

Finance Department

Rick Bruneau, Director

MISSION

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

CITY SERVICE AREA

Strategic Support

CORE SERVICES

DISBURSEMENTS

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

FINANCIAL REPORTING

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

PURCHASING AND RISK MANAGEMENT

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

REVENUE MANAGEMENT

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

DEBT AND TREASURY MANAGEMENT

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

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

Finance Department

Service Delivery Framework

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

Finance Department

Service Delivery Framework

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

Finance Department

Service Delivery Framework

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

Finance Department

Department Budget Summary

Expected 2023-2024 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.

2023-2024 Key Budget Actions

- Adds 1.0 Division Manager position and 2.0 Senior Analyst positions on an ongoing basis, and continues 1.0 Accountant II and 3.0 Accounting Technician positions through June 30, 2024 in the Finance Disaster Recovery-Grants Management group.
- Adds 1.0 Program Manager position on an ongoing basis, and \$50,000 of one-time non-personal/equipment funding to support the development and subsequent implementation of the planned City of San José Enterprise Resource Planning (ERP) system.
- Deletes 1.0 Assistant to the Director position and adds 1.0 Senior Analyst position and associated non-personal/equipment funding in the Finance Department Risk Management Program to create depth in the workgroup and effectively respond to City demand for risk management and insurance services.

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

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Core Service				
Debt and Treasury Management	295,768,866	5,705,911	5,819,562	5,819,562
Disbursements	2,881,654	3,405,509	2,980,546	2,980,546
Financial Reporting	3,215,681	4,621,937	3,681,887	3,734,087
Purchasing and Risk Management	5,621,180	7,240,753	7,198,484	7,375,280
Revenue Management	8,324,787	8,688,469	8,141,050	8,141,050
Strategic Support - Other - Strategic Support	123,959,737	48,772,243	50,922,448	50,922,448
Strategic Support - Strategic Support	1,861,624	3,632,458	1,836,702	3,102,454
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	20,621,198	22,514,577	21,788,587	23,230,783
Overtime	82,943	48,615	53,615	53,615
Subtotal Personal Services	\$20,704,141	\$22,563,192	\$21,842,202	\$23,284,398
Non-Personal/Equipment	1,610,275	2,825,939	1,356,239	1,358,792
Total Personal Services & Non-Personal/Equipment	\$22,314,416	\$25,389,131	\$23,198,441	\$24,643,190
Other Costs *				
City-Wide Expenses	5,345,723	13,573,197	11,622,602	11,672,602
Debt Service/Financing	412,056,819	40,725,000	43,772,000	43,772,000
Housing Loans and Grants	0	0	0	0
Other	504,556	1,888,799	1,523,776	1,523,776
Other - Capital	0	0	0	0
Overhead Costs	1,412,015	491,153	463,860	463,860
Total Other Costs	\$419,319,113	\$56,678,149	\$57,382,238	\$57,432,238
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428

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

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 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

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Proposed
Dollars by Fund				
General Fund (001)	311,683,552	37,763,736	33,402,842	34,897,591
American Rescue Plan Fund (402)	714,864	1,159,105	0	0
Building Development Fee Program Fund (237)	82,860	94,935	79,218	79,218
City Hall Debt Service Fund (210)	25,197,084	25,205,000	25,209,000	25,209,000
Convention and Cultural Affairs Fund (536)	0	450,000	450,000	450,000
Convention Center Facilities District Revenue Fund (791)	100,209,617	7,673,000	10,162,000	10,162,000
Emergency Reserve Fund (406)	0	450,000	0	0
Fire Development Fee Program Fund (240)	7,106	8,237	7,033	7,033
Ice Centre Revenue Fund (432)	104,800	5,544,090	7,489,088	7,489,088
Integrated Waste Management Fund (423)	769,951	1,072,964	981,066	981,066
Low And Moderate Income Housing Asset Fund (346)	1,493,330	87,765	86,041	86,041
Planning Development Fee Program Fund (238)	29,908	34,507	28,953	28,953
Public Works Development Fee Program Fund (241)	17,506	20,249	17,343	17,343
Public Works Program Support Fund (150)	19,559	20,000	20,000	20,000
San José Clean Energy Operating Fund (501)	163,865	407,489	477,479	477,479
San José-Santa Clara Treatment Plant Operating Fund (513)	119,268	143,010	162,374	162,374
Sewer Service And Use Charge Fund (541)	273,977	920,608	904,938	904,938
Storm Sewer Operating Fund (446)	70,808	203,355	217,783	217,783
Water Utility Fund (515)	653,413	787,697	867,497	867,497
Capital Funds	22,060	21,533	18,024	18,024
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428

Positions by Core Service **				
Debt and Treasury Management	22.20	23.20	23.56	23.56
Disbursements	16.50	16.50	16.36	16.36
Financial Reporting	17.63	18.63	18.41	18.41
Purchasing and Risk Management	19.00	22.00	22.00	23.00
Revenue Management	32.29	38.99	38.99	38.99
Strategic Support - Strategic Support	6.67	14.67	7.67	14.67
Total	114.29	133.99	126.99	134.99

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**** The amounts in the 2022-2023 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

	2021-2022	2022-2023	2023-2024	2023-2024	2023-2024
	Actuals **	Adopted	Forecast	Proposed	Proposed Positions

Dollars by Program*

Debt and Treasury Management

Banking Management	1,269,708	1,015,950	1,391,279	1,391,279	1.35
Cashiering and Payment Processing	1,212,389	1,483,812	1,184,925	1,184,925	8.90
Debt Management	291,955,285	1,931,755	2,126,847	2,126,847	8.25
Investment Management	1,331,483	1,274,394	1,116,511	1,116,511	5.06
Sub-Total	295,768,866	5,705,911	5,819,562	5,819,562	23.56

Disbursements

Accounts Payable	1,177,455	1,317,730	1,156,491	1,156,491	6.76
Payroll	1,704,200	2,087,779	1,824,056	1,824,056	9.60
Sub-Total	2,881,654	3,405,509	2,980,546	2,980,546	16.36

Financial Reporting

General Accounting	1,748,678	3,345,925	2,674,342	2,726,542	13.15
Special Accounting	1,467,003	1,276,012	1,007,545	1,007,545	5.26
Sub-Total	3,215,681	4,621,937	3,681,887	3,734,087	18.41

Purchasing and Risk Management

Purchasing	3,316,470	3,948,254	3,313,332	3,313,332	18.80
Risk Management	2,304,710	3,292,499	3,885,152	4,061,948	4.20
Sub-Total	5,621,180	7,240,753	7,198,484	7,375,280	23.00

Revenue Management

Accounts Receivable	1,447,026	2,090,410	2,096,652	2,096,652	8.70
Business Tax	1,918,785	2,255,326	2,342,450	2,342,450	12.30
Revenue Audit and Compliance	1,350,063	2,597,317	2,044,633	2,044,633	8.69
Utility Billing System	3,608,913	1,745,416	1,657,314	1,657,314	9.30
Sub-Total	8,324,787	8,688,469	8,141,050	8,141,050	38.99

Strategic Support - Other - Strategic Support

Finance Funds Debt/Financing Costs	96,204,932	40,725,000	43,772,000	43,772,000	0.00
Finance Other Departmental - City-Wide	13,085	7,450,000	6,572,500	6,572,500	0.00
Finance Other Operational - Administration	854,682	106,090	114,088	114,088	0.00
Finance Overhead	1,415,730	491,153	463,860	463,860	0.00
Finance Transfers	25,471,308	0	0	0	0.00
Sub-Total	123,959,737	48,772,243	50,922,448	50,922,448	0.00

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** 2021-2022 Actuals may not subtotal due to rounding.

Finance Department

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed	2023-2024 Proposed Positions
Strategic Support - Strategic Support					
Finance Emergency Response and Recovery	0	1,609,105	0	1,252,283	7.00
Finance Management and Administration	1,841,071	2,023,353	1,836,702	1,850,172	7.67
Finance Successor Agency to the Redevelopment Agency Administration	20,553	0	0	0	0.00
Sub-Total	1,861,624	3,632,458	1,836,702	3,102,454	14.67
Total	\$441,633,529	\$82,067,280	\$80,580,679	\$82,075,428	134.99

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Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2022-2023):	133.99	25,389,131	21,781,539
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(1,171,700)	(1,068,700)
• COVID-19 Pandemic Response and Community and Economic Recovery Team (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
• Debt Management Software Replacement		(225,000)	(225,000)
• Procurement Improvement Staffing		(61,000)	(61,000)
• GASB No. 96 Consulting Services		(45,000)	(45,000)
• Automation and Publishing Software (Annual Comprehensive Financial Report)		(40,000)	(40,000)
• Grants Management Training		(32,500)	(32,500)
• San José Clean Energy Accounting Support Staffing		(2,200)	(2,200)
• Debt Management Program Support Staff (Affordable Housing Program)		(2,200)	(2,200)
One-time Prior Year Expenditures Subtotal:	(7.00)	(2,740,196)	(1,478,800)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		532,406	512,659
• Software/Information Services: Vendor Subscription Fees		9,600	9,600
• Overtime Adjustment		5,000	5,000
• Software/Information Services: Bloomberg Terminal Fees (Clean Energy)		2,500	0
• Fund Shift: Accounting Unit		0	(63,310)
• Fund Shift: Purchasing and Risk Unit		0	(12,448)
Technical Adjustments Subtotal:	0.00	549,506	451,501
2023-2024 Forecast Base Budget:	126.99	23,198,441	20,754,240

Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2022-2023 Adopted to 2023-2024 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Recommended			
1. Disaster Recovery and Grants Management Staffing	7.00	1,254,483	1,254,483
2. Enterprise Resource Planning Replacement Project Management Staffing	1.00	201,694	201,694
3. Risk Management Staffing	0.00	(7,380)	(7,380)
4. California Network and Telecommunications (CalNet) Program Savings		(4,047)	(4,047)
Total Budget Proposals Recommended	8.00	1,444,750	1,444,750
2023-2024 Proposed Budget Total	134.99	24,643,190	22,198,989

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Disaster Recovery and Grants Management Staffing	7.00	1,254,483	1,254,483

Strategic Support CSA
Financial Reporting Core Service
Strategic Support – Strategic Support Core Service
General Accounting Program
Finance Emergency Response and Recovery Program

This action continues temporary staffing on an ongoing basis by adding 1.0 Division Manager and 2.0 Senior Analyst positions, continues 3.0 Accounting Technicians and 1.0 Accountant II positions through June 30, 2024, and adds one-time personal services funding for a temporary position in the Finance Recovery and Grants Management team in the Finance Department. With the onset of the pandemic and subsequent allocation and receipt of hundreds of millions of dollars from Federal and State sources – including from the Federal Emergency Management Agency, the Coronavirus Relief Act, and the American Rescue Plan Act – it became essential to standup a dedicated team in Finance to track and appropriately document expenditures, as well as develop the necessary expertise to both maximize cost recovery and pass future audits. As this work will need to continue for a number of years, and as a centralized role for grant tracking expertise in the City was previously lacking, the Recovery and Grants Management team is recommended to continue into 2023-2024 and beyond. The ongoing staff provide a permanent management structure with a sufficient level of expertise that can be scaled in a disaster or emergency situation with limit-dated or temporary staffing to receive direction from the permanent team. (Ongoing costs: \$561,321)

2. Enterprise Resource Planning Replacement Project Management Staffing	1.00	201,694	201,694
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Strategic Support CSA
Financial Reporting Core Service
Strategic Support – Strategic Support Core Service
General Accounting Program
Finance Management and Administration Program

This action adds 1.0 Program Manager position and non-personal/equipment funding of \$4,400 to begin the multiyear process to implement the replacement of the City's Enterprise Resource Planning (ERP) system. The ERP applications and ERP system, the Financial Management System, are aging and in need of a redesign and incorporation of the ERP application's existing features within the new ERP system. The Program Manager position will work closely with stakeholders to define project scope, objectives, and timelines, and will manage the project team to ensure the ERP project is delivered on time and on budget. The role will interact with staff across departments as well as with an ERP Project Manager which is also recommended to be added in the Information Technology Department. Additional funding of \$50,000 for the ERP System Feasibility Assessment allocation will be used to assess the feasibility and scope of the ERP system replacement, as described in the City-Wide Expenses section of this document. A significant level of additional funding to implement the ERP replacement will be considered as part of a future budget process once the project scope and duration is more precisely defined (Ongoing costs: \$197,294)

Finance Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2023-2024 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Risk Management Staffing	0.00	(7,380)	(7,380)
<p><i>Strategic Support CSA</i> <i>Purchasing and Risk Management Core Service</i> <i>Strategic Support – Strategic Support Core Service</i> <i>Risk Management Program</i> <i>Finance Management and Administration Program</i></p> <p>This action eliminates 1.0 vacant Assistant to the Director position and adds 1.0 Senior Analyst position in the Finance Department's Risk Management Division to create depth in the workgroup, stabilize staffing and retention issues, and effectively respond to City departmental demand for risk management and insurance services. The Risk Management team is a small group with increasing contractual work as well as more complex requests. Insurance requests have become increasingly complex and expensive so this analytical support will help support the team and minimize work of upper-level positions on these tasks, particularly the Assistant Director. Since the addition of the Assistant to the Director position, the Department has hired a permanent Administrative Officer who provides a level of leadership and coordination which will result in no service impacts from the elimination of the Assistant to the Director position. (Ongoing savings: \$7,380)</p>			
4. California Network and Telecommunications (CalNet) Program Savings		(4,047)	(4,047)
<p><i>Strategic Support CSA</i> <i>Strategic Support – Strategic Support Core Service</i> <i>Finance Management and Administration Program</i></p> <p>This action decreases the Finance Department's non-personal/equipment funding by \$4,047 on an ongoing basis to reflect cost savings for internet-based telephony and hardware related services. These funds are allocated to individual departmental budgets. The California Network and Telecommunications (CalNet) Program, managed by the California Department of Technology, awarded updated service contracts. The City uses a State contract for advantageous pricing and the service used by the City had a price reduction. Contractual savings from the new contract in the amount of \$210,882 will be generated in the General Fund, \$275,672 in all funds, across departments as a result of lower service costs. (Ongoing savings: \$4,047)</p>			
2023-2024 Proposed Budget Changes Total	8.00	1,444,750	1,444,750

Finance Department

Performance Summary

Disbursements

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
% of disbursements paid accurately and timely	91%	85%	91%	91%
% of reimbursements paid to employees accurately and timely	99%	99%	99%	99%
% of payroll disbursements paid accurately and timely	99%	99%	99%	99%
% of disbursements paid to vendors accurately and within 30 days	68%	74%	68%	68%
Cost per payment	\$11.32	\$12.26	\$11.88	\$11.88
Average number of days from invoice date to check issuance	27	27	27	27

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of payments made	254,502	245,000	254,500	254,500
Vendor invoices paid	75,184	72,000	75,000	75,000

Financial Reporting

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
% of financial reports that are produced accurately and timely	98%	99%	98%	99%
Received Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award.	100%	100%	100%	100%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total number of financial reports provided	2,152	2,150	2,150	2,150

Finance Department

Performance Summary

Purchasing and Risk Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
% of cost savings achieved through the centralized purchasing process	4.1%	3.3%	4.1%	4.1%
Cost of purchasing services as a percentage of the total dollars procured	1.41%	1.58%	1.41%	1.41%
% of purchase orders (POs) processed within established timeframes				
- 8 business days for POs ≤ \$10K	45%	80%	45%	80%
- 26 business days for POs >\$10K and ≤ \$100K	53%	80%	53%	80%
- 38 business days for POs >100K and ≤ \$250K	59%	80%	59%	80%
- 83 business days for POs >\$250K and ≤ \$1.0M	86%	95%	85%	95%
- 108 business days for POs > \$1.0M	90%	85%	93%	85%
Percentage of contracts processed for insurance clearance within five days of receipt	92%	90%	95%	92%

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total dollars procured	\$233.5M	\$210.1M	\$246.2M	\$258.5M
Total cost savings achieved through the centralized purchasing process	\$9.5M	\$7.0M	\$10.0M	\$10.6M
# of purchase orders (POs) processed within:				
- 8 business days for POs ≤ \$10K	184	388	178	320
- 26 business days for POs >\$10K and ≤ \$100K	449	890	436	669
- 38 business days for POs >100K and ≤ \$250K	134	200	130	180
- 83 business days for POs >\$250K and ≤ \$1.0M	148	209	143	162
- 108 business days for POs > \$1.0M	27	31	27	25
Total insurable value of the City's assets	\$5.5B	\$5.0B	\$5.5B	\$5.8B
Total number of contracts processed for insurance clearance	1,302	1,281	1,702	1,787

Finance Department

Performance Summary

Revenue Management

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
Return on Investment (ROI)				
- Revenue Management	8.8 ¹	5.50	5.45	5.00

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

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Revenue Management Aging Receivable ¹				
Balance				
Current Receivables ²				
- 0 – 30 days	\$8,704,968	\$10,500,979	\$8,995,018	\$8,849,993
- 31 – 60 days	\$5,336,150	\$4,750,835	\$5,232,062	\$5,284,106
- 61 – 90 days	\$4,426,854	\$3,809,782	\$4,075,460	\$4,251,157
Delinquent Receivables ³				
- 91 – 120 days	\$2,428,773	\$2,775,943	\$2,679,461	\$2,554,117
- 121 – 365 days	\$12,313,138	\$5,738,457	\$9,047,525	\$10,680,332
- 366 – 730 days	\$17,948,536	\$12,425,726	\$15,418,624	\$16,683,580
- 731 – 999+ days	\$22,391,963	\$21,283,045	\$22,449,599	\$22,420,781

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

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 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	1.220%	1.620%	2.170%	2.900%
Comparison Benchmarks				
- Local Agency Investment Fund (LAIF)	0.371%	N/A ¹	N/A ¹	N/A ¹
- Bank of America Merrill Lynch (BAML)	0.536%	N/A ¹	N/A ¹	N/A ¹
 Cost of Investment Program as a percentage of the City's total investment portfolio	0.053%	0.060%	0.041%	0.045%

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

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
Total debt portfolio managed	\$4.085B	\$4.485B	\$4.200B	\$4.200B
Total of the City's investment portfolio	\$2.608B	\$2.500B	\$2.600B	\$2.500B

Finance Department

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Proposed	Change
Accountant I/II	17.00	17.00	-
Accounting Technician	13.00	13.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	13.00	13.00	-
Assistant Director	1.00	1.00	-
Assistant to the Director	1.00	0.00	(1.00)
Buyer I/II/III	6.00	6.00	-
Debt Administrator	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	4.00	4.00	-
Director of Finance	1.00	1.00	-
Division Manager	1.00	1.00	-
Financial Analyst	5.00	5.00	-
Hearing Officer U PT	0.99	0.99	-
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	6.00	1.00
Risk Manager	1.00	1.00	-
Senior Account Clerk	13.00	13.00	-
Senior Accountant	8.00	7.00	(1.00)
Senior Analyst	8.00	10.00	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	4.00	4.00	-
Total Positions	133.99	134.99	1.00