

Finance Department

Julia H. Cooper, Acting Director

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To 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 Materials 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

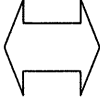
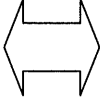
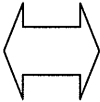
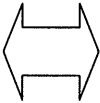
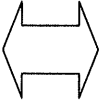
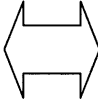
Treasury Management

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>Disbursements: <i>Facilitate timely and accurate payment of the City's financial obligations.</i></p>		<ul style="list-style-type: none"> • Accounts Payable • Payroll
<p>Financial Reporting: <i>Provide accurate and meaningful reporting on the City's financial condition.</i></p>		<ul style="list-style-type: none"> • General Accounting and Analysis • Special Accounting
<p>Purchasing and Materials Management: <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"> • Procurement • Central Services (records management and mail processing) • Warehouse Services • Risk Management (Insurance)
<p>Revenue Management: <i>Bill and collect the City's resources to enhance the City's financial condition.</i></p>		<ul style="list-style-type: none"> • Accounts Receivable Collections • Business Tax Compliance • Integrated Billing System • Revenue Compliance and Monitoring
<p>Treasury Management: <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"> • Debt Management • Investments • Cash Management/Payment Processing
<p>Strategic Support: <i>Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, and Administrative Support.</i></p>		<ul style="list-style-type: none"> • Analytical Support • Budget/Fiscal Management • Contract Administration • Website Services • Administrative Support

Finance Department

Department Budget Summary

Expected 2011-2012 Service Delivery

- Ensure that the City's financial resources are protected and available to address the short and long-term needs of the community, and ensure accurate and timely payments to City employees and vendors.
- Ensure prudent utilization of public funds through competitive processes and cooperative purchasing with other government agencies, provide mail room services, surplus goods management, recycling services, and records management services.
- Ensure the most efficient business systems and processes for timely billing and collection efforts, and conduct compliance audits and reviews.
- Maintain favorable bond ratings to ensure lowest cost of capital; provide financial modeling and analysis to meet the increasingly complex needs of the City; ensure effective management of the City's investment portfolio.
- Maintain enterprise systems including the Financial Management System (FMS), the Integrated Billing System (IBS), and the Oracle PeopleSoft 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.

Impacts of 2011-2012 Budget Actions

- Reductions in accountant staffing will impact general accounting services, including delayed financial reporting schedules, city-wide encumbrance adjustment processing, city-wide Procurement Card (P-Card) payment processing, and a reduced level of customer service.
- The Accounting Management reduction will negatively impact the City's overall ability to provide technical accounting services.
- Technology enhancements implemented through the City's general banking service provider have allowed for multiple manual processes to be performed electronically and/or streamlined payment processing operations. While the efficiencies have enabled staff reductions, current staffing levels do not adequately accommodate unplanned staff absences, resulting in service level impacts.
- The reduction in Accounts Payable staffing will result in the elimination of secondary review of payments made to suppliers and a move from weekly to bi-weekly payments to vendors. In addition, all payments that must be accompanied by a remittance will be returned to the requesting department for further handling.
- The realignment of warehouse staffing due to decreased demand for warehouse services is anticipated to have minimal impacts with the full implementation of the vendor-direct service delivery model and use of P-Card processing for purchases.
- Implementation of the Marijuana Business Tax Program is estimated to generate \$2.5 million of business tax revenue for the City.

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 | <input type="checkbox"/> Stores Fund |

Finance Department

Department Budget Summary

	2009-2010 Actual 1	2010-2011 Adopted 2	2011-2012 Forecast 3	2011-2012 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Disbursements	\$ 1,754,122	\$ 1,779,143	\$ 1,968,464	\$ 1,660,822	(6.7%)
Financial Reporting	1,613,312	1,795,208	1,834,633	1,747,492	(2.7%)
Purchasing and Materials Management	2,203,932	2,203,933	2,252,354	2,106,905	(4.4%)
Revenue Management	4,604,528	4,808,283	5,270,738	5,322,107	10.7%
Treasury Management	3,148,994	3,449,526	3,794,134	3,660,204	6.1%
Strategic Support	1,104,786	1,029,338	1,163,636	1,037,449	0.8%
Total	\$ 14,429,674	\$ 15,065,431	\$ 16,283,959	\$ 15,534,979	3.1%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 13,195,149	\$ 13,493,346	\$ 14,828,157	\$ 14,179,523	5.1%
Overtime	25,146	62,856	62,856	52,856	(15.9%)
Subtotal	\$ 13,220,295	\$ 13,556,202	\$ 14,891,013	\$ 14,232,379	5.0%
Non-Personal/Equipment					
Total	\$ 1,209,379	1,509,229	1,392,946	1,302,600	(13.7%)
Total	\$ 14,429,674	\$ 15,065,431	\$ 16,283,959	\$ 15,534,979	3.1%
Dollars by Fund					
General Fund	\$ 11,254,669	\$ 11,435,177	\$ 12,575,335	\$ 12,180,755	6.5%
Airport Maint & Opers	(516)	0	0	0	0.0%
Comm Dev Block Grant	210,172	186,050	199,490	186,764	0.4%
Integrated Waste Mgmt	1,413,230	1,611,884	1,780,512	1,594,691	(1.1%)
Low/Mod Income Hsg	175,687	204,939	221,528	215,001	4.9%
PW Program Support	44,476	44,917	65,976	65,957	46.8%
Sewer Svc & Use Charge	414,859	463,459	504,891	476,736	2.9%
SJ/SC Treatment Plant Oper	97,854	208,129	162,079	250,432	20.3%
Stores	574,942	655,337	507,362	290,949	(55.6%)
Storm Sewer Operating	35,948	37,709	39,312	40,190	6.6%
Water Utility	208,353	217,830	227,474	233,504	7.2%
Total	\$ 14,429,674	\$ 15,065,431	\$ 16,283,959	\$ 15,534,979	3.1%
Authorized Positions by Core Service					
Disbursements	14.70	14.70	14.70	12.70	(13.6%)
Financial Reporting	15.26	14.26	13.26	13.26	(7.0%)
Purchasing and Materials Management	20.00	17.00	16.84	15.79	(7.1%)
Revenue Management	44.88	39.00	40.06	43.06	10.4%
Treasury Management	27.16	25.04	27.29	27.34	9.2%
Strategic Support	5.50	6.50	6.35	5.35	(17.7%)
Total	127.50	116.50	118.50	117.50	0.9%

Finance Department

Budget Reconciliation

(2010-2011 Adopted to 2011-2012 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2010-2011):	116.50	15,065,431	11,435,177
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Supplemental Educational Revenue Augmentation Fund (SERAF) temporary staffing		(110,000)	(110,000)
• Water Pollution Control Plant procurement temporary staffing		(100,000)	0
• Rebudget: Investment Technology Enhancements		(70,000)	(70,000)
One-time Prior Year Expenditures Subtotal:	0.00	(280,000)	(180,000)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Investigator Collector II to Senior Investigator Collector - 1.0 Program Manager II to Debt Administrator - 1.0 Program Manager II to Investment Officer		1,147,264	888,508
• Transfer of Risk Management staffing from the Human Resources Department (1.0 Program Manager II and 1.0 Senior Office Specialist)	2.00	263,771	198,963
• Employee One-Time Total Compensation Reduction Restoration		139,741	168,087
• Stores Fund overhead reallocation - displayed on Source and Use of Funds Statement		(40,283)	
• Reallocation of 1.25 positions from the Stores Fund and Integrated Waste Management Fund to the General Fund (warehouse staffing)		(1,202)	118,950
• Reallocation of 0.17 position from the Stores Fund to the General Fund, Integrated Waste Management Fund, and San Jose/Santa Clara Treatment Plant Operating Fund (Purchasing Division management oversight)		(150)	14,896
• Funding reallocation from the General Fund to the Public Works Program Support Fund (BidSync)		0	(20,000)
• Reallocation of 0.15 position from the General Fund to the Integrated Waste Management Fund, Water Utility Fund and Sewer Service and Use Charge Fund (department management oversight)		387	(38,246)
• Changes in vehicle maintenance and operations costs		(6,000)	(6,000)
• Changes in professional development program		(5,000)	(5,000)
Technical Adjustments Subtotal:	2.00	1,498,528	1,320,158
2011-2012 Forecast Base Budget:	118.50	16,283,959	12,575,335

Finance Department

Budget Reconciliation

(2010-2011 Adopted to 2011-2012 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Approved			
1. Finance Department Employee Total Compensation Reduction		(1,378,648)	(1,039,816)
2. Accounting Division Staffing	(2.00)	(243,347)	(227,534)
3. Warehouse Services Delivery Model Changes	(1.00)	(163,587)	(4,661)
4. Administrative Support Staffing	(1.00)	(94,737)	(69,472)
5. Integrated Billing Support Staffing	(1.00)	(92,282)	0
6. Finance Department Non-Personal/Equipment		(30,000)	(30,000)
7. Small Claims Court Support Services Staffing		(25,526)	(25,526)
8. Finance Department Overtime Funding		(10,000)	(10,000)
9. Finance Department Annual Retirement Contribution		566,461	443,972
10. Medical Marijuana Regulatory Program	4.00	476,186	476,186
11. Water Pollution Control Plant Procurement Temporary Staffing		128,902	0
12. Finance Department Unemployment Contribution		117,598	92,271
Total Budget Proposals Approved	(1.00)	(748,980)	(394,580)
2011-2012 Adopted Budget Total	117.50	15,534,979	12,180,755

Finance Department

Budget Changes By Department

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Finance Department Employee Total Compensation Reduction		(1,378,648)	(1,039,816)

Strategic Support CSA

Disbursements

Financial Reporting

Purchasing and Materials Management

Revenue Management

Treasury Management

Strategic Support

As directed at the November 18, 2010, 2011-2012 Organizational and Budget Planning Special Council Meeting, the City Council approved direction for labor negotiations to achieve a 10% ongoing total employee compensation reduction for all bargaining groups and to roll back any general wage increases received in 2010-2011. Direction was also included to pursue City Auditor's recommendations for healthcare cost containment including increased cost sharing, increased co-pays, reduced health and dental in-lieu costs, and elimination of dual coverage.

For 2011-2012, agreements to achieve these compensation reductions were approved by the City Council on March 22, 2011 for the San Jose Fire Fighters, IAFF, Local 230, on April 19, 2011 for AEA, AMSP and CAMP, on May 31, 2011 for ALP and ABMEI, and on June 14, 2011 for the POA. Approval for compensation changes for Unit 99 and Units 81/82 also occurred on April 19, 2011. On May 31, 2011, the City Council approved the implementation of terms contained in the City's Last, Best, and Final Offers for the remaining bargaining groups (CEO, IBEW, MEF and OE3).

The compensation reduction actions, which vary by employee group, include: base pay reductions, reversing the additional employee contributions to retirement to offset the City's contributions, healthcare cost sharing changes (from 90% City/10% employee to 85% City/15% employee), healthcare plan design changes including increased co-pays, changes in healthcare in lieu and elimination of dual coverage. The specific actions are described in each bargaining unit's agreement, as applicable, with the City that can be found at: <http://www.sanjoseca.gov/employeerelations/labor.asp>.

These total compensation reductions generate Base Budget savings of \$74.5 million in all funds and \$58.5 million in the General Fund (including fee programs), offset by annual required retirement contributions of \$23.6 million in all funds and \$18.9 million in the General Fund, result in total net savings of \$50.9 million in all funds and \$39.6 million in the General Fund. With these compensation reductions, decreases to overhead (\$3.9 million) and other reimbursements were also approved in this budget. In the Finance Department, the General Fund savings total \$1,039,816 as reflected in this document. (Ongoing savings: \$1,378,648)

Performance Results: N/A

Finance Department

Budget Changes By Department

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
2. Accounting Division Staffing	(2.00)	(243,347)	(227,534)

Strategic Support CSA

*Disbursements
Financial Reporting*

This action eliminates 1.0 Supervising Accountant and 1.0 Accountant II in the Accounting Division. The Special Accounting Unit, currently under the supervision and management of the Supervising Accountant, will move under the supervision of one of the two remaining workgroup managers in the Accounting Division. Existing management staff will assume additional job duties, resulting in a decline in internal controls. Specifically, the decline in management oversight will impact the processing of financial statements, audits, mandated compliance, contract and grant compliance, investment, and accounting. Remaining staff will absorb the disbursement duties currently performed by the Accountant II, resulting in the elimination of remittance handling and moving from weekly to bi-weekly payments to vendors. In addition, this action reallocates 0.85 of a Senior Accountant position from the General Fund to various Environmental Services funds to align with some of the duties this position will assume as part of the realignment of job duties as a result of the position eliminations. (Ongoing savings: \$245,255)

Performance Results:

Quality, Cycle Time This action will result in less timely financial reporting, a decrease in internal controls, the elimination of disbursement remittance handling, and increased timeline for vendor payments.

3. Warehouse Services Delivery Model Changes	(1.00)	(163,587)	(4,661)
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Strategic Support CSA

Purchasing and Materials Management

This action eliminates 1.0 Warehouse Worker II position, 1.0 Warehouse Supervisor position and adds 1.0 Senior Warehouse Worker position to align staffing with anticipated activity levels. Demand for warehouse services has been decreasing with the full implementation of the vendor-direct service delivery model and utilization of the existing Procurement Card (P-Card) process to purchase warehouse inventory items, such as garden and hand tools, at retail stores. Given the decreased demand and complexity of the warehouse, the unit will be supervised by a Senior Warehouse Worker instead of a Warehouse Supervisor. Minimal service level impacts are anticipated given the decreased activity level. (Ongoing savings: \$161,799)

Performance Results:

Quality, Cycle Time While the process for end-users to obtain warehouse items has changed, there have been and will continue to be no negative impacts to service/performance levels.

Finance Department

Budget Changes By Department

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Administrative Support Staffing Strategic Support CSA <i>Purchasing and Materials Management</i> <i>Strategic Support</i> This action eliminates 1.0 Administrative Assistant position supporting the Finance Department Director and reassigns the main duties and responsibilities of this position to other positions within the department. Consistent with the reassignment of duties, this action reallocates 0.25 of the Principal Account Clerk position from the Stores Fund to the General Fund. It is anticipated that delays in scheduling, turn-around of documents requiring the Department Director's signature, and response to inquiries may result. The processing of payments and City-wide encumbrances for month-end close and year-end close also may be impacted. (Ongoing savings: \$96,951)	(1.00)	(94,737)	(69,472)
5. Integrated Billing Support Staffing Strategic Support CSA <i>Revenue Management</i> This action eliminates 1.0 Senior Account Clerk position as a result of efficiencies realized since the implementation of the Integrated Billing System ("IBS"). Currently, this position provides account maintenance and oversight for IBS including resolving customer billing issues, responding to title company payoff demands, and processing refunds. Duties will be reassigned among the nine remaining staff with an expectation of minimal service level impacts. (Ongoing savings: \$92,071)	(1.00)	(92,282)	0
6. Finance Department Non-Personal/Equipment Strategic Support CSA <i>Disbursements</i> <i>Financial Reporting</i> <i>Purchasing and Materials Management</i> <i>Revenue Management</i> <i>Treasury Management</i> <i>Strategic Support</i> This action reduces the Finance Department's non-personal/equipment funding for costs such as staff training, supplies and materials, and replacement of equipment. (Ongoing savings: \$30,000)		(30,000)	(30,000)

Performance Results:
Cost Additional expenditure controls for non-personal/equipment will be put in place as a result of this action.

Finance Department

Budget Changes By Department

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Small Claims Court Support Services Staffing		(25,526)	(25,526)

Strategic Support CSA
Revenue Management

This action eliminates 1.0 Staff Technician and adds 1.0 Senior Account Clerk in the Revenue Management Division. The Staff Technician currently provides small claims court support services for accounts which are in dispute. After careful review, it was determined that the Senior Account Clerk classification better aligns with required duties, a large portion of which are clerical. Duties that do not fall within the Senior Account Clerk classification will be reassigned to Investigator Collectors responsible for delinquent accounts. (Ongoing savings: \$23,869)

Performance Results:

No significant change to current service levels is expected as a result of this action.

8. Finance Department Overtime Funding		(10,000)	(10,000)
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Strategic Support CSA
Financial Reporting

This action reduces the General Fund overtime budget by \$10,000 (from \$31,000 to \$21,000). As a result, the department will rely more on compensatory time off during peak workload periods, while managing time off requests to ensure adequate staffing levels. (Ongoing savings: \$10,000)

Performance Results:

No significant change to current service levels is expected as a result of this action.

9. Finance Department Annual Retirement Contribution		566,461	443,972
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Strategic Support CSA
Disbursements
Financial Reporting
Purchasing and Materials Management
Revenue Management
Treasury Management
Strategic Support

This action increases the Finance Department personal services allocation as a result of the adoption of changes by the Federated Retirement Board (Board) to the policy determining the City's share of the annual required contribution to the Federated City Employees' Retirement System (Plan). To ensure the fiscal health of the Plan, the Board adopted a policy setting the annual required contribution to be the greater of the dollar amount reported in the actuarial valuation (adjusted for interest based on the time of the contributions) or the dollar amount determined by applying the percent of payroll contribution reported in the actuarial valuation to the actual payroll for the fiscal year. Due to the contraction in City positions approved as part of the 2011-2012 Adopted Budget, with this adopted contribution methodology, the City is required to pay a minimum dollar amount regardless of the actual payroll experienced to ensure that the Plan is funded in accordance with the annual actuarial valuation. To cover these costs, total Plan contributions of \$108.4 million in all City funds and \$54.5 million in the General Fund, assuming a July 1 pre-payment, is required to be made in 2011-2012. (Ongoing costs: \$566,461)

Performance Results: N/A

Finance Department

Budget Changes By Department

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
10. Medical Marijuana Regulatory Program	4.00	476,186	476,186

Strategic Support CSA
Revenue Management

This action increases the Finance Department's personal services allocation (adds 1.0 Accountant I/II position on an ongoing basis, and adds 2.0 Accountant I/II and 1.0 Investigator Collector I through June 30, 2012) in order to support the collection and implementation of the Marijuana Business Tax, administer the application process for medical marijuana establishments to register with the City, and sustain the Medical Marijuana Regulatory Program as outlined in the San José Municipal Code. These resources, fully supported by tax revenue, will provide fiscal audits/compliance for the Medical Marijuana Regulatory Program. (Ongoing costs: \$110,050)

Performance Results:

Quality, Cost This allocation will allow for the establishment of a Medical Marijuana Regulatory Program, fully supported by tax revenue.

11. Water Pollution Control Plant Procurement Temporary Staffing	128,902	0
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Strategic Support CSA
Purchasing and Materials Management

One-time funding in the San José/Santa Clara Treatment Plant Operating Fund was approved in the 2010-2011 Adopted Operating Budget for a temporary Senior Analyst to facilitate the procurement of materials and services for Water Pollution Control Plant operations and maintenance. This action extends funding for this temporary position for an additional year. Due to the Plant's aging infrastructure, increases in maintenance and repair activities in conjunction with the Plant Master Plan efforts have necessitated increased resources to ensure the development of specifications for goods and services and the timely procurement of such goods and services. (Ongoing costs: \$0)

Performance Results:

Customer Satisfaction, Quality, Cycle Time This resource is essential to maintain service levels for the tactical and strategic purchasing requirements of the Water Pollution Control Plant as overall staffing levels in the Purchasing Division are not sufficient to meet anticipated needs.

Finance Department

Budget Changes By Department








Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
12. Finance Department Unemployment Contribution <i>Strategic Support CSA</i> <i>Disbursements</i> <i>Financial Reporting</i> <i>Purchasing and Materials Management</i> <i>Revenue Management</i> <i>Treasury Management</i> <i>Strategic Support</i>		117,598	92,271
<p>This action increases the Finance Department personal services allocation to ensure sufficient funding to the Unemployment Insurance Fund for projected unemployment insurance claims. Based on potential claims from employee separation from service and the approved federal extension of unemployment benefits up to a total of 99 weeks, an increase to the unemployment contribution was approved. To cover these costs, the total transfer of \$11.2 million across all City funds and \$8.1 million in the General Fund to the Unemployment Insurance Fund was approved. (Ongoing costs: \$0)</p>			
Performance Results: N/A			
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2011-2012 Adopted Budget Changes Total	(1.00)	(748,980)	(394,580)

Finance Department

Performance Summary

Disbursements

Performance Measures

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
 % of disbursements paid accurately and timely	97%	90%	90%	90%
 % of reimbursements paid to employees accurately and timely	97%	92%	92%	92%
 % of payroll disbursements paid accurately and timely	95%	90%	90%	95%
 Cost per payment	\$6.39	\$6.89	\$6.44	\$6.29
 Average number of days from invoice date to check issuance	29	35	35	38
 % of customers who rate disbursement services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	N/A*	90%	N/A*	N/A*
 % of disbursements paid to vendors accurately and within 30 days	70%	63%	73%	80%

Changes to Performance Measures from 2010-2011 Adopted Budget: No

* Data has not been collected for this performance measure.

Activity and Workload Highlights

	2009-2010 Actual	2010-2011 Forecast	2010-2011 Estimated	2011-2012 Forecast
Total cost for Disbursement services	\$1,754,122	\$1,779,143	\$1,709,404	\$1,660,822
Total number of payments made	274,828	265,363	265,363	265,000
Vendor invoices paid	81,375	77,635	77,635	77,635




Changes to Activity & Workload Highlights from 2010-2011 Adopted Budget: No

Finance Department

Performance Summary

Financial Reporting

Performance Measures

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
 % of financial reports that are produced accurately and timely	93%	95%	95%	95%
 Cost per report	\$806	\$997	\$766	\$884
 % of customers who rate financial reports as good or excellent on a 5-point scale based on accuracy, clarity, timeliness, usefulness and availability in desired format	N/A*	86%	N/A*	N/A*

Changes to Performance Measures from 2010-2011 Adopted Budget: No

* Data has not been collected for this performance measure.

Activity and Workload Highlights

	2009-2010 Actual	2010-2011 Forecast	2010-2011 Estimated	2011-2012 Forecast
Total cost for Financial Reporting services	\$1,613,312	\$1,795,208	\$1,516,268	1,749,492
Total number of financial reports provided	2,018	1,975	1,980	1,980








Changes to Activity & Workload Highlights from 2010-2011 Adopted Budget: No

Finance Department

Performance Summary

Purchasing and Materials Management

Performance Measures

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
 % of cost savings achieved through the centralized purchasing process	3%	6%	5%	3%
 Cost of purchasing services as a percentage of the total dollars procured	1.24%	1.39%	1.13%	1.27%
 % of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	56%	80%	70%	70%
- 26 business days for POs > \$10K and ≤ \$100K	63%	65%	46%	50%
- 38 business days for POs > \$100K and ≤ \$250K	66%	70%	58%	60%
- 83 business days for POs > \$250K and ≤ \$1.0M	88%	90%	59%	60%
- 108 business days for POs > \$1.0M	100%	75%	50%	50%
 % of time a request for record retention item is delivered within one day	94%	90%	90%	95%
 % of time a request for a warehouse item is furnished within one day				
- Picked-up	100%	95%	95%	NA*
- Delivered	75%	100%	100%	NA*
 % of customers who rate services as good or better, based on a 5-point scale based on courteous and timely responses to requests for information				
- Purchasing	N/A**	70%	N/A**	N/A**
- Materials Management	N/A**	79%	N/A**	N/A**
 Percentage of contracts processed for insurance clearance within five days of receipt	73%	67%	67%	67%

Changes to Performance Measures from 2010-2011 Adopted Budget: Yes¹

* Finance will cease delivery of Warehouse items in 2011-2012.

** Data has not been collected for this performance measure.

¹ Changes to Performance Measures from 2010-2011 Adopted Budget:

+ “Percentage of contracts processed for insurance clearance within five days of receipt” was added consistent with the Financial Risk Management team’s transfer to the Finance Department from the Human Resources Department.

Finance Department

Performance Summary

Purchasing and Materials Management (Cont'd.)

Activity and Workload Highlights

	2009-2010 Actual	2010-2011 Forecast	2010-2011 Estimated	2011-2012 Forecast
Total cost for services				
- Purchasing Services	\$1.34M	\$1.34M	\$1.25M	\$1.26
- Materials Management Services	\$0.86M	\$0.86M	\$0.91M	\$0.85
Total dollars procured	\$107.5M	\$110.0M	\$110.0M	\$110.0M
Total cost savings	\$6.71M	\$6.50M	\$5.00M	\$3.00M
Total dollars recovered from surplus sales	\$180,231	\$150,000	\$55,000	\$50,000
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	239	176	350	200
- 26 business days for POs > \$10K and ≤ \$100K	330	285	200	100
- 38 business days for POs > \$100K and ≤ \$250K	45	42	35	10
- 83 business days for POs > \$250K and ≤ \$1.0M	30	19	19	1
- 108 business days for POs > \$1.0M	2	6	4	2
# of record retention requests delivered within one day	8,617	8,407	8,407	7,800
# of warehouse line items:				
- Picked-up within one day	26,400	20,118	20,118	N/A*
- Delivered within one day	5,588	2,449	2,449	N/A*
Total insurable value of the City's assets	\$2.5B	\$2.6B	\$2.9B	\$2.9B
Total number of contracts processed for insurance clearance	2,852	1,087**	1,087	1,087

Changes to Performance Measures and Activity & Workload Highlights from 2010-2011 Adopted Budget: Yes¹

* Finance will cease delivery of Warehouse items in 2011-2012.

** The 2010-2011 Target for the "Total number of contracts processed for insurance clearance" was reduced in the 2010-2011 Adopted Operating Budget as a result of a re-evaluation of contract activity, the decentralization of contracts below \$250,000, and the anticipated decline.

¹ Changes to Activity and Workload Highlights from 2010-2011 Adopted Budget:




- + "Total insurable value of the City's assets" was added consistent with the Financial Risk Management team's transfer to the Finance Department from the Human Resources Department.
- + "Total number of contracts processed for insurance clearance" was added consistent with the Financial Risk Management team's transfer to the Finance Department from the Human Resources Department.

Finance Department

Performance Summary

Revenue Management

Performance Measures

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
 Cost of revenue collection services as a percentage of the City's total miscellaneous accounts receivable	26.90%	25.86%	25.00%	23.29%
 City's Aging Accounts Receivable Balance				
Current Receivables:				
0 - 30 days	\$2,957,580	\$4,276,371	\$4,019,388	\$3,628,009
31 - 60 days	\$901,541	\$1,088,313	\$963,376	\$1,378,972
61 - 90 days	\$959,417	\$1,043,469	\$551,575	\$2,280,642
Delinquent Receivables:				
91 - 120 days	\$1,211,190	\$3,996,677	\$1,679,619	\$480,610
121 - 365 days	\$1,904,015	\$1,872,828	\$2,585,270	\$1,877,910
366 - 730 days	\$1,752,482	\$1,400,793	\$2,219,619	\$4,286,764
731 - 999+ days	\$6,657,274	\$8,727,569	\$6,441,218	\$6,911,302
 % of customers who rate Revenue Management services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	N/A*	86%	N/A*	N/A*

Changes to Performance Measures from 2010-2011 Adopted Budget: No

* Data has not been collected for this performance measure.

Activity and Workload Highlights

	2009-2010 Actual	2010-2011 Forecast	2010-2011 Estimated	2011-2012 Forecast
Total cost for Revenue Management services	\$4.60M	\$4.81M	\$5.27M	\$5.32M
Total balance of the City's miscellaneous accounts receivable	\$16.04M	\$18.60M	\$17.54M	\$19.78M






Changes to Activity & Workload Highlights from 2010-2011 Adopted Budget: No

Finance Department

Performance Summary

Treasury Management

Performance Measures

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
 City's General Obligation Bond rating - Moody's - Standard & Poor's - Fitch	Aaa AAA AAA	Aa1 AAA AA+	Aa1 AAA AA+	Aaa AAA AA+
 Average return on investments	2.170%	1.750%	1.000%	0.072%
 Cost of Debt Management services as a percentage of the City's outstanding debt portfolio	%.010	0.018%	0.018%	0.020%
 Cost of Investment services as a percentage of the City's total investment portfolio	0.186%	0.224%	0.228%	0.237%
 % of customers who rate Treasury Management services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	N/A*	70%	N/A*	N/A*

Changes to Performance Measures from 2010-2011 Adopted Budget: No

* Data has not been collected for this performance measure.

Activity and Workload Highlights

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
Total cost for Treasury Management services				
- Debt Management services	\$827,500	\$906,474	\$1,018,236	\$1,055,237
- Investment services	\$2,321,494	\$2,543,052	\$2,283,564	\$2,604,967
Total debt portfolio managed	\$5.800B	\$5.800B	\$5.800B	\$5.300B
Total of the City's investment portfolio	\$1.145B	\$1.100B	\$1.000B	\$1.100B




Changes to Activity & Workload Highlights from 2010-2011 Adopted Budget: No

Finance Department

Performance Summary

Strategic Support

Performance Measures

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
 % of employees receiving 40 hours of relevant training annually	3%	2%	2%	1%
 Ratio of strategic support services cost to total department budget	7%	7%	6%	7%
 % of customers rating strategic support services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	N/A*	70%	N/A*	N/A*

Changes to Performance Measures from 2010-2011 Adopted Budget: No

* Data has not been collected for this performance measure.

Activity and Workload Highlights

	2009-2010 Actual	2010-2011 Forecast	2010-2011 Estimated	2011-2012 Forecast
Total number of employees receiving 40 hours of relevant training	4	2	2	1
Total number of training hours provided	635	400	200	150

Changes to Activity & Workload Highlights from 2010-2011 Adopted Budget: No

Finance Department

Departmental Position Detail

Position	2010-2011 Adopted	2011-2012 Adopted	Change
Account Clerk II	4.00	4.00	-
Accountant I/II	14.00	16.00	2.00
Accounting Technician	10.00	10.00	-
Administrative Assistant	1.00	0.00	(1.00)
Administrative Officer	1.00	1.00	-
Analyst II	4.00	4.00	-
Analyst II PT	0.50	0.50	-
Assistant Director	1.00	1.00	-
Buyer II	4.00	4.00	-
Debt Administrator	0.00	1.00	1.00
Director of Finance	1.00	1.00	-
Division Manager	4.00	4.00	-
Financial Analyst	8.00	8.00	-
Investigator Collector I/II	15.00	15.00	-
Investment Officer	0.00	1.00	1.00
Mail Processor	1.00	1.00	-
Office Specialist	4.00	4.00	-
Principal Account Clerk	5.00	5.00	-
Principal Accountant	2.00	2.00	-
Program Manager II	3.00	2.00	(1.00)
Senior Account Clerk	16.00	16.00	-
Senior Accountant	6.00	6.00	-
Senior Analyst	3.00	3.00	-
Senior Investigator Collector	1.00	2.00	1.00
Senior Office Specialist	0.00	1.00	1.00
Senior Warehouse Worker	0.00	1.00	1.00
Staff Specialist	1.00	1.00	-
Staff Technician	1.00	0.00	(1.00)
Supervising Accountant	1.00	0.00	(1.00)
Warehouse Supervisor	1.00	0.00	(1.00)
Warehouse Worker II	4.00	3.00	(1.00)
Total Positions	116.50	117.50	1.00