

Financial Management



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Department Description

The Financial Management (FM) Department provides services to the Mayor and serves as an internal fiscal consultant to the City. FM prepares the budget in accordance with the City Charter. Throughout the year, FM monitors the City's expenditures and revenues, oversees budget transfers and adjustments, and reviews requests for Council and Mayoral Actions for the operating budget and the Capital Improvements Program (CIP).

Financial Management staff are organized into these functions:

Budget Development

Coordinates the development of a balanced budget by working with departments to identify expenditure savings and implement Mayoral initiatives.

Financial Planning & Analysis

Develops the Five-Year Financial Outlook, identifies new revenue sources, and forecasts revenues.

Budget Monitoring

Produces reports to Council to forecast year-end results and aid in budget adjustments throughout the year to accommodate unforeseen budget changes.

Systems

Maintains the Funds Management module of the SAP system to ensure data accuracy of budgetary reporting, monitoring, and control system.

Capital Budget Development & Monitoring

Develops and monitors the CIP Budget which supports projects that help maintain or improve City infrastructure.

Financial Management

Personnel Expenditure Planning

Develops and monitors the personnel expense components of the operating budgets, including analysis of salaries and fringe rates, and conducts analyses to support labor negotiations.

The Department's mission is:

To provide the highest quality financial services with integrity, transparency, and accountability

The Department's vision is:

To set the national standard for municipal financial management

Goals and Objectives

Goal 1: Safeguard public assets through strong financial management

- Maintain strong internal controls
- Establish fiscally sound financial policies
- Produce transparent financial reporting
- Prepare fiscally sound balanced budgets and capital plans

Goal 2: Optimize financial resources through long-term fiscal planning

- Identify and implement continuous business process improvements
- Seek strategic opportunities to reduce costs and enhance revenues
- Promote sound long-term financial and infrastructure planning

Goal 3: Provide excellent customer service

- Reach out to customers and collaborate to meet their goals
- Provide accurate and timely financial information

Goal 4: Strengthen the City's financial knowledge, skills, and abilities

- Provide robust training programs for Finance Branch staff
- Establish training programs for citywide staff

Key Performance Indicators

Performance Indicator	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target
1. Percentage of annual reserves targets achieved	100%	100%	100%	100%	100%
2. Percentage of departments with actuals within 5% of projections ¹	90%	80%	90%	88%	90%
3. Percentage variance between Major General Fund revenue projections versus year-end actuals ²	2.00%	0.40%	2.00%	0.50%	2.00%
4. Percentage of new major General Fund revenues dedicated to infrastructure ³	50%	61%	50%	68%	N/A

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Key Performance Indicators

Performance Indicator	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target
5. Percentage of Annual Adopted and Added CIP Budget expended/committed ⁴	100%	135%	100%	155%	100%

1. Estimated amount for Fiscal Year 2017. Actuals are not finalized until approval of the Audited Fiscal Year 2017 Comprehensive Annual Financial Report.
2. Refer to Footnote #1.
3. This KPI will longer be report due to the implementation of Charter Section 77.1 Infrastructure Fund. Estimated amount for Fiscal Year 2017. Actuals are not finalized until approval of the Audited Fiscal Year 2017 Comprehensive Annual Financial Report.
4. This includes expenditure commitment of prior year funds. Estimated amount for Fiscal Year 2017. Actuals are not finalized until approval of the Audited Fiscal Year 2017 Comprehensive Annual Financial Report.



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Department Summary

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
FTE Positions (Budgeted)	32.00	32.00	31.00	(1.00)
Personnel Expenditures	\$ 3,669,549	\$ 3,931,706	\$ 3,988,567	\$ 56,861
Non-Personnel Expenditures	321,968	412,459	382,649	(29,810)
Total Department Expenditures	\$ 3,991,517	\$ 4,344,165	\$ 4,371,216	\$ 27,051
Total Department Revenue	\$ 847	\$ -	\$ -	\$ -

General Fund

Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Financial Management	\$ 3,991,517	\$ 4,344,165	\$ 4,371,216	\$ 27,051
Total	\$ 3,991,517	\$ 4,344,165	\$ 4,371,216	\$ 27,051

Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Financial Management	32.00	32.00	31.00	(1.00)
Total	32.00	32.00	31.00	(1.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	\$ 179,427	\$ -
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	6,318	-
Non-Standard Hour Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	0.00	97	-
Hourly Sick Leave Adjustment to reflect prior year expenditure trends, related to paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.	0.00	(200)	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(6,128)	-
Reduction of Overtime Reduction of overtime personnel expenditures due to process improvements and streamlining efforts.	0.00	(25,000)	-

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Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Reduction of Professional Services Reduction of non-personnel expenditures for consulting services associated with the Public Budget Formulation (PBF) software.	0.00	(30,000)	-
Reduction of Associate Budget Development Analyst Reduction of 1.00 Associate Budget Development Analyst.	(1.00)	(97,463)	-
Total	(1.00)	\$ 27,051	\$ -

Expenditures by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
PERSONNEL				
Personnel Cost	\$ 2,296,846	\$ 2,451,492	\$ 2,421,464	\$ (30,028)
Fringe Benefits	1,372,703	1,480,214	1,567,103	86,889
PERSONNEL SUBTOTAL	3,669,549	3,931,706	3,988,567	56,861
NON-PERSONNEL				
Supplies	\$ 24,222	\$ 11,905	\$ 11,827	\$ (78)
Contracts	140,071	170,715	136,469	(34,246)
Information Technology	110,143	196,080	202,398	6,318
Energy and Utilities	25,980	28,959	27,155	(1,804)
Other	6,119	4,800	4,800	-
Capital Expenditures	15,432	-	-	-
NON-PERSONNEL SUBTOTAL	321,968	412,459	382,649	(29,810)
Total	\$ 3,991,517	\$ 4,344,165	\$ 4,371,216	\$ 27,051

Revenues by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Other Revenue	\$ 847	\$ -	\$ -	\$ -
Total	\$ 847	\$ -	\$ -	\$ -

Personnel Expenditures

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
2000024	Administrative Aide 2	1.00	1.00	1.00	\$42,578 - \$51,334	\$ 49,537
20001035	Associate Budget Development Analyst	10.00	10.00	9.00	59,467 - 71,864	602,727
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	170,000
20001168	Deputy Director	1.00	1.00	1.00	46,966 - 172,744	140,000
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	52,666
90001073	Management Intern - Hourly	1.00	1.00	1.00	24,274 - 29,203	24,274
20001234	Program Coordinator	6.00	6.00	6.00	23,005 - 137,904	629,000
20001036	Senior Budget Development Analyst	11.00	11.00	11.00	65,291 - 78,936	778,551
	Budgeted Vacancy Savings					(65,291)
	Overtime Budgeted					40,000
FTE, Salaries, and Wages Subtotal		32.00	32.00	31.00		\$ 2,421,464

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	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Fringe Benefits				
Employee Offset Savings	\$ 21,649	\$ 21,391	\$ 14,199	\$ (7,192)
Flexible Benefits	262,245	332,893	366,657	33,764
Insurance	99	-	-	-
Long-Term Disability	7,235	7,590	-	(7,590)
Medicare	34,466	34,663	34,552	(111)
Other Post-Employment Benefits	175,461	177,450	174,029	(3,421)
Retiree Medical Trust	2,555	2,921	3,434	513
Retirement 401 Plan	4,563	4,100	5,724	1,624
Retirement ADC	695,736	688,871	791,530	102,659
Risk Management Administration	29,652	30,660	29,319	(1,341)
Supplemental Pension Savings Plan	125,338	142,906	125,062	(17,844)
Unemployment Insurance	4,129	4,343	4,262	(81)
Workers' Compensation	9,574	32,426	18,335	(14,091)
Fringe Benefits Subtotal	\$ 1,372,703	\$ 1,480,214	\$ 1,567,103	\$ 86,889
Total Personnel Expenditures			\$ 3,988,567	



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