HR)/Payroll System. The Finance Department is responsible for the current procurement process to replace some of these major systems, including the HR/Payroll System.
- Maintain adequate insurance coverage by monitoring the insurance market and assessing the City's risk exposure to ensure the lowest cost and best coverage economically possible.

### 2015-2016 Key Budget Actions

- Makes permanent 1.0 Department Information Technology Manager position to address the City's increasingly complex technology-based procurement demands and makes permanent 1.0 Senior Analyst position to exclusively support the Planning, Building, and Code Enforcement Department's procurement and contracting needs.
- Provides one-time funding of \$200,000 (reallocation from City-Wide Expenses) to develop policies, procedures, and training materials for financial functions in order to enhance internal controls and improve efficiencies for financial activities throughout the City.
- Provides one-time funding of \$125,000 to procure software systems to track Treasury functions including cash and debt management as existing solutions are limited in functionality and/or do not interface with other existing software systems.
- Adds 1.0 Investigator Collector position and associated non-personal/equipment funding to facilitate more timely collection of delinquent accounts receivables. The cost of this position is offset by revenue expected to be generated by the activities of this position.
- Eliminates 1.0 Account Clerk II and 1.0 Senior Account Clerk positions responsible for Single Family Dwelling Recycle Plus billing. In 2013, the City Council approved a strategy to collect Single Family Dwelling Recycle Plus revenues through Santa Clara County's property tax collection program, starting in 2015-2016, resulting in overall program cost savings and service delivery efficiencies.
- A rebudget of \$119,000 to complete technology enhancement projects.

### Operating Funds Managed

- |   |   |
|---|---|
| <input type="checkbox"/> Cash Reserve Fund                    | <input type="checkbox"/> Convention Center Facilities District Revenue Fund |
| <input type="checkbox"/> City Hall Debt Service Fund          | <input type="checkbox"/> Emergency Reserve Fund                             |
| <input type="checkbox"/> Community Facilities Revenue Fund    | <input type="checkbox"/> Gift Trust Fund                                    |
| <input type="checkbox"/> Convention and Cultural Affairs Fund |   |

# Finance Department

## Department Budget Summary

|   | 2013-2014<br>Actual<br>1 | 2014-2015<br>Adopted<br>2 | 2015-2016<br>Forecast<br>3 | 2015-2016<br>Adopted<br>4 | %<br>Change<br>(2 to 4) |
|---|--------------------------|---------------------------|----------------------------|---------------------------|-------------------------|
| <b>Dollars by Core Service</b>              |                          |                           |                            |                           |                         |
| Disbursements                               | \$ 1,770,711             | \$ 2,002,418              | \$ 2,084,433               | \$ 2,153,943              | 7.6%                    |
| Financial Reporting                         | 1,743,507                | 2,130,916                 | 1,968,712                  | 2,033,403                 | (4.6%)                  |
| Purchasing and Risk Management              | 2,065,894                | 2,563,255                 | 2,472,581                  | 2,810,947                 | 9.7%                    |
| Revenue Management                          | 4,518,719                | 4,948,877                 | 5,013,406                  | 5,244,906                 | 6.0%                    |
| Treasury Management                         | 3,090,274                | 4,005,684                 | 3,547,853                  | 3,707,877                 | (7.4%)                  |
| Strategic Support                           | 1,186,867                | 1,353,727                 | 1,258,847                  | 1,501,242                 | 10.9%                   |
| <b>Total</b>                                | <b>\$ 14,375,972</b>     | <b>\$ 17,004,877</b>      | <b>\$ 16,345,832</b>       | <b>\$ 17,452,318</b>      | <b>2.6%</b>             |
| <b>Dollars by Category</b>                  |                          |                           |                            |                           |                         |
| Personal Services                           |                          |                           |                            |                           |                         |
| Salaries/Benefits                           | \$ 12,814,827            | \$ 15,602,673             | \$ 15,143,029              | \$ 15,803,715             | 1.3%                    |
| Overtime                                    | 26,555                   | 48,615                    | 48,615                     | 48,615                    | 0.0%                    |
| Subtotal                                    | \$ 12,841,382            | \$ 15,651,288             | \$ 15,191,644              | \$ 15,852,330             | 1.3%                    |
| Non-Personal/Equipment                      |                          |                           |                            |                           |                         |
| Total                                       | 1,534,590                | 1,353,589                 | 1,154,188                  | 1,599,988                 | 18.2%                   |
| <b>Total</b>                                | <b>\$ 14,375,972</b>     | <b>\$ 17,004,877</b>      | <b>\$ 16,345,832</b>       | <b>\$ 17,452,318</b>      | <b>2.6%</b>             |
| <b>Dollars by Fund</b>                      |                          |                           |                            |                           |                         |
| General Fund                                | \$ 12,063,507            | \$ 14,024,104             | \$ 13,349,472              | \$ 14,547,789             | 3.7%                    |
| Integrated Waste Mgmt                       | 1,188,428                | 1,443,626                 | 1,405,587                  | 1,261,538                 | (12.6%)                 |
| Low/Mod Income Hsg Asset                    | 60,952                   | 106,518                   | 98,791                     | 102,241                   | (4.0%)                  |
| PW Program Support                          | 42,228                   | 57,134                    | 54,515                     | 55,764                    | (2.4%)                  |
| Sewer Svc & Use Charge                      | 443,678                  | 530,146                   | 570,055                    | 588,172                   | 10.9%                   |
| SJ/SC Treatment Plant Oper                  | 344,150                  | 496,547                   | 483,205                    | 499,709                   | 0.6%                    |
| Storm Sewer Operating                       | 32,235                   | 51,988                    | 55,303                     | 57,143                    | 9.9%                    |
| Water Utility                               | 200,794                  | 294,814                   | 306,117                    | 316,451                   | 7.3%                    |
| Capital Funds                               | 0                        | 0                         | 22,787                     | 23,511                    | N/A                     |
| <b>Total</b>                                | <b>\$ 14,375,972</b>     | <b>\$ 17,004,877</b>      | <b>\$ 16,345,832</b>       | <b>\$ 17,452,318</b>      | <b>2.6%</b>             |
| <b>Authorized Positions by Core Service</b> |                          |                           |                            |                           |                         |
| Disbursements                               | 14.50                    | 14.50                     | 14.50                      | 14.50                     | 0.0%                    |
| Financial Reporting                         | 14.02                    | 15.02                     | 13.82                      | 13.82                     | (8.0%)                  |
| Purchasing and Risk Management              | 17.41                    | 18.41                     | 18.41                      | 20.41                     | 10.9%                   |
| Revenue Management                          | 35.59                    | 35.59                     | 36.07                      | 37.07                     | 4.2%                    |
| Treasury Management                         | 26.63                    | 27.63                     | 26.45                      | 24.45                     | (11.5%)                 |
| Strategic Support                           | 6.85                     | 6.85                      | 6.75                       | 6.75                      | (1.5%)                  |
| <b>Total</b>                                | <b>115.00</b>            | <b>118.00</b>             | <b>116.00</b>              | <b>117.00</b>             | <b>(0.8%)</b>           |

# Finance Department

## Budget Reconciliation

(2014-2015 Adopted to 2015-2016 Adopted)

|  | Positions     | All Funds (\$)    | General Fund (\$) |
|--|---------------|-------------------|-------------------|
| <b>Prior Year Budget (2014-2015):</b>  | <b>118.00</b> | <b>17,004,877</b> | <b>14,024,104</b> |
| <b>Base Adjustments</b>  |               |                   |                   |
| <b>One-Time Prior Year Expenditures Deleted</b>  |               |                   |                   |
| • Rebudget: Cashiering System Integration  |               | (105,000)         | (105,000)         |
| • Rebudget: Cost Allocation Plan Software  |               | (50,000)          | (50,000)          |
| • Planning, Building, and Code Enforcement Department Building Development Fee Program Purchasing Support (1.0 Senior Analyst) | (1.00)        | (162,673)         | (162,673)         |
| • City-Wide Purchasing Support: Information Technology Procurements (1.0 Program Manager I)                                    | (1.00)        | (116,327)         | (116,327)         |
| • Human Resources/Payroll System Annual Tax Updates  |               | (100,000)         | (100,000)         |
| <b>One-time Prior Year Expenditures Subtotal:</b>  | <b>(2.00)</b> | <b>(534,000)</b>  | <b>(534,000)</b>  |
| <b>Technical Adjustments to Costs of Ongoing Activities</b>  |               |                   |                   |
| • Salary/benefit changes and the following position reallocations:   |               | (116,845)         | (132,432)         |
| - 1.0 Account Clerk II to 1.0 Office Specialist II   |               |                   |                   |
| - 1.0 Division Manager to 1.0 Deputy Director  |               |                   |                   |
| - 1.0 Investigator Collector II to 1.0 Analyst II  |               |                   |                   |
| - 1.0 Senior Accountant to 1.0 Principal Accountant  |               |                   |                   |
| - 1.0 Senior Account Clerk to 1.0 Buyer I  |               |                   |                   |
| - 1.0 Senior Office Specialist to 1.0 Staff Specialist   |               |                   |                   |
| • Shift personal services to non-personal/equipment for Citation Hearing Officers adjudication services                        | 0.00          | 0                 | 0                 |
| • Contractual support increase for preparation and filing of Senate Bill 90 reimbursement claims to the State of California    |               | 2,800             | 2,800             |
| • Cost Allocation Plan software maintenance increase   |               | 2,500             | 2,500             |
| • Temporary staffing (buyers) contractual increase   |               | 2,000             | 2,000             |
| • Changes in vehicle maintenance and operations  |               | (13,000)          | (13,000)          |
| • Changes in professional development program costs  |               | (2,500)           | (2,500)           |
| <b>Technical Adjustments Subtotal:</b>   | <b>0.00</b>   | <b>(125,045)</b>  | <b>(140,632)</b>  |
| <b>2015-2016 Forecast Base Budget:</b>   | <b>116.00</b> | <b>16,345,832</b> | <b>13,349,472</b> |

# Finance Department

## Budget Reconciliation

(2014-2015 Adopted to 2015-2016 Adopted)

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|  | <b>Positions</b> | <b>All Funds (\$)</b> | <b>General Fund (\$)</b> |
|--|------------------|-----------------------|--------------------------|
| <hr/> <b>Budget Proposals Approved</b> <hr/>   |                  |                       |                          |
| 1. Finance Department Salary Program   |                  | 514,376               | 425,786                  |
| 2. Specialized Procurement Staffing  | 2.00             | 252,759               | 252,759                  |
| 3. Internal Financial Controls Evaluation (reallocation from City-Wide Expenses)         |                  | 200,000               | 200,000                  |
| 4. Cash and Debt Management Technology Enhancements                                      |                  | 125,000               | 125,000                  |
| 5. Delinquent Accounts Collection Staffing   | 1.00             | 75,772                | 75,772                   |
| 6. Single Family Garbage Billing Program Model Change: Cashiering and Payment Processing | (2.00)           | (180,421)             | 0                        |
| 7. Rebudget: Technology Enhancements   |                  | 119,000               | 119,000                  |
|  | <hr/>            | <hr/>                 | <hr/>                    |
| <b>Total Budget Proposals Approved</b>   | <b>1.00</b>      | <b>1,106,486</b>      | <b>1,198,317</b>         |
| <hr/>  |                  |                       |                          |
| <b>2015-2016 Adopted Budget Total</b>  | <b>117.00</b>    | <b>17,452,318</b>     | <b>14,547,789</b>        |

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# Finance Department

## Budget Changes By Department

| Adopted Budget Changes                      | Positions | All Funds (\$) | General Fund (\$) |
|---|-----------|----------------|-------------------|
| <b>1. Finance Department Salary Program</b> |           | <b>514,376</b> | <b>425,786</b>    |
| <b>Strategic Support CSA</b>                |           |                |                   |
| <i>Disbursements</i>                        |           |                |                   |
| <i>Financial Reporting</i>                  |           |                |                   |
| <i>Purchasing and Risk Management</i>       |           |                |                   |
| <i>Revenue Management</i>                   |           |                |                   |
| <i>Treasury Management</i>                  |           |                |                   |
| <i>Strategic Support</i>                    |           |                |                   |

This action increases the Finance Department personal services allocation (\$425,786 in the General Fund and \$514,376 in all funds) to reflect salary increases that were negotiated and agreed to by the City and 10 bargaining units, including Association of Building, Mechanical, and Electrical Inspectors (ABMEI), Association of Engineers and Architects (AEA), Association of Legal Professionals of San José (ALP), Association of Maintenance Supervisory Personnel (AMSP), City Association of Management Personnel (CAMP), Confidential Employees' Organization (CEO), International Association of Fire Fighters (IAFF), International Brotherhood of Electrical Workers (IBEW), International Union of Operating Engineers, Local #3 (OE3), and Municipal Employees' Federation (MEF), effective June 21, 2015. In addition, a salary increase is included for employees in Unit 99 and for Council Appointees. These salary increases were approved by the City Council on June 23, 2015. Further details on the salary increases by each employee group can be found at: <https://www.sanjoseca.gov/index.aspx?NID=505>. (Ongoing costs: \$422,900)

**Performance Results:** N/A (Final Budget Modification)

|  |             |                |                |
|--|-------------|----------------|----------------|
| <b>2. Specialized Procurement Staffing</b> | <b>2.00</b> | <b>252,759</b> | <b>252,759</b> |
| <b>Strategic Support CSA</b>               |             |                |                |
| <i>Purchasing and Risk Management</i>      |             |                |                |

This action makes permanent 1.0 limit-dated Department Information Technology Manager (formerly 1.0 Program Manager I) position that expired June 30, 2015 to address the City's increasingly complex technology-based procurement demands, which require specialized skills and senior level procurement/contracting knowledge, as well as an understanding of the City's procurement rules and procedures. This position will minimize reliance on the use of outside consultants and unnecessarily incurring professional services-related expenses. This action also makes permanent 1.0 limit-dated Senior Analyst position that expired June 30, 2015 in the Finance Department to exclusively support the Planning, Building, and Code Enforcement (PBCE) Department's procurement and contracting needs. The Senior Analyst has successfully provided support of PBCE's purchasing process since 2013-2014. This Senior Analyst position will ensure more timely procurement of services for PBCE in compliance with applicable rules and regulations including: coordination of Request for Proposals (RFP) for technology initiatives such as the AMANDA permitting system upgrade, GIS Web Viewer/WebMap, Online Data Sharing, and Mobile Inspections; and work with the City Attorney's Office on the agreements. This position will be funded by the Building Development Fee Program. (Ongoing costs: \$252,136)

# Finance Department

## Budget Changes By Department

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| Adopted Budget Changes | Positions | All Funds (\$) | General Fund (\$) |
|------------------------|-----------|----------------|-------------------|
|------------------------|-----------|----------------|-------------------|

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### 2. Specialized Procurement Staffing

**Performance Results:**

**Customer Satisfaction, Cycle Time** This action makes permanent resources that were included on a temporary basis to maintain the current performance levels for the City's technology procurement activities. This will continue to ensure timely and proper procurement of information technology systems. This action will also improve performance levels for the PBCE Building Development Fee Program by ensuring timely and proper procurement of professional services.

|   |  |                |                |
|---|--|----------------|----------------|
| <b>3. Internal Financial Controls Evaluation<br/>(reallocation from City-Wide Expenses)</b> |  | <b>200,000</b> | <b>200,000</b> |
|---|--|----------------|----------------|

**Strategic Support CSA**

*Strategic Support*

This action reallocates \$200,000 from the City-Wide Expenses category to the Finance Department's Non-Personal/Equipment budget to address a number of recommendations put forth by the City Auditor's Office over the past few years by engaging external consulting services to develop policies, procedures, and training materials for financial functions in order to enhance internal controls and improve efficiencies for financial activities throughout the City. Training material topics will include cash handling, timekeeping, travel procedures, purchase-card procedures, contract management, and the Financial Management System. (Ongoing costs: \$0)

**Performance Results:**

**Quality** The new training materials will help improve internal communication regarding financial functions. The information will improve the quality of the transactions, reducing errors and clarifying roles within the City.

|  |  |                |                |
|--|--|----------------|----------------|
| <b>4. Cash and Debt Management Technology<br/>Enhancements</b> |  | <b>125,000</b> | <b>125,000</b> |
|--|--|----------------|----------------|

**Strategic Support CSA**

*Treasury Management*

This action provides \$125,000 in non-personal/equipment funding to procure software systems to better track Treasury functions including cash and debt management as existing solutions are limited in functionality and/or do not interface with other existing software systems. Cash flow management software will help to determine daily cash flow and longer-term cash forecasts. Debt management software will track amortization schedules and compliance requirements for debt issuances. (Ongoing costs: \$0)

**Performance Results:**

**Quality, Cycle Time** The new software will provide efficiencies beyond the current systems. This will result in higher quality and more timely data, which will be used for critical cash and debt management decisions.



# Finance Department

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## Budget Changes By Department

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| Adopted Budget Changes                            | Positions   | All Funds (\$) | General Fund (\$) |
|---|-------------|----------------|-------------------|
| <b>5. Delinquent Accounts Collection Staffing</b> | <b>1.00</b> | <b>75,772</b>  | <b>75,772</b>     |

**Strategic Support CSA**  
*Revenue Management*  
*Strategic Support*

This action adds 1.0 Investigator Collector position and associated non-personal/equipment funding to increase efforts to collect delinquent accounts receivables. Although the current 12.0 Investigator Collectors are actively collecting on outstanding accounts receivables, a December 2014 audit report issued by the City's Auditor Office indicated that actual collection efforts have been slow or delayed for individual accounts in recent years due to large workloads per collector. The cost of this position is offset by revenue expected to be generated by the activities of this position, as described in the General Fund Revenues section of this document. (Ongoing costs: \$81,763)

**Performance Results:**

**Cost** This Investigator Collector position will provide direct support to the City's revenue collections efforts, which is anticipated to result in at least one dollar in revenue for every dollar spent on the position.

|   |               |                  |          |
|---|---------------|------------------|----------|
| <b>6. Single Family Garbage Billing Program Model Change: Cashiering and Payment Processing</b> | <b>(2.00)</b> | <b>(180,421)</b> | <b>0</b> |
|---|---------------|------------------|----------|

**Strategic Support CSA**  
*Treasury Management*

This action eliminates 1.0 Account Clerk II and 1.0 Senior Account Clerk positions responsible for processing Single Family Dwelling Recycle Plus billing payments. In 2013, the City Council approved a strategy to collect Single Family Dwelling Recycle Plus revenues through Santa Clara County's property tax collection program, starting in 2015-2016, resulting in overall program cost savings and service delivery efficiencies. (Ongoing savings: \$181,356)

**Performance Results:**

**Customer Satisfaction** Since the Single Family Dwelling Recycle Plus Billing program is being facilitated through the County and not the City beginning July 1, 2015, the elimination of these positions should have minimal to no impact to service delivery.

# Finance Department

## Budget Changes By Department







| <b>Adopted Budget Changes</b>   | <b>Positions</b> | <b>All Funds (\$)</b> | <b>General Fund (\$)</b> |
|---|------------------|-----------------------|--------------------------|
| <b>7. Rebudget: Technology Enhancements</b>   |                  | <b>119,000</b>        | <b>119,000</b>           |
| <i><b>Strategic Support CSA</b></i>   |                  |                       |                          |
| <i>Treasury Management</i>  |                  |                       |                          |
| <p>This action rebudgets unexpended 2014-2015 non-personal/equipment funding for various technology enhancements: Cost Allocation Plan Software System, Human Resources/Payroll System Annual Tax Updates, Contract Management Software, and Credit Card Terminals. As the result of updated cost estimates and delays in procurement of the cost allocation plan development software, a rebudget of \$10,000 to upgrade or replace the system, which will allow the Finance Department to reduce its manual data entry and improve its reporting, is approved. Additionally, one-time funding of \$100,000 was provided in 2014-2015 to purchase the necessary tax table updates for two years for the City's Human Resources/Payroll System; this action rebudgets \$50,000 for the second year. Other rebudgets include \$38,000 for new contract management software, which will assist in closing outstanding audit recommendations and serve as a one stop repository for all finance purchasing contracts, amendments, and change orders as well as provide advanced notice on an expiring agreement to prompt the department to begin next steps; and \$21,000 for system updates to City-wide credit card terminals due to a shift of liability, which will fall to the City beginning October 1, 2015, as well as to comply with changes in embedded chip technology used in credit cards.</p> |                  |                       |                          |
| <b>Performance Results:</b> N/A (Final Budget Modification)   |                  |                       |                          |
| <b>2015-2016 Adopted Budget Changes Total</b>   | <b>1.00</b>      | <b>1,106,486</b>      | <b>1,198,317</b>         |

# Finance Department

## Performance Summary

### Disbursements

#### *Performance Measures*

|  | 2013-2014<br>Actual | 2014-2015<br>Target | 2014-2015<br>Estimated | 2015-2016<br>Target |
|--|---------------------|---------------------|------------------------|---------------------|
|  % of disbursements paid accurately and timely                    | 92%                 | 87%                 | 93%                    | 93%                 |
|  % of reimbursements paid to employees accurately and timely      | 99%                 | 99%                 | 99%                    | 100%                |
|  % of payroll disbursements paid accurately and timely            | 100%                | 99%                 | 99%                    | 100%                |
|  Cost per payment   | \$7.40              | \$8.01              | \$7.62                 | \$7.65              |
|  Average number of days from invoice date to check issuance       | 27                  | 32                  | 27                     | 27                  |
|  % of disbursements paid to vendors accurately and within 30 days | 76%                 | 60%                 | 78%                    | 79%                 |

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

#### *Activity and Workload Highlights*

|                               | 2013-2014<br>Actual | 2014-2015<br>Forecast | 2014-2015<br>Estimated | 2015-2016<br>Forecast |
|-------------------------------|---------------------|-----------------------|------------------------|-----------------------|
| Total number of payments made | 235,761             | 239,900               | 241,900                | 247,000               |
| Vendor invoices paid          | 74,736              | 74,000                | 76,000                 | 78,000                |



*Changes to Activity & Workload Highlights from 2014-2015 Adopted Budget: No*

# Finance Department

## Performance Summary

### Financial Reporting

#### **Performance Measures**

|  | <b>2013-2014<br/>Actual</b> | <b>2014-2015<br/>Target</b> | <b>2014-2015<br/>Estimated</b> | <b>2015-2016<br/>Target</b> |
|--|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
|  % of financial reports that are produced accurately and timely | 95%                         | 97%                         | 99%                            | 97%                         |
|  Cost per report  | \$588                       | \$698                       | \$693                          | \$713                       |

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

#### **Activity and Workload Highlights**

|  | <b>2013-2014<br/>Actual</b> | <b>2014-2015<br/>Forecast</b> | <b>2014-2015<br/>Estimated</b> | <b>2015-2016<br/>Forecast</b> |
|--|-----------------------------|-------------------------------|--------------------------------|-------------------------------|
| Total number of financial reports provided | 2,738                       | 2,720                         | 3,136                          | 3,130                         |





*Changes to Activity & Workload Highlights from 2014-2015 Adopted Budget: No*

# Finance Department

## Performance Summary

### Purchasing and Risk Management

#### *Performance Measures*

|   | 2013-2014<br>Actual | 2014-2015<br>Target | 2014-2015<br>Estimated | 2015-2016<br>Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  % of cost savings achieved through the centralized purchasing process                 | 6%                  | 3%                  | 7%                     | 8%                  |
|  Cost of purchasing services as a percentage of the total dollars procured             | 1.47%               | 1.58%               | 1.58%                  | 1.60%               |
|  % of purchase orders (POs) processed within established timeframes                    |                     |                     |                        |                     |
| - 8 business days for POs ≤ \$10K   | 79%                 | 81%                 | 81%                    | 85%                 |
| - 26 business days for POs > \$10K and ≤ \$100K   | 79%                 | 95%                 | 95%                    | 95%                 |
| - 38 business days for POs > \$100K and ≤ \$250K  | 82%                 | 95%                 | 95%                    | 95%                 |
| - 83 business days for POs > \$250K and ≤ \$1.0M  | 86%                 | 92%                 | 92%                    | 92%                 |
| - 108 business days for POs > \$1.0M  | 100%                | 100%                | 100%                   | 100%                |
|  Percentage of contracts processed for insurance clearance within five days of receipt | 76%                 | 80%                 | 76%                    | 76%                 |

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

#### *Activity and Workload Highlights*

|  | 2013-2014<br>Actual | 2014-2015<br>Forecast | 2014-2015<br>Estimated | 2015-2016<br>Forecast |
|--|---------------------|-----------------------|------------------------|-----------------------|
| Total dollars procured   | \$117.1M            | \$122.2M              | \$122.2M               | \$135.0M              |
| Total cost savings achieved through the centralized purchasing process | \$7.3M              | \$4.1M                | \$8.1M                 | \$10.8M               |
| # of purchase orders (POs) processed within:                           |                     |                       |                        |                       |
| - 8 business days for POs ≤ \$10K                                      | 403                 | 460                   | 460                    | 500                   |
| - 26 business days for POs > \$10K and ≤ \$100K                        | 455                 | 560                   | 560                    | 560                   |
| - 38 business days for POs > \$100K and ≤ \$250K                       | 75                  | 97                    | 97                     | 97                    |
| - 83 business days for POs > \$250K and ≤ \$1.0M                       | 36                  | 35                    | 35                     | 35                    |
| - 108 business days for POs > \$1.0M                                   | 3                   | 6                     | 6                      | 8                     |
| Total insurable value of the City's assets                             | \$3.2B              | \$2.9B                | \$3.6B                 | \$3.9B                |
| Total number of contracts processed for insurance clearance            | 453                 | 346                   | 453                    | 475                   |


*Changes to Activity & Workload Highlights from 2014-2015 Adopted Budget: No*

# Finance Department

## Performance Summary


### Revenue Management

#### *Performance Measures*

|   | 2013-2014<br>Actual | 2014-2015<br>Target | 2014-2015<br>Estimated | 2015-2016<br>Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  Cost of revenue collection services as a percentage of the City's total accounts receivable | 19.77%              | 22.11%              | 23.87%                 | 20.34%              |

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

#### *Activity and Workload Highlights*

|  | 2013-2014<br>Actual | 2014-2015<br>Forecast | 2014-2015<br>Estimated | 2015-2016<br>Forecast |
|--|---------------------|-----------------------|------------------------|-----------------------|
|  City's Aging Accounts Receivable Balance |                     |                       |                        |                       |
| Current Receivables:   |                     |                       |                        |                       |
| 0 - 30 days  | \$1,398,781         | \$2,149,000           | \$1,733,800            | \$1,566,300           |
| 31 - 60 days   | \$2,226,179         | \$1,647,900           | \$2,202,250            | \$2,214,200           |
| 61 - 90 days   | \$874,976           | \$384,600             | \$593,600              | \$734,300             |
| Delinquent Receivables:  |                     |                       |                        |                       |
| 91 - 120 days  | \$311,216           | \$943,600             | \$652,200              | \$553,500             |
| 121 - 365 days   | \$2,643,109         | \$2,953,100           | \$3,426,200            | \$3,486,900           |
| 366 - 730 days   | \$4,544,330         | \$4,353,700           | \$4,551,100            | \$5,225,500           |
| 731 - 999+ days  | \$13,573,565        | \$12,157,900          | \$10,238,900           | \$13,680,700          |

*Changes to Activity & Workload Highlights from 2014-2015 Adopted Budget: No*

# Finance Department




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## Performance Summary

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### Treasury Management

#### **Performance Measures**

|  | 2013-2014<br>Actual | 2014-2015<br>Target | 2014-2015<br>Estimated | 2015-2016<br>Target |
|--|---------------------|---------------------|------------------------|---------------------|
|  City's General Obligation Bond rating<br>- Moody's<br>- Standard & Poor's<br>- Fitch | Aa1<br>AA+<br>AA+   | Aa1<br>AA+<br>AA+   | Aa1<br>AA+<br>AA+      | Aa1<br>AA+<br>AA+   |
|  Average return on investments  | 0.653%              | 0.650%              | 0.650%                 | 0.890%              |
|  Cost of Investment Program as a percentage of the City's total investment portfolio  | 0.041%              | 0.059%              | 0.059%                 | 0.065%              |

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

#### **Activity and Workload Highlights**

|  | 2013-2014<br>Actual | 2014-2015<br>Forecast | 2014-2015<br>Estimated | 2015-2016<br>Forecast |
|--|---------------------|-----------------------|------------------------|-----------------------|
| Total debt portfolio managed             | \$5.344B            | \$5.286B              | \$5.163B               | \$5.286B              |
| Total of the City's investment portfolio | \$1.522B            | \$1.300B              | \$1.300B               | \$1.350B              |

*Changes to Activity & Workload Highlights from 2014-2015 Adopted Budget: No*

# Finance Department

## Departmental Position Detail

| Position                                  | 2014-2015<br>Adopted | 2015-2016<br>Adopted | Change        |
|---|----------------------|----------------------|---------------|
| Account Clerk II                          | 4.00                 | 2.00                 | (2.00)        |
| Accountant I/II                           | 14.00                | 14.00                | -             |
| Accounting Technician                     | 9.00                 | 9.00                 | -             |
| Administrative Assistant                  | 1.00                 | 1.00                 | -             |
| Administrative Officer                    | 1.00                 | 1.00                 | -             |
| Analyst I/II                              | 6.00                 | 7.00                 | 1.00          |
| Assistant Director                        | 1.00                 | 1.00                 | -             |
| Buyer I/II                                | 5.00                 | 6.00                 | 1.00          |
| Debt Administrator                        | 1.00                 | 1.00                 | -             |
| Department Information Technology Manager | 0.00                 | 1.00                 | 1.00          |
| Deputy Director                           | 2.00                 | 3.00                 | 1.00          |
| Director of Finance                       | 1.00                 | 1.00                 | -             |
| Division Manager                          | 2.00                 | 1.00                 | (1.00)        |
| Financial Analyst                         | 5.00                 | 5.00                 | -             |
| Investigator Collector I/II               | 13.00                | 13.00                | -             |
| Investment Officer                        | 1.00                 | 1.00                 | -             |
| Office Specialist                         | 4.00                 | 5.00                 | 1.00          |
| Principal Account Clerk                   | 4.00                 | 4.00                 | -             |
| Principal Accountant                      | 3.00                 | 4.00                 | 1.00          |
| Program Manager I                         | 4.00                 | 3.00                 | (1.00)        |
| Program Manager II                        | 1.00                 | 1.00                 | -             |
| Risk Manager                              | 1.00                 | 1.00                 | -             |
| Senior Account Clerk                      | 17.00                | 15.00                | (2.00)        |
| Senior Accountant                         | 8.00                 | 7.00                 | (1.00)        |
| Senior Analyst                            | 4.00                 | 4.00                 | -             |
| Senior Investigator Collector             | 2.00                 | 2.00                 | -             |
| Senior Office Specialist                  | 2.00                 | 1.00                 | (1.00)        |
| Staff Specialist                          | 1.00                 | 2.00                 | 1.00          |
| Supervising Accountant                    | 1.00                 | 1.00                 | -             |
| <b>Total Positions</b>                    | <b>118.00</b>        | <b>117.00</b>        | <b>(1.00)</b> |