

Finance Department

Julia H. Cooper, Director

MISSION

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

CITY SERVICE AREA

Strategic Support

CORE SERVICES

DISBURSEMENTS

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

FINANCIAL REPORTING

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

PURCHASING AND RISK MANAGEMENT

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

REVENUE MANAGEMENT

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

DEBT AND TREASURY MANAGEMENT

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

Strategic Support: Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, Administrative Support, and 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 unit's Memoranda of Agreement.
<i>Financial Reporting Core Service</i>	
General Accounting	Provides accurate and meaningful reporting on the City's financial condition and primarily responsible for the accounting of City-wide financial activity for all City funds, with services including management of the Financial Management System, preparation of the Annual Comprehensive Financial Report, preparation of various Cost Allocation Plans, capital assets accounting, monthly financial information publications, City-wide reports for audit purposes, and coordination of stand-alone audits.
Special Accounting	Manages accounting responsibilities related to special facility districts, grant programs, assessment districts, loans, debt transactions, bank reconciliations, investments, deferred compensation; and prepares and submits legally mandated reports including the City's Federal Single Audit Report.
<i>Purchasing and Risk Management Core Service</i>	
Purchasing	Following transparent and competitive procurement procedures, supports the operations of all City departments by ensuring the timely procurement and delivery of products and services other than construction and consulting services. Establishes City-wide procurement policies and procedures and provides City-wide training and guidance to departments to enable them to facilitate procurements that are decentralized. Manages the P-Card program to enable the procurement of small dollar purchase transactions.
Risk Management	Ensures insurance coverage for City assets, establishes City-wide risk management policies and procedures, and provides City-wide training and guidance to departments on risk-related programs. Manages property and casualty claims from inception to conclusion and performs the centralized subrogation function to recapture losses resulting from third-party wrongdoing or negligence resulting in loss of or damage to City-owned property.

Finance Department

Service Delivery Framework

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

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Strategic Support Core Service</i>	
Finance Management and Administration	Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support.
Finance Successor Agency to the Redevelopment Agency Administration	Supports the general winding down of the former Redevelopment Agency in an orderly manner, pursuant to AB X1 26. Responsibilities include all aspects of the financial management of the San José Successor Agency to the Redevelopment Agency, such as accounts payable, accounts receivable, debt management, investments, cash management, financial reporting, and preparation of Recognized Obligation Payments Schedule (ROPS).
Finance 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 2022-2023 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.

2022-2023 Key Budget Actions

- Adds 2.0 Analyst and 1.0 Senior Analyst positions and associated non-personal/equipment funding for increased staffing and technology enhancements to help address the City's procurement consultant's recommendations, as well as to help meet City demand for procurement and contracting services.
- Adds 1.0 Supervising Accountant position, through June 30, 2024, and associated non-personal/equipment funding in the Accounting Division's Financial Reporting Unit to support San José Clean Energy (SJCE) Department's accounting operations.
- Adds 1.0 Assistant to the Director position and associated non-personal/equipment funding to provide portfolio management and support to the Director and Assistant Director.
- Adds 1.0 Analyst I/II position, funded 20% by Measure E funds and 80% by the General Fund, to increase staffing support for the Measure E Program Administration for the Housing Department, and the Debt Management Team.

Operating Funds Managed

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

Finance Department

Department Budget Summary

	2020-2021 Actuals ***	2021-2022 Adopted ****	2022-2023 Forecast	2022-2023 Adopted
Dollars by Core Service				
Debt and Treasury Management	17,009,422	18,946,641	5,427,783	5,705,911
Disbursements	2,835,456	3,191,897	3,025,509	3,405,509
Financial Reporting	2,486,919	4,014,041	3,294,470	4,621,937
Purchasing and Risk Management	4,426,797	5,312,362	6,193,519	7,240,753
Revenue Management	5,976,274	8,354,547	8,039,769	8,688,469
Strategic Support - Other - Strategic Support	171,973,823	39,375,680	48,736,306	48,772,243
Strategic Support - Strategic Support	2,462,293	3,703,656	3,190,746	3,632,458
Total	\$207,170,984	\$82,898,824	\$77,908,102	\$82,067,280
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	18,984,991	19,902,069	21,636,536	22,514,577
Overtime	60,134	48,615	48,615	48,615
Subtotal Personal Services	\$19,045,125	\$19,950,684	\$21,685,151	\$22,563,192
Non-Personal/Equipment	1,154,127	2,543,994	1,240,739	2,825,939
Total Personal Services & Non-Personal/Equipment	\$20,199,252	\$22,494,678	\$22,925,890	\$25,389,131
Other Costs*				
City-Wide Expenses	3,841,873	15,496,466	11,913,197	13,573,197
Debt Service/Financing	181,034,157	41,228,000	40,723,366	40,725,000
General Fund Capital	0	0	0	0
Housing Loans and Grants	0	0	0	0
Other	2,071,132	3,215,000	1,888,799	1,888,799
Other - Capital	0	0	0	0
Overhead Costs	22,697	464,680	456,850	491,153
Workers' Compensation	1,873	0	0	0
Total Other Costs	\$186,971,732	\$60,404,146	\$54,982,212	\$56,678,149
Total	\$207,170,984	\$82,898,824	\$77,908,102	\$82,067,280

* 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 positions displayed in the 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget.

*** 2020-2021 Actuals may not subtotal due to rounding.

**** The amounts in the 2021-2022 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Finance Department

Department Budget Summary

	2020-2021 Actuals ***	2021-2022 Adopted ****	2022-2023 Forecast	2022-2023 Adopted
Dollars by Fund				
General Fund (001)	166,915,900	38,052,917	33,848,649	37,763,736
Public Works Program Support Fund (150)	84,479	20,000	20,000	20,000
City Hall Debt Service Fund (210)	25,147,810	25,211,000	25,205,000	25,205,000
Building Development Fee Program Fund (237)	47,897	87,358	94,935	94,935
Planning Development Fee Program Fund (238)	16,851	31,670	34,507	34,507
Fire Development Fee Program Fund (240)	4,097	7,575	8,237	8,237
Public Works Development Fee Program Fund (241)	10,050	18,373	20,249	20,249
Low And Moderate Income Housing Asset Fund (346)	67,836	99,327	102,415	87,765
Coronavirus Relief Fund (401)	374,514	0	0	0
American Rescue Plan Fund (402)	0	0	1,159,105	1,159,105
Emergency Reserve Fund (406)	0	1,824,000	450,000	450,000
Community Facilities Revenue Fund (422)	15,877	0	0	0
Integrated Waste Management Fund (423)	885,707	1,084,795	969,964	1,072,964
Ice Centre Revenue Fund (432)	1,707,383	105,000	5,544,090	5,544,090
Storm Sewer Operating Fund (446)	15,146	198,256	203,355	203,355
San José Clean Energy Operating Fund (501)	195,531	253,047	249,432	407,489
San José-Santa Clara Treatment Plant Operating Fund (513)	133,066	147,970	146,960	143,010
Water Utility Fund (515)	336,249	757,345	787,697	787,697
Municipal Golf Course Fund (518)	0	0	0	0
Convention and Cultural Affairs Fund (536)	1,873	406,000	450,000	450,000
Sewer Service And Use Charge Fund (541)	403,721	901,904	920,608	920,608
Convention Center Facilities District Revenue Fund (791)	10,788,686	13,674,000	7,671,366	7,673,000
Capital Funds	18,311	18,287	21,533	21,533
Total	\$207,170,984	\$82,898,824	\$77,908,102	\$82,067,280

Positions by Core Service**				
Debt and Treasury Management	25.02	22.20	22.20	23.20
Disbursements	16.50	16.50	16.50	16.50
Financial Reporting	15.43	17.63	17.63	18.63
Purchasing and Risk Management	19.00	19.00	19.00	22.00
Revenue Management	38.37	38.99	38.99	38.99
Strategic Support - Strategic Support	8.67	6.67	13.67	14.67
Total	122.99	120.99	127.99	133.99

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** The positions displayed in the 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget.

*** 2020-2021 Actuals may not subtotal due to rounding.

**** The amounts in the 2021-2022 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Finance Department

Department Budget Summary

	2020-2021	2021-2022	2022-2023	2022-2023	2022-2023
	Actuals**	Adopted	Forecast	Adopted	Adopted Positions
Dollars by Program*					
Debt and Treasury Management					
Banking Management	2,259,914	979,950	1,015,950	1,015,950	0.00
Cashiering and Payment Processing	1,065,502	1,395,313	1,483,812	1,483,812	10.25
Debt Management	12,068,560	15,377,573	1,653,627	1,931,755	6.97
Investment Management	1,615,446	1,193,805	1,274,394	1,274,394	5.98
Sub-Total	17,009,422	18,946,641	5,427,783	5,705,911	23.20
Disbursements					
Accounts Payable	1,172,109	1,258,096	1,187,730	1,317,730	6.75
Payroll	1,663,347	1,933,801	1,837,779	2,087,779	9.75
Sub-Total	2,835,456	3,191,897	3,025,509	3,405,509	16.50
Financial Reporting					
General Accounting	2,363,091	2,829,245	2,018,458	3,345,925	11.35
Special Accounting	123,828	1,184,796	1,276,012	1,276,012	7.28
Sub-Total	2,486,919	4,014,041	3,294,470	4,621,937	18.63
Purchasing and Risk Management					
Purchasing	2,578,644	2,859,576	2,946,020	3,948,254	19.80
Risk Management	1,848,153	2,452,786	3,247,499	3,292,499	2.20
Sub-Total	4,426,797	5,312,362	6,193,519	7,240,753	22.00
Revenue Management					
Accounts Receivable	1,343,891	2,111,643	2,071,710	2,090,410	8.70
Business Tax	2,129,993	2,331,940	2,255,326	2,255,326	12.30
Revenue Audit and Compliance	1,497,862	2,212,937	2,070,317	2,597,317	8.69
Utility Billing System	1,004,528	1,698,027	1,642,416	1,745,416	9.30
Sub-Total	5,976,274	8,354,547	8,039,769	8,688,469	38.99
Strategic Support - Other - Strategic Support					
Finance Funds Debt/Financing Costs	170,235,821	27,554,000	40,723,366	40,725,000	0.00
Finance Other Departmental - City-Wide	30,713	11,254,000	7,450,000	7,450,000	0.00
Finance Other Operational - Administration	1,684,592	103,000	106,090	106,090	0.00
Finance Overhead	22,697	464,680	456,850	491,153	0.00
Sub-Total	171,973,823	39,375,680	48,736,306	48,772,243	0.00
Strategic Support - Strategic Support					
Finance Management and Administration	1,844,361	1,879,656	1,581,641	2,023,353	7.67

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** 2020-2021 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2020-2021	2021-2022	2022-2023	2022-2023	2022-2023
	Actuals**	Adopted	Forecast	Adopted	Adopted Positions
Finance Pandemic Response	375,052	1,824,000	1,609,105	1,609,105	7.00
Finance Successor Agency to the Redevelopment Agency Administration	242,880	0	0	0	0.00
Sub-Total	2,462,293	3,703,656	3,190,746	3,632,458	14.67
Total	\$207,170,984	\$82,898,824	\$77,908,102	\$82,067,280	133.99

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Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2021-2022 Adopted to 2022-2023 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2021-2022):	120.99	22,494,678	20,215,451
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Revenue Compliance Sales Tax Software		(230,000)	(230,000)
• Rebudget: Pension Obligation Bond Consulting Services		(220,000)	(220,000)
• Rebudget: Financial Training Materials Development		(200,000)	(200,000)
• Rebudget: Disaster Cost Accounting		(150,000)	(150,000)
• Rebudget: Travel Software Implementation		(130,000)	(130,000)
• Rebudget: Unclaimed Utility Billing Credit Billing		(103,000)	0
• Rebudget: GASB 87 Accounting Software		(65,000)	(65,000)
• Rebudget: Revenue Results Software Phase II Implementation		(18,700)	(18,700)
• Cost Allocation Plan Review		(302,000)	(302,000)
One-time Prior Year Expenditures Subtotal:	0.00	(1,418,700)	(1,315,700)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes:		676,071	611,256
• COVID-19 Pandemic Response and Community and Economic Recovery (City Council Approval November 30, 2021): 3.0 Accounting Technician, 1.0 Accountant I/II, 1.0 Division Manager, 1.0 Senior Accountant, 1.0 Senior Analyst	7.00	1,158,396	0
• Software/Information Systems: Business Tax CXM Reservation Application		6,000	6,000
• Software/Information Systems: Revenue Results Accounts Receivable System		3,450	3,450
• Software/Information Systems: Currency Counter Maintenance		3,100	3,100
• Software/Information Systems: Cashiering CXM Reservation Application		2,000	2,000
• Software/Information Systems: Capital Asset Software Maintenance		895	895
Technical Adjustments Subtotal:	7.00	1,849,912	626,701
2022-2023 Forecast Base Budget:	127.99	22,925,890	19,526,452

Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2021-2022 Adopted to 2022-2023 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Approved			
1. Procurement Improvement Staffing	3.00	552,234	552,234
2. Debt Management Software Replacement		250,000	250,000
3. San José Clean Energy Accounting Support Staffing	1.00	176,467	54,480
4. Finance Administration Support Staffing	1.00	139,712	139,712
5. Automation and Publishing Software (Annual Comprehensive Financial Report)		50,000	50,000
6. Grants Management Training		50,000	50,000
7. GASB No. 96 Consulting Services		45,000	45,000
8. Debt Management Program Support Staff (Affordable Housing Program)	1.00	28,128	44,961
9. Rebudgets		1,171,700	1,068,700
Total Budget Proposals Approved	6.00	2,463,241	2,255,087
2022-2023 Adopted Budget Total	133.99	25,389,131	21,781,539

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2022-2023 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Procurement Improvement Staffing	3.00	552,234	552,234
<p><i>Strategic Support CSA</i> <i>Purchasing and Risk Management Core Service</i> <i>Purchasing Program</i></p> <p>This action adds 2.0 Analyst I/II and 1.0 Senior Analyst positions, one-time non-personal/equipment funding of \$61,000, and ongoing non-personal/equipment funding of \$50,000 for increased staffing and technology enhancements to address the recommendations issued by the City's procurement consultant (Guidehouse), as well as to help meet current demand for procurement and contracting services. Among the initial recommendations from Guidehouse are increased staffing for the Purchasing Division to better address city-wide demand for its procurement and contract services. The non-personal/equipment funding will enhance the Finance Department's ability to address the City departmental demand for procurement and contracting services. A specific scope of the technological tools is under development and will be finalized following receipt of the final report from Guidehouse and after an evaluation of Request for Proposals. The Finance Department will continue to evaluate staffing levels and technology needs in response to purchasing and procurement demand, which may require further reevaluation of existing resources. (Ongoing costs: \$531,345)</p>			
2. Debt Management Software Replacement		250,000	250,000
<p><i>Strategic Support CSA</i> <i>Debt and Treasury Management Core Service</i> <i>Debt Management Program</i></p> <p>This action adds one-time non-personal/equipment funding of \$225,000 and ongoing funding of \$25,000 to replace the existing debt management software. The initial relationship provider has retired and the successive owner has not been responsive to issues raised by the City staff. The debt management team uses debt management software as an information repository of the City's bond issuances. Information derived from the debt management software is used for annual reports, such as the Annual Comprehensive Financial Report and the Comprehensive Annual Debt Report, Quarterly Debt Reports, budget documentation, outstanding debt service and other presentations. (Ongoing costs: \$25,000)</p>			
3. San José Clean Energy Accounting Support Staffing	1.00	176,467	54,480
<p><i>Strategic Support CSA</i> <i>Financial Reporting Core Service</i> <i>General Accounting Program</i></p> <p>This action adds 1.0 Supervising Accountant position through June 30, 2024 (funded 70% in the San José Clean Energy Fund and 30% in the General Fund) and one-time non-personal/equipment funding of \$2,200 in the Accounting Division's Financial Reporting Unit. This position will be primarily dedicated to supporting San José Clean Energy (SJCE) Department's efforts to mature their accounting operations. This position will assist in developing and maintaining accounting policies, procedures, and business processes, preparing, or reviewing quarterly financial statements to maintain compliance with the Revolving Credit Agreement, which includes reporting on SJCE's commercial paper borrowings from the City's Lease Revenue Commercial Paper program, and develop streamlined accounts payable processes. In addition to supporting SJCE, this position is also partially dedicated to enhancing the reporting and analysis function of the Accounting Division. (Ongoing costs: \$190,110)</p>			

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2022-2023 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
4. Finance Administration Support Staffing	1.00	139,712	139,712

Strategic Support CSA
Strategic Support Core Service
Finance Management and Administration Program

This action adds 1.0 Assistant to the Director position, one-time non-personal/equipment funding of \$3,100, and ongoing non-personal/equipment funding of \$900 to provide portfolio management and support to the Director and Assistant Director. The portfolio of the Director and Assistant Director has expanded significantly in the last five years – including leading roles in Finance/Recovery, the Community Energy's Risk Oversight Committee and related support, the evaluation of pension obligation bonds, etc. – requiring more direct support. This position will be responsible for a broad variety of tasks that will facilitate the Director and Assistant Director's ability to effectively lead the Department, including assisting with and/or leading special projects; reviewing, developing and producing complex documents, reports, and presentations; collecting and preparing information for meetings with staff and outside parties; composing and preparing correspondence and memoranda; and managing confidential matters. (Ongoing costs: \$183,048)

5. Automation and Publishing Software (Annual Comprehensive Financial Report)		50,000	50,000
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Strategic Support CSA
Financial Reporting Core Service
General Accounting Program

This action adds one-time non-personal/equipment funding of \$40,000 and ongoing funding of \$10,000 to implement report automation and publishing software for the Annual Comprehensive Financial Report (ACFR). This tool will enable greater collaboration amongst report writers and reviewers, increase process efficiency through automation, improve controls over financial reporting, assure accuracy across a significant, complex, and comprehensive document, and generate a more professional appearing report with consistent formatting throughout. (Ongoing costs: \$10,000)

6. Grants Management Training		50,000	50,000
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Strategic Support CSA
Financial Reporting Core Service
General Accounting Program

This action adds one-time non-personal/equipment funding of \$32,500 and ongoing funding of \$17,500 for city-wide grants management training for departmental staff responsible for grants management and administration. This funding will enable 20-25 current grant managers in the City to become fluent in certain core aspects of grants management, including understanding and applying indirect cost rates and general federal grants administration and management. The ongoing funding will ensure that newly hired staff are trained in grant management which will help maintain expertise in that area. Additional funding of \$50,000 is included in the American Rescue Plan Fund for training specific to the requirement of the various federal relief funding source (e.g., FEMA, CARES Act, and the American Rescue Plan Act). (Ongoing costs: \$17,500)

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2022-2023 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. GASB No. 96 Consulting Services		45,000	45,000

Strategic Support CSA
Financial Reporting Core Service
General Accounting Program

This action adds one-time non-personal/equipment funding of \$45,000 for consulting services to support the City with implementing Governmental Accounting Standards Board Statement No. 96 (GASB 96), subscription-based information technology arrangements (SBITAs). The new standard for governmental accounting, GASB 96, was released in May 2020 and is effective for reporting periods that begin after June 15, 2022 (which is July 1, 2022 for the City). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This significant change to accounting and financial reporting standards for SBITAs will require the City to bring these subscriptions onto its balance sheet. Implementing GASB 96 will also require the modification of standard terms and conditions in current City contract and procurement templates to assure future SBITAs include the component information necessary to remain in compliance with the pronouncement. The department had remaining 2021-2022 savings of \$40,000 from GASB 87 consulting services which was rebudgeted as part of Manager’s Budget Addendum #42 towards the total cost of consultants for GASB 96. Funding of \$45,000 represents the estimated amount needed after the rebudgeting of the funds. (Ongoing costs: \$0)

8. Debt Management Program Support Staff (Affordable Housing Program)	1.00	28,128	44,961
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Strategic Support CSA
Debt and Treasury Management Core Service
Debt Management Program

This action adds 1.0 Analyst I/II position, funded 20% by Measure E (Real Property Transfer Tax) revenues and 80% by other General Fund resources, one-time non-personal/equipment funding of \$2,200, and other funding allocation adjustments, to increase staffing support for Measure E Program Administration. This position add, combined with other allocation shifts of existing analyst positions, will add 0.70 FTE to the Measure E Program to primarily support the contemplated increase in affordable housing transactions due to the passage of Measure E in March 2020. The staff will support the Debt Management Team in critical administrative, compliance and desk procedural tasks, allowing reallocation of existing Financial Analyst’s time and portfolio assignments to dedicate to the increased workload associated with supporting the Housing Department’s affordable housing program. Additionally, the addition of an Analyst position to the team will contribute to creating a deeper bench in the Debt Management Program. (Ongoing costs: \$36,146)

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment







2022-2023 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
9. Rebudgets	0.00	1,171,700	1,068,700
<i>Strategic Support CSA</i>			
<i>Core Service: Department-wide</i>			
<i>Program: Department-wide</i>			
<p>The rebudget of unexpended 2021-2022 funds will allow for the completion of previously approved projects or other expenditure items in 2022-2023. The items listed below were approved by the City Council as part of a previous budget action. (Ongoing costs: \$0)</p>			
Cost Allocation Plan Study		300,000	
Revenue Compliance Sales Tax Software		230,000	
Training Materials Consultant		200,000	
Disaster Cost Accounting		150,000	
Travel Software Implementation		130,000	
UBS Unclaimed Utility Billing Credit Billing		103,000	
GASB 87		40,000	
Revenue Results Software Phase II Implementation		18,700	
2022-2023 Adopted Budget Changes Total	6.00	2,463,241	2,255,087

Finance Department

Performance Summary

Disbursements

Performance Measures



	2020-2021 Actual	2021-2022 Target	2021-2022 Estimated	2022-2023 Target
 % of disbursements paid accurately and timely	85%	89%	85%	85%
 % of reimbursements paid to employees accurately and timely	99%	98%	99%	99%
 % of payroll disbursements paid accurately and timely	99%	95%	99%	99%
 % of disbursements paid to vendors accurately and within 30 days	67%	74%	74%	74%
 Cost per payment	\$11.56	\$10.93	\$11.90	\$12.26
 Average number of days from invoice date to check issuance	27	27	27	27

Activity and Workload Highlights

	2020-2021 Actual	2021-2022 Forecast	2021-2022 Estimated	2022-2023 Forecast
Total number of payments made	244,306	262,000	245,000	245,000
Vendor invoices paid	71,861	75,650	72,000	72,000

Financial Reporting

Performance Measures

	2020-2021 Actual	2021-2022 Target	2021-2022 Estimated	2022-2023 Target
 % of financial reports that are produced	99%	99%	99%	99%
 Cost per financial report	\$1,169	\$1,076	\$1,228	\$1,289

Activity and Workload Highlights





	2020-2021 Actual	2021-2022 Forecast	2021-2022 Estimated	2022-2023 Forecast
Total number of financial reports provided	2,152	2,360	2,150	2,150

Finance Department

Performance Summary

Purchasing and Risk Management

Performance Measures

	2020-2021 Actual	2021-2022 Target	2021-2022 Estimated	2022-2023 Target
 % of cost savings achieved through the centralized purchasing process	3.8%	3.8%	3.3%	3.3%
 Cost of purchasing services as a percentage of the total dollars procured	1.23%	1.61%	1.58%	1.58%
 % of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	50%	80%	51%	80%
- 26 business days for POs >\$10K and ≤ \$100K	64%	80%	66%	80%
- 38 business days for POs >100K and ≤ \$250K	80%	80%	75%	80%
- 83 business days for POs >\$250K and ≤ \$1.0M	92%	95%	97%	95%
- 108 business days for POs > \$1.0M	97%	85%	100%	85%
 Percentage of contracts processed for insurance clearance within five days of receipt	92%	88%	89%	90%

Activity and Workload Highlights


	2020-2021 Actual	2021-2022 Forecast	2021-2022 Estimated	2022-2023 Forecast
Total dollars procured	\$209.1M	\$154.9M	\$200.1M	\$210.1M
Total cost savings achieved through the centralized purchasing process	\$7.9M	\$5.9M	\$6.6M	\$7.0M
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	245	442	248	388
- 26 business days for POs >\$10K and ≤ \$100K	704	873	741	890
- 38 business days for POs >100K and ≤ \$250K	206	161	181	200
- 83 business days for POs >\$250K and ≤ \$1.0M	217	147	195	209
- 108 business days for POs > \$1.0M	34	18	39	31
Total insurable value of the City's assets	\$4.3B	\$4.4B	\$4.5B	\$5.0B
Total number of contracts processed for insurance clearance	887	740	1,220	1,281

Finance Department

Performance Summary

Revenue Management

Performance Measures

	2020-2021 Actual	2021-2022 Target	2021-2022 Estimated	2022-2023 Target
 Return on Investment				
- Revenue Management	6.48	5.50	6.55	5.50

Activity and Workload Highlights

	2020-2021 Actual	2021-2022 Forecast	2021-2022 Estimated	2022-2023 Forecast
 Revenue Management Aging Receivable ¹ Balance				
Current Receivables ²				
- 0 – 30 days	\$9,285,068	\$12,107,225	\$11,716,889	\$10,500,979
- 31 – 60 days	\$5,127,973	\$4,526,840	\$4,373,698	\$4,750,835
- 61 – 90 days	\$3,724,067	\$5,240,455	\$3,895,497	\$3,809,782
Delinquent Receivables ³				
- 91 – 120 days	\$2,930,148	\$2,333,049	\$2,621,737	\$2,775,943
- 121 – 365 days	\$5,781,912	\$6,491,741	\$5,695,001	\$5,738,457
- 366 – 730 days	\$12,888,712	\$12,623,367	\$11,962,740	\$12,425,726
- 731 – 999+ days	\$22,507,235	\$17,695,369	\$20,058,856	\$21,283,045

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

	2020-2021 Actual	2021-2022 Target	2021-2022 Estimated	2022-2023 Target
 City's General Obligation Bond rating				
- Moody's	Aa1	Aa1	Aa1	Aa1
- Standard & Poor's	AA+	AA+	AA+	AA+
- Fitch	AAA	AAA	AAA	AAA
 Average return on investments Comparison Benchmarks				
- Local Agency Investment Fund (LAIF)	0.500%	N/A ¹	N/A ¹	N/A ¹
- Bank of America Merrill Lynch (BAML)	1.287%	N/A ¹	N/A ¹	N/A ¹
 Cost of Investment Program as a percentage of the City's total investment portfolio				
	0.082%	0.079%	0.060%	0.060%

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

Activity and Workload Highlights

	2020-2021 Actual	2021-2022 Forecast	2021-2022 Estimated	2022-2023 Forecast
Total debt portfolio managed	\$3.803B	\$4.275B	\$4.487B	\$4.485B
Total of the City's investment portfolio	\$1.961B	\$2.000B	\$2.400B	\$2.500B

Finance Department

Department Position Detail

Position	2021-2022 Adopted	2022-2023 Adopted	Change
Accountant I/II	16.00	17.00	1.00
Accounting Technician	10.00	13.00	3.00
Administrative Officer	1.00	1.00	-
Analyst I/II	10.00	13.00	3.00
Assistant Director	1.00	1.00	-
Assistant to the Director	0.00	1.00	1.00
Buyer I/II/III	6.00	6.00	-
Debt Administrator	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	4.00	4.00	-
Director of Finance	1.00	1.00	-
Division Manager	0.00	1.00	1.00
Financial Analyst	5.00	5.00	-
Hearing Officer U PT	0.99	0.99	-
Investigator Collector I/II	11.00	11.00	-
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	5.00	5.00	-
Risk Manager	1.00	1.00	-
Senior Account Clerk	13.00	13.00	-
Senior Accountant	7.00	8.00	1.00
Senior Analyst	6.00	8.00	2.00
Senior Financial Analyst	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	4.00	1.00
Total Positions	120.99	133.99	13.00