

Finance Department

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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 Pandemic Response

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 provided 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 units' 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 Comprehensive Annual Financial Report, preparation of various Cost Allocation Plans, capital assets accounting, monthly financial information publication, City-wide reports for audits 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, deferred compensation; and prepares and submits legally mandated reports including the City's Federal Single Audit Report and State-mandated cost reimbursement claim reports.
<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

Revenue Management Core Service	
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.
Debt and Treasury Management Core Service	
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 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

<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 Pandemic Response	Provides for the coordination and delivery of emergency financial services and recovery activities in response to the COVID-19 pandemic.

Finance Department

Department Budget Summary

Expected 2021-2022 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.
- Manage all financial aspects of the Successor Agency to the Redevelopment Agency of the City of San José including accounting, debt management, cash management, financial reporting, and accounts payable/receivable.
- Manage all financial services in support of emergency response and community and economic recovery activities related to the COVID-19 pandemic.

2021-2022 Key Budget Actions

- Adds one-time funding in the City-Wide Expenses section of this document for the following:
 - \$4.1 million for vendor costs, license support and maintenance, and project team resources to implement a new Business Tax System.
 - \$175,000 for commercial paper program fees.
- Adds one-time funding of \$300,000 to review the City's current cost allocation plans, including both the costs being allocated and the bases being used to allocate those costs.
- Sets aside one-time funding of \$200,000 in a reserve to continue the process for the issuance of pension obligation bonds.
- Eliminates 1.0 vacant Investigator Collector position and adds 1.0 Analyst II position to realign staffing needs in the Accounts Receivable Program.
- Eliminates 2.0 Account Clerk II positions, one vacant and one filled, in the Debt & Treasury Management program, and reallocates funding for 1.0 Analyst position and 1.0 Senior Account Clerk position between the General Fund and the Development Fee Funds in the Cashiering and Payment Processing program.

Operating Funds Managed

- | | |
|-----------------------------------------------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> American Rescue Plan Fund | <input type="checkbox"/> Coronavirus Relief Fund |
| <input type="checkbox"/> Cash Reserve Fund | <input type="checkbox"/> Emergency Reserve Fund |
| <input type="checkbox"/> City Hall Debt Service Fund | <input type="checkbox"/> Gift Trust Fund |
| <input type="checkbox"/> Community Facilities Revenue Fund | <input type="checkbox"/> Ice Centre Revenue Fund |
| <input type="checkbox"/> Convention Center Facilities District Revenue Fund | |

Finance Department

Department Budget Summary

	2019-2020 Actuals ***	2020-2021 Adopted	2021-2022 Forecast	2021-2022 Adopted
Dollars by Core Service				
Debt and Treasury Management	20,780,777	20,378,370	19,153,182	18,946,641
Disbursements	2,944,767	3,059,974	2,890,562	3,191,897
Financial Reporting	2,320,334	3,123,785	3,086,541	4,014,041
Purchasing and Risk Management	4,361,487	4,938,010	5,246,195	5,312,362
Revenue Management	8,836,894	7,737,904	8,043,915	8,354,547
Strategic Support - Other - Strategic Support	38,753,571	59,643,973	47,059,039	39,375,680
Strategic Support - Strategic Support	2,227,735	2,165,272	1,579,489	3,703,656
Total	\$80,225,566	\$101,047,288	\$87,058,923	\$82,898,824
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	18,439,011	19,561,064	20,039,015	19,902,069
Overtime	25,162	48,615	48,615	48,615
Subtotal Personal Services	\$18,464,172	\$19,609,679	\$20,087,630	\$19,950,684
Non-Personal/Equipment	1,548,590	2,402,636	1,345,788	2,543,994
Total Personal Services & Non-Personal/Equipment	\$20,012,762	\$22,012,315	\$21,433,418	\$22,494,678
Other Costs*				
City-Wide Expenses	8,778,049	11,234,500	10,496,466	15,496,466
Debt Service/Financing	46,787,077	59,936,000	47,316,000	41,228,000
Other	4,600,670	7,335,319	7,336,862	3,215,000
Overhead Costs	4,599	529,154	476,177	464,680
Workers' Compensation	42,408	0	0	0
Total Other Costs	\$60,212,803	\$79,034,973	\$65,625,505	\$60,404,146
Total	\$80,225,566	\$101,047,288	\$87,058,923	\$82,898,824

* 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 amounts in the 2020-2021 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.

** The positions displayed in the 2019-2020 Actuals column reflect those included in the 2019-2020 Adopted Budget.

*** 2019-2020 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2019-2020 Actuals ***	2020-2021 Adopted	2021-2022 Forecast	2021-2022 Adopted
Dollars by Fund				
General Fund (001)	29,732,976	45,587,940	32,015,987	38,052,917
Public Works Program Support Fund (150)	59,211	85,850	20,000	20,000
City Hall Debt Service Fund (210)	27,607,672	27,195,000	27,195,000	25,211,000
Building Development Fee Program Fund (237)	0	126,727	133,881	87,358
Planning Development Fee Program Fund (238)	0	44,883	47,416	31,670
Fire Development Fee Program Fund (240)	0	10,576	11,202	7,575
Public Works Development Fee Program Fund (241)	0	26,867	28,380	18,373
Low And Moderate Income Housing Asset Fund (346)	19,979	187,564	99,327	99,327
Coronavirus Relief Fund (401)	388,796	0	0	0
Emergency Reserve Fund (406)	0	5,000,000	5,000,000	1,824,000
Community Facilities Revenue Fund (422)	41,589	1,500,000	1,500,000	0
Integrated Waste Management Fund (423)	952,552	1,446,385	989,591	1,084,795
Ice Centre Revenue Fund (432)	5,889,718	3,421,319	3,422,862	105,000
Storm Sewer Operating Fund (446)	109,828	140,910	198,256	198,256
San José Clean Energy Operating Fund (501)	131,999	236,777	253,047	253,047
San José-Santa Clara Treatment Plant Operating Fund (513)	122,713	159,732	147,970	147,970
Water Utility Fund (515)	255,996	439,822	767,345	757,345
Convention and Cultural Affairs Fund (536)	0	338,000	338,000	406,000
Sewer Service And Use Charge Fund (541)	863,418	1,112,487	901,904	901,904
Convention Center Facilities District Revenue Fund (791)	14,021,155	13,959,000	13,959,000	13,674,000
Capital Funds	27,964	27,449	29,755	18,287
Total	\$80,225,566	\$101,047,288	\$87,058,923	\$82,898,824
Positions by Core Service**				
Debt and Treasury Management	26.02	25.02	24.20	22.20
Disbursements	16.50	16.50	16.50	16.50
Financial Reporting	15.43	15.43	17.63	17.63
Purchasing and Risk Management	18.06	19.00	19.00	19.00
Revenue Management	40.37	38.37	38.99	38.99
Strategic Support - Strategic Support	9.61	8.67	6.67	6.67
Total	125.99	122.99	122.99	120.99

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** The positions displayed in the 2019-2020 Actuals column reflect those included in the 2019-2020 Adopted Budget.

*** 2019-2020 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2019-2020 Actuals**	2020-2021 Adopted	2021-2022 Forecast	2021-2022 Adopted	2021-2022 Adopted Positions
Dollars by Program*					
Debt and Treasury Management					
Banking Management	1,925,043	2,083,129	994,950	979,950	0.00
Cashiering and Payment Processing	1,267,140	1,200,966	1,605,856	1,395,313	10.25
Debt Management	15,872,783	15,647,914	15,358,571	15,377,573	5.97
Investment Management	1,715,811	1,446,361	1,193,805	1,193,805	5.98
Sub-Total	20,780,777	20,378,370	19,153,182	18,946,641	22.20
Disbursements					
Accounts Payable	1,051,058	1,153,577	1,131,761	1,258,096	6.75
Payroll	1,893,709	1,906,397	1,758,801	1,933,801	9.75
Sub-Total	2,944,767	3,059,974	2,890,562	3,191,897	16.50
Financial Reporting					
General Accounting	2,210,998	2,863,886	1,901,745	2,829,245	10.35
Special Accounting	109,336	259,899	1,184,796	1,184,796	7.28
Sub-Total	2,320,334	3,123,785	3,086,541	4,014,041	17.63
Purchasing and Risk Management					
Purchasing	2,461,260	2,859,337	2,861,409	2,859,576	16.80
Risk Management	1,900,227	2,078,673	2,384,786	2,452,786	2.20
Sub-Total	4,361,487	4,938,010	5,246,195	5,312,362	19.00
Revenue Management					
Accounts Receivable	2,395,374	2,152,277	2,119,346	2,111,643	8.70
Business Tax	2,171,691	1,851,975	2,331,940	2,331,940	12.30
Revenue Audit and Compliance	1,345,957	2,416,978	1,997,602	2,212,937	8.69
Utility Billing System	2,923,872	1,316,674	1,595,027	1,698,027	9.30
Sub-Total	8,836,894	7,737,904	8,043,915	8,354,547	38.99
Strategic Support - Other - Strategic Support					
Finance Funds Debt/Financing Costs	2,436,541	45,977,000	33,357,000	27,554,000	0.00
Finance Other Departmental - City-Wide	73,333	7,037,500	7,124,000	11,254,000	0.00
Finance Other Departmental - Grants	0	5,000,000	5,000,000	0	0.00
Finance Other Operational - Administration	6,504,804	1,100,319	1,101,862	103,000	0.00
Finance Overhead	4,599	529,154	476,177	464,680	0.00
Finance Transfers	29,734,294	0	0	0	0.00
Sub-Total	38,753,571	59,643,973	47,059,039	39,375,680	0.00

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** 2019-2020 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2019-2020	2020-2021	2021-2022	2021-2022	2021-2022
	Actuals**	Adopted	Forecast	Adopted	Adopted Positions
Strategic Support - Strategic Support					
Finance Management and Administration	1,758,890	1,777,780	1,579,489	1,879,656	6.67
Finance Pandemic Response	391,446	0	0	1,824,000	0.00
Finance Successor Agency to the Redevelopment Agency Administration	77,399	387,492	0	0	0.00
Sub-Total	2,227,735	2,165,272	1,579,489	3,703,656	6.67
Total	\$80,225,566	\$101,047,288	\$87,058,923	\$82,898,824	120.99

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Finance Department
Budget Reconciliation
Personal Services and Non-Personal/Equipment
(2020-2021 Adopted to 2021-2022 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2020-2021):	122.99	22,012,315	19,392,440
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Revenue Compliance Sales Tax Software Phase II Implementation		(230,000)	(230,000)
• Rebudget: Citywide Financial Training Materials Development		(200,000)	(200,000)
• Rebudget: Travel Software Implementation		(130,000)	(130,000)
• Rebudget: Unclaimed Utility Credit Billing		(103,000)	0
• Rebudget: Disaster Cost Accounting		(100,000)	(100,000)
• Rebudget: General Liability Claims		(80,000)	(80,000)
• Rebudget: Building Performance Ordinance Support		(30,000)	(30,000)
• Rebudget: Revenue Results Software Phase II Implementation		(18,700)	(18,700)
• GASB 87 (Leases) Implementation and Compliance Software and Services		(133,500)	(133,500)
• Phase II Disaster Cost Recovery Documentation and Records Digitization Pilot		(50,000)	(50,000)
• Debt & Treasury Staffing		(6,000)	(6,000)
• Purchasing Staffing		(2,000)	(2,000)
One-time Prior Year Expenditures Subtotal:	0.00	(1,083,200)	(980,200)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Program Manager to 1.0 Senior Financial Analyst		477,951	485,113
• Fund Shift: Revenue Management/Purchasing	0.00	0	200,619
• Fund Shift: General Accounting	0.00	0	54,197
• Software/Information Systems Business Tax City Base Web Portal		23,320	23,320
• Budget Realignment: FirstNet Support		3,032	3,032
Technical Adjustments Subtotal:	0.00	504,303	766,281
2020-2021 Forecast Base Budget:	122.99	21,433,418	19,178,521

Finance Department
Budget Reconciliation
Personal Services and Non-Personal/Equipment
(2020-2021 Adopted to 2021-2022 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Approved			
1. Cost Allocation Plan Review		302,000	302,000
2. Debt and Treasury Management, Cashiering and Payment Processing Reorganization	(2.00)	(210,543)	(131,873)
3. Investment Advisory Consulting Services		(80,000)	(80,000)
4. Revenue Management Staffing	0.00	(26,403)	(26,403)
5. Non-Personal/Equipment Savings		(24,000)	(24,000)
6. Reprographics Contractual Services Savings		(16,494)	(16,494)
7. Rebudget: Revenue Compliance Sales Tax Software		230,000	230,000
8. Rebudget: Pension Obligation Bond Consulting Services		220,000	220,000
9. Rebudget: Financial Training Materials Development		200,000	200,000
10. Rebudget: Disaster Cost Accounting		150,000	150,000
11. Rebudget: Travel Software Implementation		130,000	130,000
12. Rebudget: Unclaimed Utility Billing Credit Billing		103,000	0
13. Rebudget: GASB 87 Accounting Software		65,000	65,000
14. Rebudget: Revenue Results Software Phase II Implementation		18,700	18,700
Total Budget Proposals Approved	(2.00)	1,061,260	1,036,930
2021-2022 Adopted Budget Total	120.99	22,494,678	20,215,451

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Cost Allocation Plan Review <i>Strategic Support CSA</i> <i>Financial Reporting Core Service</i> <i>Special Accounting Program</i>		302,000	302,000

This action adds one-time non-personal/equipment funding of \$202,000 for consulting services to review the City's current cost allocation plans, including both allocated costs and the bases used for allocation and one-time personal services funding of \$100,000 for temporary staffing to provide internal support. This review will result in a full cost allocation methodology for strategic support services to ensure that overhead costs continue to be federally-compliant and compliant with other grantors and facilitate the estimation of reimbursements to the General Fund and charges to enterprise funds and grants. (Ongoing costs: \$0)

2. Debt and Treasury Management, Cashiering and Payment Processing Reorganization <i>Strategic Support CSA</i> <i>Debt and Treasury Management Core Service</i> <i>Cashiering and Payment Processing Program</i>	(2.00)	(210,543)	(131,873)
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This action reorganizes the Cashiering and Payment Processing Program through the elimination of 1.0 vacant Account Clerk II position and 1.0 filled Account Clerk II position budgeted in the General Fund and shifts funding for the Senior Account Clerk and Analyst I positions between the General Fund and special funds. This action results in a net reduction of 2.0 FTE, including a net reduction of 1.27 FTE in the General Fund. The funding shift includes 0.20 FTE of the Analyst I from the General Fund to the various supported special funds, and 0.93 FTE of the Senior Account Clerk from the various supported special funds to the General Fund. The Account Clerk II positions support the general cashiering functions located on the First Floor of City Hall, which has been closed since March 2020 due to the COVID-19 pandemic, requiring the redeployment of staff on temporary assignments pending City Hall reopening. As part of this reorganization, two Senior Account Clerks will continue to provide general cashiering, enabling the cross training of Payment Processing staff and more flexible coverage for Cashiering and Payment Processing. Realignment of funding for the Senior Account Clerk and Analyst I positions result in a \$66,812 reduction in support from the respective Development Fee Programs and \$78,668 increase in General Fund support, reflecting projected workloads under this reorganization. Staffing requirements will be reassessed should demand for cashiering services return to pre-COVID levels following City Hall reopening. (Ongoing savings: \$212,378)

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Investment Advisory Consulting Services		(80,000)	(80,000)
<i>Strategic Support CSA</i>			
<i>Debt and Treasury Management Core Service</i>			
<i>Investment Management Program</i>			

This action reduces ongoing non-personal/equipment funding by \$80,000 for investment advisory services. The City Council, at its June 26, 2007 meeting, approved the 2007-2008 reorganization of the Finance Department Investment Program, providing additional resources to implement active management initiatives for the purpose of enhancing the City's investment yield. Additional personal and non-personal/equipment resources were included as part of the reorganization. Funding for investment advisory services in the amount of \$80,000 was authorized for advisory input on investment options, cash flow forecasting, and market analysis; however, these advisory services have not been required to date. The Finance Department will continue to evaluate the potential for investment advisory services to result in increased performance of returns, given City investment policy guidance and the current and forecast market. (Ongoing savings: \$80,000)

4. Revenue Management Staffing	0.00	(26,403)	(26,403)
<i>Strategic Support CSA</i>			
<i>Revenue Management Core Service</i>			
<i>Accounts Receivable and Revenue Audit and Compliance Programs</i>			

This action eliminates 1.0 vacant Investigator Collector II position and adds 1.0 Analyst I/II position within the Accounts Receivable Program. Since the launch of the City's centralized billing system (RevQ) in 2017, an Investigator Collector has been allocated to support system administration. As a more cost-effective alternative, an Analyst I/II position will assume those reporting and analysis responsibilities for delinquent accounts and support the Accounts Receivable team. (Ongoing savings: \$26,403)

5. Non-Personal/Equipment Savings		(24,000)	(24,000)
<i>Strategic Support CSA</i>			
<i>Financial Reporting, Debt and Treasury Management, and Revenue Management Core Services</i>			
<i>General Accounting, Debt Management, and Revenue Audit and Compliance Programs</i>			

This action reduces ongoing non-personal/equipment funding by \$24,000 to reflect savings that will be realized by the Finance Department through reduced lien fees, general office supplies, and other efficiency measures to be implemented in 2021-2022. (Ongoing savings: \$24,000)

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. Reprographics Contractual Services Savings		(16,494)	(16,494)

Strategic Support CSA
Core Service: Department-Wide
Program: Department-Wide

This action reduces ongoing non-personal/equipment budget by \$16,494 to reflect savings in the reprographics (printing) contract. The Finance and Information Technology Departments jointly worked to re-procure the City's reprographics contract for copier, scanner, fax devices support, and administration software and tools. Savings in the amount of \$363,000 will be generated city-wide in the General Fund, \$462,000 in all funds, across all departments from lower rental costs for the multi-function devices and significantly lower cost per copy and consumption rates. Savings can be realized with new green-print options and central administration of devices. (Ongoing savings: \$16,494)

7. Rebudget: Revenue Compliance Sales Tax Software		230,000	230,000
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Strategic Support CSA
Revenue Management Core Service
Revenue Audit and Compliance Program

This action rebudgets \$230,000 of unexpended 2020-2021 non-personal/equipment funding for the development of a new sales tax compliance application to upgrade and streamline the data interchange between the State and the City. This Revenue Compliance Sales Tax Software will significantly increase the City's ability to ensure it receives the proper allocation of sales tax revenue. Recent modifications to State information technology systems, coupled with the outdated design of current applications, requires significant resources to upload data and perform analysis on potential compliance leads. (Ongoing costs: \$0)

8. Rebudget: Pension Obligation Bond Consulting Services		220,000	220,000
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Strategic Support CSA
Debt and Treasury Management Core Service
Debt Management Program

This action rebudgets \$220,000 of unexpended 2020-2021 non-personal/equipment funding to evaluate and prepare for the potential issuance of Pension Obligation Bonds (POBs). In December 2020, City Council directed staff to conduct a study session on pension obligation bonds which includes research on the prevalence and performance of POBs, impact on credit ratings, sensitivity analyses on varying sizes of POBs, risk tolerance levels, cost-benefit analysis, and strategies for recognizing and applying savings. The Study Session was held on April 23, 2021. If the City Council decides to proceed, Finance Department Debt Management staff, in collaboration with the City Attorney's Office, will commence the process of preparing documented bond validation and ultimate issuance of POBs. (Ongoing costs: \$0)

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>9. Rebudget: Financial Training Materials Development</p> <p><i>Strategic Support CSA</i> <i>Strategic Support Core Service</i> <i>Finance Management and Administration Program</i></p> <p>This action rebudgets \$200,000 of unexpended 2020-2021 non-personal/equipment funding to engage a consultant for development of Citywide financial training materials to enhance internal controls and improve efficiencies for financial activities throughout the City. The Finance Department currently is in the process of reissuing a request for proposals (RFP) to procure these services. (Ongoing costs: \$0)</p>		200,000	200,000
<p>10. Rebudget: Disaster Cost Accounting</p> <p><i>Strategic Support CSA</i> <i>Financial Reporting Core Service</i> <i>General Accounting Program</i></p> <p>This action rebudgets \$150,000 of unexpended 2020-2021 non-personal/equipment funding to engage a consultant to update and modernize the City's disaster cost recovery manual. This includes developing written policies, procedures, and training to ensure the City will be able to collect and maintain adequate documentation on disaster-related costs to support maximum reimbursement from all levels of government that offer such assistance. The Finance Department will use these funds to update and modernize general portions of the manual, not inclusive of specific responses to emergency events such as COVID-19. (Ongoing costs: \$0)</p>		150,000	150,000
<p>11. Rebudget: Travel Software Implementation</p> <p><i>Strategic Support CSA</i> <i>Disbursements Core Service</i> <i>Accounts Payable Program</i></p> <p>This action rebudgets \$130,000 of unexpended 2020-2021 non-personal/equipment funding to implement travel reimbursement software to facilitate timely approvals. This electronic travel authorization system was recommended by the City's Auditor's Office in November 2017 through the Audit of Employee Travel Expenses report. While the City is currently using the Business Process Automation (BPA) process via a PeopleSoft module for mileage reimbursement, there still is significant functionality needed from a travel software system, such as consolidated expense approval and tracking. (Ongoing costs: \$0)</p>		130,000	130,000
<p>12. Rebudget: Unclaimed Utility Billing Credit Billing</p> <p><i>Strategic Support CSA</i> <i>Revenue Management Core Service</i> <i>Utility Billing System Program</i></p> <p>This action rebudgets \$103,000 of unexpended 2020-2021 non-personal/equipment funding in the Integrated Waste Management Fund for outreach and processing costs to resolve unclaimed balances on utility billing accounts. (Ongoing costs: \$0)</p>		103,000	0

Finance Department

Budget Changes By Department Personal Services and Non-Personal/Equipment







2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
13. Rebudget: GASB 87 Accounting Software		65,000	65,000
<i>Strategic Support CSA Financial Reporting Core Service General Accounting Program</i>			
<p>This action rebudgets \$65,000 of unexpended 2020-2021 non-personal/equipment funding to support implementation of an accounting software solution to comply with GASB 87 standards and address City-wide asset-level accounting. The Finance Department has partnered with the Office of Economic Development and Cultural Affairs to procure an asset/lease management software system that includes the GASB 87 scope of work. The new GASB 87 standards introduce increased complexity for asset-level accounting, requiring calculation of the present value of lease payments, asset-level determinations about terms, purchase options, residual values, penalties, and lease factors by the asset owner, regardless of whether the City is the asset owner or a lessor. The complexity associated with these new requirements, and the compliance timeframe, necessitate procurement of a software solution in lieu of development and deployment of an in-house database. (Ongoing costs: \$0)</p>			
14. Rebudget: Revenue Results Software Phase II Implementation		18,700	18,700
<i>Strategic Support CSA Revenue Management Core Service Accounts Receivable Program</i>			
<p>This action rebudgets \$18,700 of unexpended 2020-2021 non-personal/equipment funding to implement additional modules and functionalities to the Revenue Results system. This will enable an Investigator Collector position to focus on the backlog of delinquent accounts, between one year and four years old, that have grown as a result of shifting staff priorities between collections and system implementation/stabilization. Implementation of Phase II of this project has been delayed to 2021-2022. (Ongoing costs: \$0)</p>			
2021-2022 Adopted Budget Changes Total	(2.00)	1,061,260	1,036,930

Finance Department

Performance Summary

Disbursements

Performance Measures



	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated	2021-2022 Target
 % of disbursements paid accurately and timely	85%	89%	89%	89%
 % of reimbursements paid to employees accurately and timely	99%	98%	98%	98%
 % of payroll disbursements paid accurately and timely	99%	95%	95%	95%
 % of disbursements paid to vendors accurately and within 30 days	69%	74%	74%	74%
 Cost per payment	\$10.94	\$10.88	\$10.98	\$10.93
 Average number of days from invoice date to check issuance	27	27	27	27

Activity and Workload Highlights

	2019-2020 Actual	2020-2021 Forecast	2020-2021 Estimated	2021-2022 Forecast
Total number of payments made	245,617	264,745	261,851	262,000
Vendor invoices paid	73,466	77,845	75,670	75,670

Financial Reporting

Performance Measures

	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated	2021-2022 Target
 % of financial reports that are produced	99%	97%	99%	99%
 Cost per financial report	\$976	\$899	\$1,025	\$1,076

Activity and Workload Highlights





	2019-2020 Actual	2020-2021 Forecast	2020-2021 Estimated	2021-2022 Forecast
Total number of financial reports provided	2,362	2,430	2,360	2,360

Finance Department

Performance Summary

Purchasing and Risk Management

Performance Measures

	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated	2021-2022 Target
 % of cost savings achieved through the centralized purchasing process	3.7%	7.2%	3.8%	3.8%
 Cost of purchasing services as a percentage of the total dollars procured	1.15%	1.56%	1.61%	1.61%
 % of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	65%	80%	42%	80%
- 26 business days for POs > \$10K and ≤ \$100K	79%	80%	68%	80%
- 38 business days for POs > \$100K and ≤ \$250K	83%	80%	86%	80%
- 83 business days for POs > \$250K and ≤ \$1.0M	95%	95%	99%	95%
- 108 business days for POs > \$1.0M	100%	85%	100%	85%
 Percentage of contracts processed for insurance clearance within five days of receipt	91%	88%	88%	88%


Activity and Workload Highlights

	2019-2020 Actual	2020-2021 Forecast	2020-2021 Estimated	2021-2022 Forecast
Total dollars procured	\$213.9 M	\$171.0 M	\$147.5 M	\$154.9 M
Total cost savings achieved through the centralized purchasing process	\$8.0 M	\$12.9 M	\$5.6 M	\$5.9 M
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	354	541	182	442
- 26 business days for POs > \$10K and ≤ \$100K	1,111	908	709	873
- 38 business days for POs > \$100K and ≤ \$250K	232	160	173	161
- 83 business days for POs > \$250K and ≤ \$1.0M	191	131	171	147
- 108 business days for POs > \$1.0M	37	13	28	18
Total insurable value of the City's assets	\$4.0 B	\$4.2 B	\$4.3 B	\$4.4 B
Total number of contracts processed for insurance clearance	621	700	733	740


Finance Department
Performance Summary

Revenue Management

Performance Measures

	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated	2021-2022 Target
 Return on Investment - Revenue Management	6.61	5.50	5.72	5.50

Activity and Workload Highlights

	2019-2020 Actual	2020-2021 Forecast	2020-2021 Estimated	2021-2022 Forecast
Revenue Management Aging Receivable ¹ Balance				
 Current Receivables ² :				
0 - 30 days	\$14,148,711	\$7,152,048	\$10,065,738	\$12,107,225
31 - 60 days	\$3,619,422	\$5,483,426	\$5,434,257	\$4,526,840
61 - 90 days	\$4,066,928	\$3,849,912	\$6,413,983	\$5,240,455
Delinquent Receivables ³ :				
91 - 120 days	\$2,313,327	\$2,160,987	\$2,352,772	\$2,333,049
121 - 365 days	\$5,608,090	\$5,268,417	\$7,375,392	\$6,491,741
366 - 730 days	\$11,036,768	\$6,920,629	\$14,209,966	\$12,623,367
731 - 999+ days	\$17,610,477	\$19,073,670	\$17,780,262	\$17,695,369

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

Finance Department

Performance Summary

Debt and Treasury Management

Performance Measures

	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated	2021-2022 Target
 City's General Obligation Bond rating ¹ - Moody's - Standard & Poor's - Fitch	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AAA	Aa1 AA+ AAA
 Average return on investments Comparison Benchmarks - Local Agency Investment Fund (LAIF) - Bank of America Merrill Lynch (BAML)	2.240% 1.934% 2.277%	1.900% N/A ² N/A ²	1.540% N/A ² N/A ²	0.970% N/A ² N/A ²
 Cost of Investment Program as a percentage of the City's total investment portfolio	0.084%	0.088%	0.076%	0.079%

¹ Fitch Ratings upgraded the City's General Obligation Bond rating from AA+ to AAA on June 30, 2021; general credit rating remains AA+. The City's general credit rating is rated Aa1/AA+/AA+ by all three leading national rating agencies, Moody's, Standard & Poor's, and Fitch, respectively. The Finance Department will continue efforts to maintain favorable bond ratings.

² 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

	2019-2020 Actual	2020-2021 Forecast	2020-2021 Estimated	2021-2022 Forecast
Total debt portfolio managed	\$3.833 B	\$4.750 B	\$3.985 B	\$4.275 B
Total of the City's investment portfolio	\$2.036 B	\$2.000 B	\$2.000 B	\$2.000 B

Finance Department

Departmental Position Detail

Position	2020-2021 Adopted	2021-2022 Adopted	Change
Account Clerk II	2.00	0.00	(2.00)
Accountant I/II	16.00	16.00	-
Accounting Technician	10.00	10.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	9.00	10.00	1.00
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	-
Financial Analyst	5.00	5.00	-
Hearing Officer U PT	0.99	0.99	-
Investigator Collector I/II	12.00	11.00	(1.00)
Investment Officer	1.00	1.00	-
Principal Account Clerk	3.00	3.00	-
Principal Accountant	3.00	3.00	-
Principal Office Specialist	1.00	1.00	-
Program Manager	6.00	5.00	(1.00)
Risk Manager	1.00	1.00	-
Senior Account Clerk	13.00	13.00	-
Senior Accountant	7.00	7.00	-
Senior Analyst	6.00	6.00	-
Senior Financial Analyst	0.00	1.00	1.00
Senior Investigator Collector	2.00	2.00	-
Senior Office Specialist	4.00	4.00	-
Staff Specialist	3.00	3.00	-
Supervising Accountant	3.00	3.00	-
Total Positions	122.99	120.99	(2.00)

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