

Overview

The Finance Department manages the financial planning and accounting for the City, including revenue forecasting and expenditure control. The Department also provides financial reporting, payroll services, purchasing, accounts payable, business licenses, and administration of the City’s outstanding debt obligations, while acting in a fiduciary capacity for assessment districts. The Department assists the City Manager in the preparation of the Biennial Budget, coordinates investment of City funds for both short and long-term purposes, and provides cash management services for the City in support of the elected City Treasurer. The Department is also responsible for the coordination and completion of the annual audit for all City funds, and related audits for gas tax, federal funds, Measure B/BB, under the auspices of the elected City Auditor.



The department’s mission statement is to provide professional financial and accounting information support to City departments to facilitate fiscal and organizational decisions by departments in achieving their goals and objectives.

Workplan Highlights

- In FY 2015-17, the City received awards of excellence for its budget from both the California Society of Municipal Finance Officers and the Government Finance Officers Association.
- The Finance Department will present quarterly financial and investment reports to the City Council so as to provide information needed for effective analysis of the City’s financials and investments in a more user-friendly manner.
- The Finance Department will present quarterly sales tax, investment and financial reports to keep the City Council informed of the City’s financial health.
- The Finance Department, in conjunction with the City Treasurer, will apply for an award of excellence for the City’s investment policy from the United States and Canada Treasurer’s Association (USCTC).

Goals / Performance Measurements

1. Manage the financial resources of the City, consistent with financial policies and budget principles established by the City Council
2. Provide timely budget and financial reports to City departments to assist in meeting departmental missions
3. Ensure sound budget and expenditure control oversight and reporting of the City’s funds to protect the fiduciary interest of the community
4. Administer City expenditures in conformance with municipal code requirements for contracts and payables
5. Update or establish written documentation for various finance policies and procedures
6. Issue renewed business licenses within 14 days of application receipt, on average 99% of the time

Goal No. / Performance Measurement	Relates to Objective	2014 Actual	2015 Actual	2016 Actual
1. Percent of business licenses issued within 14 days (from receipt of completed application)	6	N/A	92%	95%

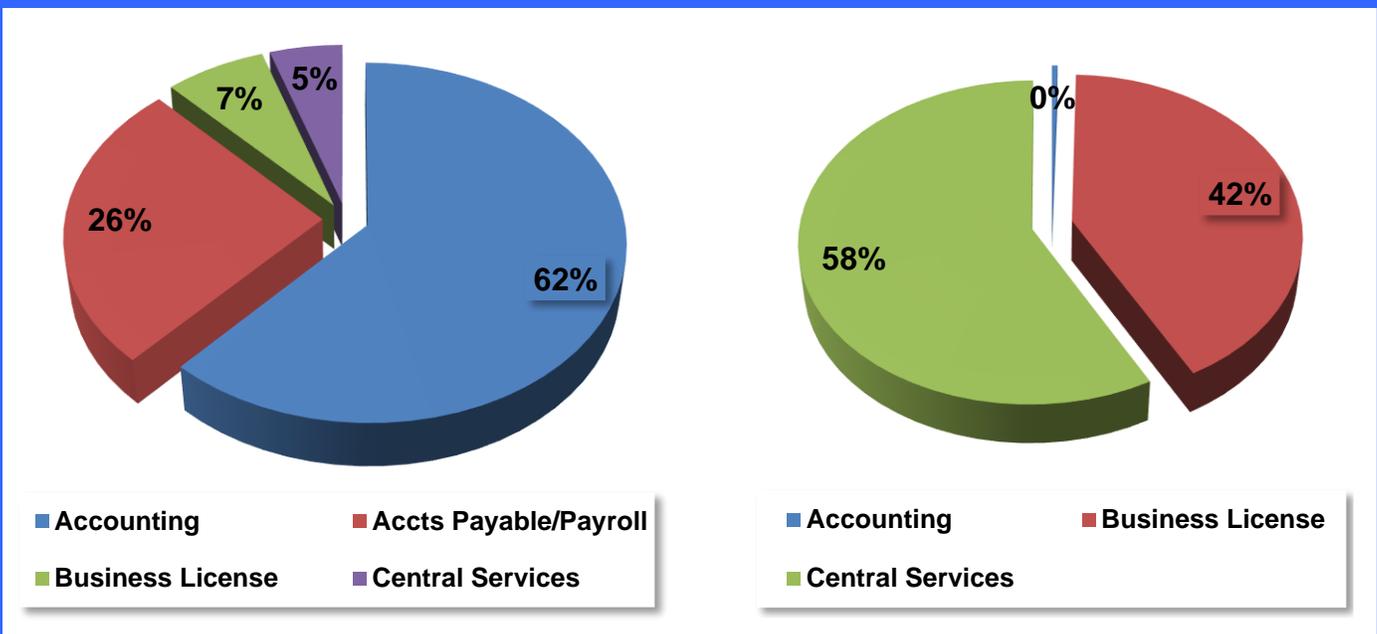
Expenditure Summary by Program

<u>Program Name</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Budget</u>	<u>FY 16-17 Projected</u>	<u>FY 17-18 Budget</u>	<u>FY 18-19 Budget</u>
Accounting/Cash Management	\$ 1,261,986	\$ 1,652,340	\$ 1,402,000	\$ 1,702,000	\$ 1,740,000
Accounts Payable/Payroll	537,411	672,000	526,000	710,000	752,000
Business License	221,126	241,000	236,000	299,000	309,000
Central Services	111,244	139,000	133,000	138,000	140,000
Total Program Budget	\$ 2,131,767	\$ 2,704,340	\$ 2,297,000	\$ 2,849,000	\$ 2,941,000
Less: Program Revenues *	392,906	280,000	308,000	265,000	266,000
Net Program Budget	\$ 1,738,861	\$ 2,424,340	\$ 1,989,000	\$ 2,584,000	\$ 2,675,000
Cost Recovery % **	18%	10%	13%	9%	9%

Fund Summary

	<u>FY 15-16 Actual</u>	<u>FY 16-17 Budget</u>	<u>FY 16-17 Projected</u>	<u>FY 17-18 Budget</u>	<u>FY 18-19 Budget</u>
Program Budget by Fund					
General Fund (001)	\$ 2,131,767	\$ 2,704,340	\$ 2,297,000	\$ 2,849,000	\$ 2,941,000
Net Program Budget by Fund					
General Fund (001)	\$ 1,738,861	\$ 2,424,340	\$ 1,989,000	\$ 2,584,000	\$ 2,675,000

Expenditures and Revenues by Program



* Does not include Business License Taxes, which are included as part of the City's general revenues

** Includes cost allocation charges to other non General Fund City programs.

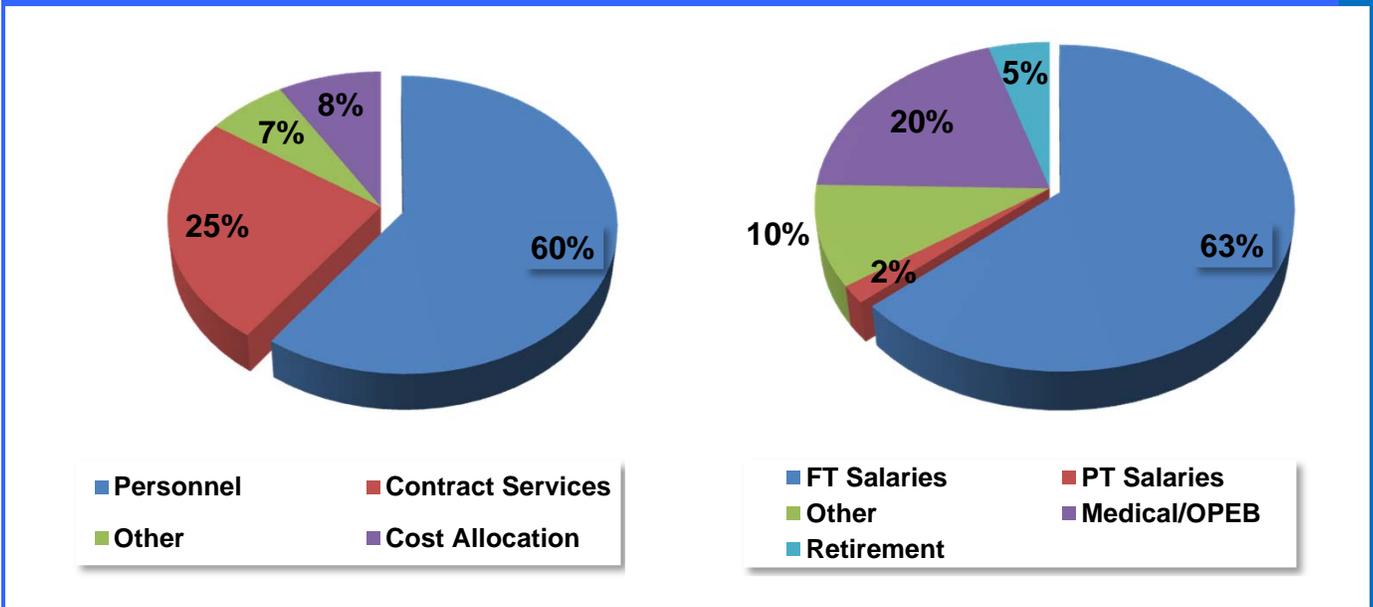
Expenditure Summary by Category

<i>Expenditure Category</i>	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 17-18 Budget	FY 18-19 Budget
Full-Time Personnel	\$ 1,230,084	\$ 1,641,567	\$ 1,164,000	\$ 1,647,000	\$ 1,758,000
Part-Time Personnel	176,451	31,915	175,000	32,000	32,000
Contractual Services	466,616	730,108	655,000	731,000	708,000
Other Operational Costs	143,140	184,276	186,000	191,000	195,000
Capital Outlay	-	1,000	1,000	1,000	1,000
Cost Allocation	115,476	115,474	116,000	247,000	247,000
Total Program Budget	\$ 2,131,767	\$ 2,704,340	\$ 2,297,000	\$ 2,849,000	\$ 2,941,000
Less: Program Revenues	392,906	280,000	308,000	265,000	266,000
Net Program Budget	\$ 1,738,861	\$ 2,424,340	\$ 1,989,000	\$ 2,584,000	\$ 2,675,000

Full-Time Personnel Summary

<i>Program</i>	Program Number	FY 15-16 Budget	FY 16-17 Budget	FY 17-18 Budget	FY 18-19 Budget
Accounting / Investments	2410	5.55	6.65	6.65	6.65
Accounts Payable / Payroll	2420	4.95	4.95	4.95	4.95
Business License	2450	1.30	1.30	1.30	1.30
Central Services	702001	0.00	0.00	0.00	0.00
Totals		11.80	12.90	12.90	12.90

Expenditures by Category / Personnel



Program Description

The Accounting/Cash and Debt Management Program’s responsibilities include accounting, assisting departments with their budgets, financial reporting, fixed asset management, debt service administration, and audits of all City funds. The City Auditor, who is elected to a four-year term, works with the City’s independent auditor to complete an independent audit of all funds annually, as well as special audits as required by State law. This program also manages the investment portfolio of the City through the use of two third-party investment firms, in conformance with state code and local ordinances. The investments are undertaken in cooperation with the City Treasurer.



Key Objectives

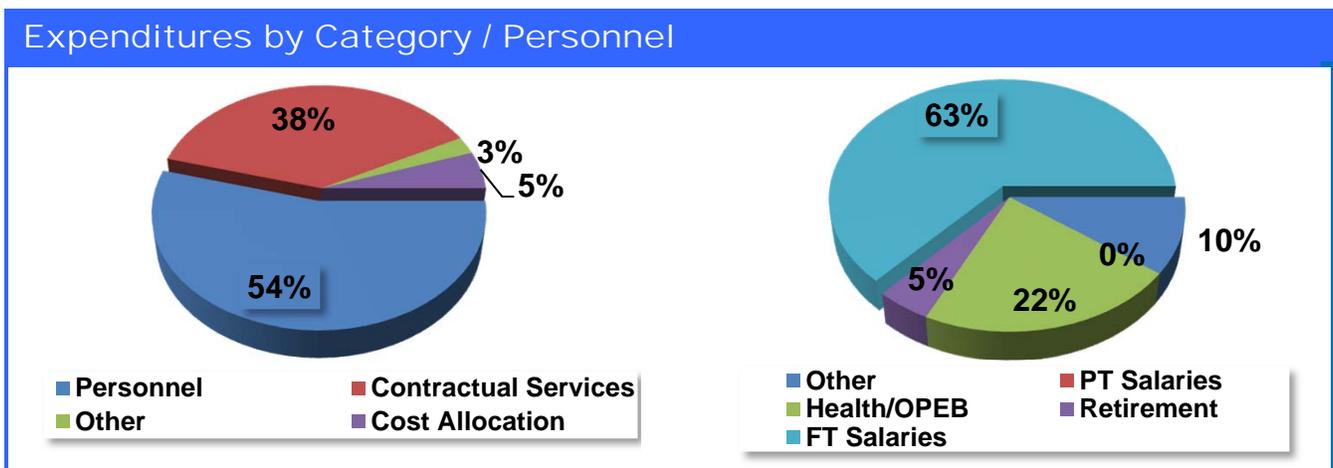
1. Provide monthly revenue and expenditure information to all departments by the middle of the following month
2. Prepare quarterly and mid-year financial, investment and sales tax reports for the City Manager, Assistant City Manager and the City Council
3. Complete annual audits for the City and Successor Agency by December 31st, in accordance with standards established by the Governmental Accounting Standards Board (GASB) and Government Finance Officers Association (GFOA)
4. Update the Master Fee Resolution and Cost Allocation Plan annually
5. Continue to apply for the GFOA's award for “Excellence in Financial Reporting” for the most recent Comprehensive Annual Financial Report
6. Continue to apply for awards of excellence for its budget from both the California Society of Municipal Finance Officers and the Government Finance Officers Association
7. Update the City’s investment policy annually in accordance with standards established by the California Debt and Investment Advisory Commission (CDIAC) and the United States and Canada Treasurer’s Association (USCTA)

Budget Highlights / Proposed Changes

- Complete needs assessment and business practices review to assist with selection and procurement of an Enterprise Recourse Planning (ERP) financial system. Work on the transition plan from existing Sungard/Pentamation accounting system to a new software package.
- Update citywide Cost Allocation Plan (“CAP”) and establish Indirect Cost Rate Proposal (“ICRP”) to allocate City costs to various programs, grants, projects and agreements in a reasonable and fair manner.
- Issue Request for Proposal (“RFP”) for OPEB and Pension actuarial services to assist the City with Government Accounting Standard Board (“GASB”) Statements No. 73 and 75.
- Complete implementation of the new utility user’s tax ordinance.

Program Summary			General Fund (001)		
<u>Expenditure Category</u>	FY15-16 Actual	FY16-17 Budget	FY16-17 Projected	FY17-18 Budget	FY18-19 Budget
Full-Time Personnel	\$ 623,173	\$ 891,602	\$ 597,000	\$ 904,000	\$ 965,000
Part-Time Personnel	144,687	-	117,000	-	-
Contractual Services	416,129	665,088	592,000	666,000	643,000
Other Operational Costs	24,909	42,069	43,000	42,000	42,000
Capital Outlay	-	500	-	-	-
Cost Allocation	53,088	53,081	53,000	90,000	90,000
Total Program Budget	\$ 1,261,986	\$ 1,652,340	\$ 1,402,000	\$ 1,702,000	\$ 1,740,000
% Variance			15%	21%	2%
Less: Program Revenues	55,161	39,000	38,000	1,000	1,000
Net Program Budget	\$ 1,206,825	\$ 1,613,340	\$ 1,364,000	\$ 1,701,000	\$ 1,739,000

Full-Time Personnel Summary					
<u>Position</u>	<u>Bargaining Unit</u>	FY15-16 Budget	FY16-17 Budget	FY17-18 Budget	FY18-19 Budget
City Auditor	ELCT	Elected	Elected	Elected	Elected
City Treasurer	ELCT	Elected	Elected	Elected	Elected
Finance Director	EXME	0.50	0.50	0.50	0.50
Finance Service Manager	MCEA	0.50	0.50	0.50	0.50
Finance Supervisor	MCEA	0.75	0.75	0.75	0.75
Accountant II	MCEA	2.00	2.00	2.00	2.00
Accountant I	MCEA	0.80	0.90	1.00	1.00
Senior Account Clerk	ACEA		1.00	0.90	0.90
Intermediate Clerk	ACEA	1.00	1.00	1.00	1.00
Totals		5.55	6.65	6.65	6.65



Program Description

The Accounts Payable and Payroll Program’s responsibilities include accounts payable and payroll in compliance with City ordinances and department policies. This program oversees and enforces City purchasing, travel, vehicle, and credit card policies.

Key Objectives

1. Process accounts payable invoices within 30 days of receipt 99% of the time
2. Complete citywide review of procurement process
3. Update the City's purchasing policy and procedures manual, implement new procedures and set up ACH (automated clearing house) payments to vendors
4. Issue Forms 1099 and W-2 by January 31
5. Develop written procedure manuals for each program function
6. Investigate the feasibility of direct deposit of non-salary payments to employees
7. Automate the process for receiving vendor payment requests from departments



Budget Highlights / Significant Changes

- Complete needs assessment and business practices review to assist with selection and procurement of an Enterprise Resource Planning (ERP) financial system. Work on the transition plan from existing Sungard/Pentamation accounting system to a new software package.
- Review Procurement and Accounts Payable processes to identify efficiencies, streamline and automate the City’s Procure-to-Pay processes.
- Evaluate Payroll/Human Resources time management system.

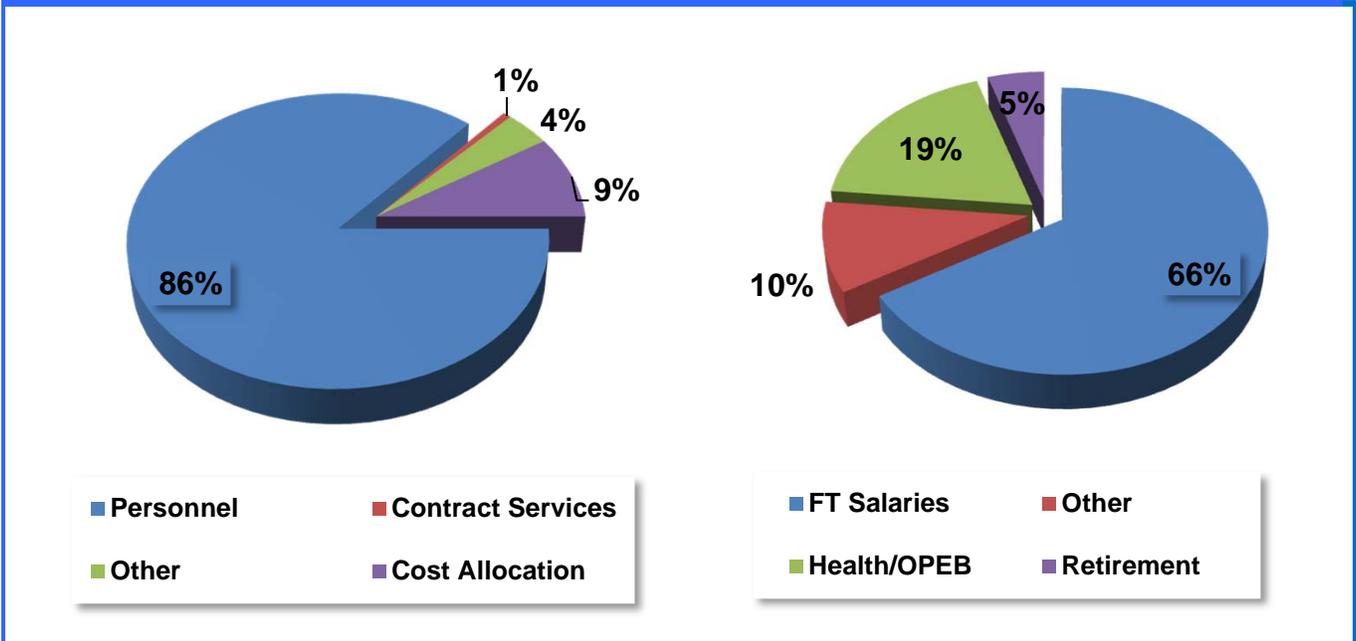
Program Summary General Fund (001)

<u>Expenditure Category</u>	FY15-16 Actual	FY16-17 Budget	FY16-17 Projected	FY17-18 Budget	FY18-19 Budget
Full-Time Personnel	\$ 485,397	\$ 605,494	\$ 434,000	\$ 610,000	\$ 651,000
Part-Time Personnel	-	-	26,000	-	-
Contract Services	1,948	5,200	4,000	5,000	5,000
Other Operational Costs	15,506	26,743	27,000	28,000	29,000
Cost Allocation	34,560	34,563	35,000	67,000	67,000
Total Program Budget	\$ 537,411	\$ 672,000	\$ 526,000	\$ 710,000	\$ 752,000
% Variance			22%	35%	6%
Less: Program Revenues	-	-	-	35,000	35,000
Net Program Budget	\$ 537,411	\$ 672,000	\$ 526,000	\$ 675,000	\$ 717,000

Full-Time Personnel Summary

<u>Position</u>	Bargaining Unit	FY15-16 Budget	FY16-17 Budget	FY17-18 Budget	FY18-19 Budget
Finance Director	EXME	0.45	0.45	0.45	0.45
Financial Service Manager	MCEA	0.50	0.50	0.50	0.50
Administrative Technician III	MCEA	2.00	2.00	2.00	2.00
Senior Account Clerk	ACEA	2.00	2.00	2.00	2.00
Totals		4.95	4.95	4.95	4.95

Expenditures by Category / Personnel



Program Description

The Business License program's primary responsibility is to ensure that businesses and companies located in and/or doing business in Alameda have a current business license. This division processes renewal notices for current business licenses and issues new and renewed licenses as necessary, in accordance with the City's business license ordinance. Business license inspection and compliance is addressed on a complaint basis through non-judicial compliance.

Key Objectives

1. Issue renewal notices by May 15th
2. Issue renewed business licenses within 14 days of application receipt, 99% of the time
3. Place delinquent business licenses on the tax role by August 10th of each year

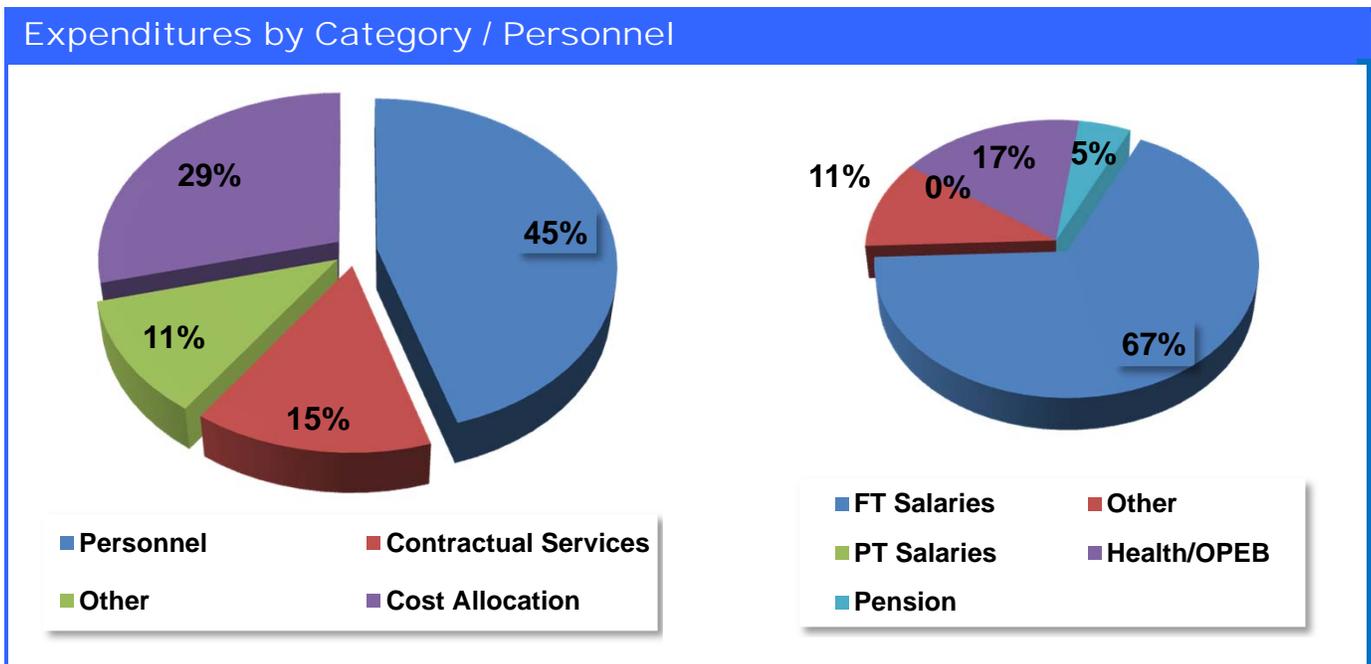
Budget Highlights / Significant Changes

- The variance in Cost Allocation is a result of the recently updated Cost Allocation Plan.



Program Summary		General Fund (001)			
<u>Expenditure Category</u>	FY15-16 Actual	FY16-17 Budget	FY16-17 Projected	FY17-18 Budget	FY18-19 Budget
Full-Time Personnel	\$ 121,514	\$ 144,471	\$ 133,000	\$ 133,000	\$ 142,000
Part-Time Personnel	-	-	-	-	-
Contractual Services	43,357	43,800	44,000	44,000	44,000
Other Operational Costs	31,115	27,585	34,000	34,000	35,000
Cost Allocation	25,140	25,144	25,000	88,000	88,000
Total Program Budget	\$ 221,126	\$ 241,000	\$ 236,000	\$ 299,000	\$ 309,000
% Variance			2%	27%	3%
Less: Program Revenues *	190,212	91,000	143,000	96,000	96,000
Net Program Budget	\$ 30,914	\$ 150,000	\$ 93,000	\$ 203,000	\$ 213,000

Full-Time Personnel Summary					
<u>Position</u>	<u>Bargaining Unit</u>	FY15-16 Budget	FY16-17 Budget	FY17-18 Budget	FY18-19 Budget
Finance Director	EXME	0.05	0.05	0.05	0.05
Finance Supervisor	MCEA	0.25	0.25	0.25	0.25
Senior Account Clerk	ACEA	1.00	1.00	1.00	1.00
Totals		1.30	1.30	1.30	1.30



* Does not include Business License Taxes, which are included as part of the City's general revenues

Program Description

The Central Stores program coordinates the purchase of commonly used items and services to support the day-to-day needs of City departments, including paper stock, postage, stationery, and forms printing. Centralized purchasing of these types of items enables the City to take advantage of bulk pricing at the best available cost. This program also provides mail delivery services to all City departments.

Key Objectives

1. Strive to obtain the best possible pricing for various types of centrally purchased office supplies.
2. Continue to improve workflow between receiving departments and billing (Finance).
3. Provide timely and accurate distribution and processing of interoffice and external mail.

Budget Highlights / Significant Changes

- The variance in Cost Allocation is a result of the recently updated Cost Allocation Plan.



Program Summary		General Fund (001)			
<u>Expenditure Category</u>	<u>FY15-16 Actual</u>	<u>FY16-17 Budget</u>	<u>FY16-17 Projected</u>	<u>FY17-18 Budget</u>	<u>FY18-19 Budget</u>
Part-Time Personnel	\$ 31,764	\$ 31,915	\$ 32,000	\$ 32,000	\$ 32,000
Contractual Services	5,182	16,020	15,000	16,000	16,000
Other Operational Costs	71,610	87,879	82,000	87,000	89,000
Capital Outlay	-	500	1,000	1,000	1,000
Cost Allocation	2,688	2,686	3,000	2,000	2,000
Total Program Budget	\$ 111,244	\$ 139,000	\$ 133,000	\$ 138,000	\$ 140,000
% Variance			4%	4%	1%
Less: Program Revenues	147,533	150,000	127,000	133,000	134,000
Net Program Budget	\$ (36,289)	\$ (11,000)	\$ 6,000	\$ 5,000	\$ 6,000

Full-Time Personnel Summary					
<u>Position</u>	<u>Bargaining Unit</u>	<u>FY15-16 Budget</u>	<u>FY16-17 Budget</u>	<u>FY17-18 Budget</u>	<u>FY18-19 Budget</u>
Totals		-	-	-	-

