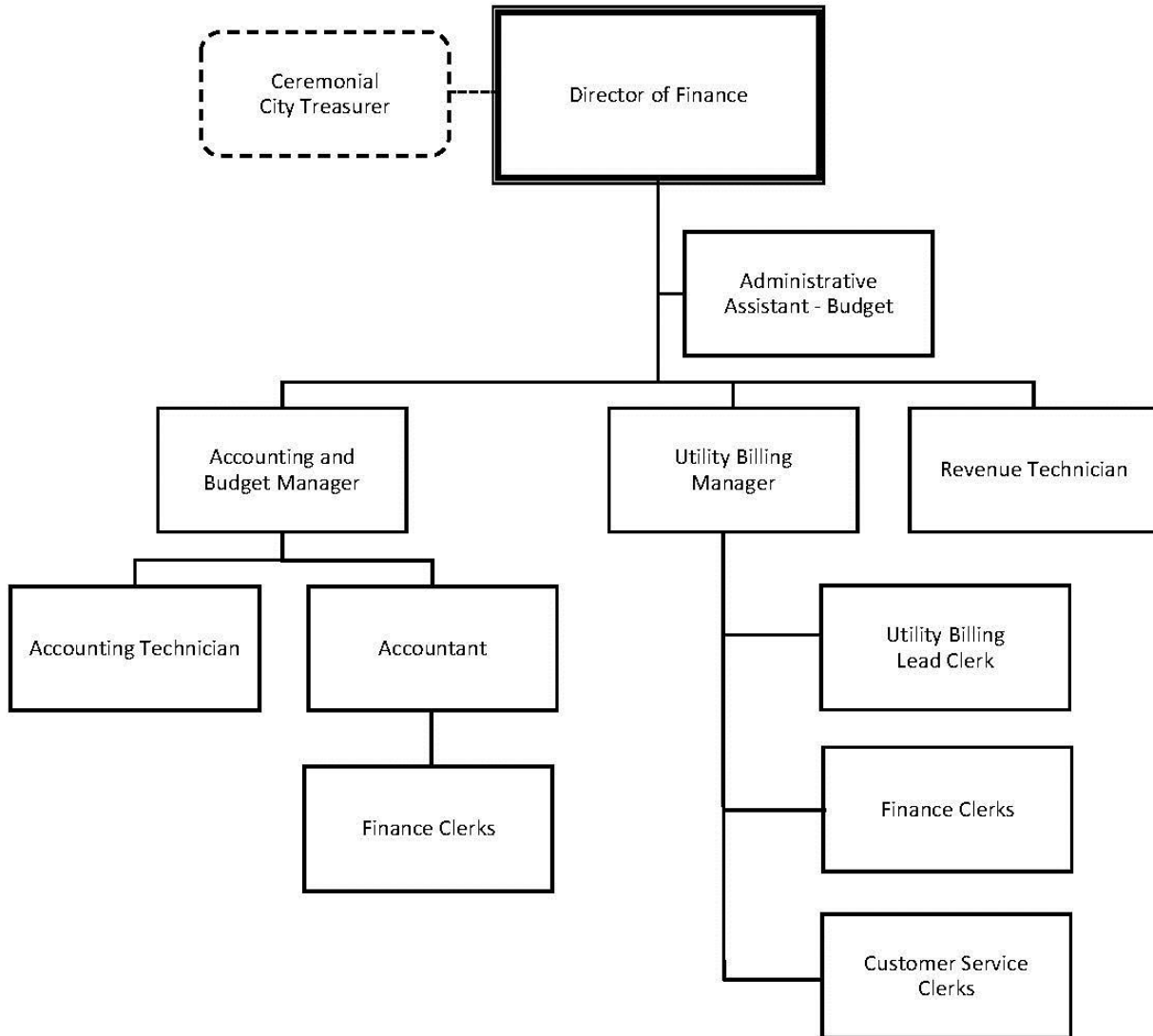


Finance Department



The above organizational chart depicts full-time and part-time employees, as well as a voter-elected position.



GENERAL GOVERNMENT

DEPARTMENT: Finance
DIVISION: Finance and Utility Billing

PROGRAM: Finance
FUND: General Fund/Measure U2012

	Actual 2014-15	Adopted 2015-16	Year-End Estimated 2015-16	Proposed 2016-17	Proposed 2017-18
PROGRAM EXPENSES/REVENUES					
Salaries & Benefits	\$1,929,951	\$2,035,440	\$1,972,950	\$1,023,324	\$1,048,344
Services & Supplies	1,111,392	960,060	901,090	336,706	332,430
Total Operating Cost	3,041,343	2,995,500	2,874,040	1,360,030	1,380,774
Capital	1,040,593	841,940	883,480	863,270	864,350
Debt Service	35,840	180,620	145,610	37,570	236,520
Transfers	5,561,825	4,033,420	4,033,420	2,764,390	2,764,390
Total Cost	9,679,601	8,051,480	7,936,550	5,025,260	5,246,034
Less: Departmental Revenues	446,130	580,100	579,600	590,800	601,800
Net City Cost	\$9,233,471	\$7,471,380	\$7,356,950	\$4,434,460	\$4,644,234

SUMMARY OF SERVICE PROGRAMS

Administration	\$7,126,656	\$5,549,690	\$5,484,640	\$4,135,550	\$4,341,172
Accounting / Purchasing	668,942	705,180	687,760	780,980	796,132
Information Technology	1,593,749	1,485,600	1,474,380		
Information Technology - GIS	181,625	202,280	181,040		
General Fund Service Programs	9,570,972	7,942,750	7,827,820	4,916,530	5,137,304
Measure U2012	108,629	108,730	108,730	108,730	108,730
Total Service Programs	\$9,979,601	\$8,051,480	\$7,936,550	\$5,025,260	\$5,246,034

SUMMARY OF POSITIONS

FULL-TIME

Accountant	1	1	1	1	1
Accounting and Budget Manager	1	1	1	1	1
Accounting Technician I/II	1	0	0	0	0
Accounting Technician III	0	1	1	1	1
Administrative Assistant - Budget	1	1	1	1	1
Customer Service Clerk	4	3	3	3	3
Director of Administrative Services	1	1	1	0	0
Director of Finance	0	0	0	1	1
Finance Clerk I/II	4	4	5	5	5
GIS Manager	1	1	1	0	0
Information Technology Manager	1	1	1	0	0
Revenue Technician	1	1	1	1	1
Senior Systems Analyst	1	1	1	0	0
Systems Analyst I/II	5	5	5	0	0
Utility Billing Lead Clerk	1	1	1	1	1
Utility Billing Manager	0	0	1	1	1
Utility Billing Supervisor	1	1	0	0	0
TOTAL	24	24	24	16	16
GRAND TOTAL	24	24	24	16	16

GENERAL GOVERNMENT

DEPARTMENT: Finance
DIVISION: Finance and Utility Billing

PROGRAM: Finance
FUND: General Fund/Measure U2012

	Actual 2014-15	Adopted 2015-16	Year-End Estimated 2015-16	Proposed 2016-17	Proposed 2017-18
<u>SUMMARY OF POSITIONS</u> (continued)					
<u>TEMPORARY (FTE)</u>					
Treasurer (Elected)	0.5	0.5	0.5	0.5	0.5
TOTAL TEMPORARY (FTE)	0.5	0.5	0.5	0.5	0.5

PROGRAM DESCRIPTION

The mission of the Finance Department is to provide the financial information necessary for the effective and efficient management of City operations. Major activities include: revenue and appropriation management; annual budget preparation; purchasing; utility billing; real property management; treasury and investment functions and financial management system administration. In all, the Department emphasizes the delivery of service in a timely, cost-effective, and courteous manner, relying on high performance standards as the norm. The Department consists of two divisions encompassing two major subprograms: Finance and Utility Billing. The Utility Billing Division's budget unit reflects the personnel complement of the Division; however, the funding sources are the Water Resources Fund and Solid Waste Collection Fund. As noted in the Noteworthy Budget Highlights, the prior Administrative Services Department performed a reorganization, transferring the Information Technology Division to the City Manager's Office and the Special Projects Division to the Community Development Department.

SUBPROGRAMS AND THEIR OBJECTIVES

Finance

Analyze the City's financial position and develop short- and long-range plans to ensure financial viability.

Provide high-quality financial reporting and budget presentations.

Advise City management on business factors affecting the City's fiscal environment.

Ensure the security and proper disbursement of funds through effective appropriation management.

Administer the business license and transient occupancy tax ordinances including annual renewals, new licenses, inquiries, and coordination with State agencies.

Provide staff training to ensure that the divisions' technical capabilities remain current.

Develop and update effective administrative policies to maintain internal controls.

Ensure that City departments obtain the materials and services needed, within budget, and in compliance with procurement policies.

Maximize investment earnings while safeguarding public funds as established by the City's Investment Policy and State law.

GENERAL GOVERNMENT

DEPARTMENT: Finance
DIVISION: Finance and Utility Billing

PROGRAM: Finance
FUND: General Fund/Measure U2012

Utility Billing

Ensure that residential and commercial customers are correctly billed for water, sewer, and refuse service, that collected revenues are accurately recorded, and all necessary procedures are performed to ensure that the City is fairly compensated for services.

Respond to utility customers' service needs by taking necessary actions on all service and billing inquiries.

PERFORMANCE/WORKLOAD MEASURES	ACTUAL 2012-14	ESTIMATED 2014-16	PROJECTED 2016-18
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FINANCE

DEMAND/WORKLOAD

Payroll Checks	31,462	34,674	35,952
Business Licenses	10,395	10,589	10,783
Accounts Payable Checks	15,359	16,420	16,872
Purchase Orders	4,767	4,914	4,964

EFFECTIVENESS/EFFICIENCIES

UTILITY BILLING

Utility Bills Processed	502,608	502,700	503,600
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GOALS AND OBJECTIVES

- Assess existing standard operating procedures in the Finance and Utility Billing Divisions and create an SOP review schedule to ensure procedures reflect current practices and SOP are updated periodically.
- Evaluate feasibility of preparing in-house, Affordable Care Act forms required by the Internal Revenue Service.
- Establish a cross-training schedule for Finance staff in order to continue to provide service during staff shortages as well as encourage and foster team work.
- Continue to facilitate improvements in budget production by integrating automated processes in the City's financial system and eliminating paper forms.
- Research the feasibility to add business license web renewal and application process online, which if implemented, would enhance customer service by allowing the business owner the option to apply for a new business license online and renew existing business licenses.
- Evaluate the feasibility of implementing a cash payment kiosk to offer payment options after hours and off-site locations.
- Investigate the feasibility of an Interactive Voice Response system in utility billing, to empower customers to interact with a host system via telephone keypad or by speech recognition, after which they can make transactions.

GENERAL GOVERNMENT

DEPARTMENT: Finance
DIVISION: Finance and Utility Billing

PROGRAM: Finance
FUND: General Fund/Measure U2012

- Cross-train Finance Clerks to acquire the knowledge and skills of each other's duties, and gain an understanding of the Utility Billing Lead Clerk and Utility Billing Manager's responsibilities, to absorb intermittent gaps in staffing.
- Continue to explore options for implementing a paperless solution for the Department's document management system.

NOTEWORTHY BUDGET HIGHLIGHTS

- To promote and increase commerce and tourism within the City; collect, develop, and preserve artifacts relevant to the history of the City; and provide for economic development, the City funds contributions to the Chamber of Commerce, the Historical Society and Museum as well as the Museum of Flight. Revenue from Transient Occupancy Tax is used to fund these contributions. Prior to the recession that began in 2007-08, the City provided those outside agencies with the maximum Municipal Code prescribed allocations. During and since the recession, the City limited those allocations, concurrent with operational budget reductions across departments. During the next two-year budget cycle, staff recommends keeping funding levels the same as in 2015-16 with the exception of the Chamber of Commerce where staff recommends an annual 7.5 percent increase over current allocations. However, it should be noted that this proposed allocation increase is still far below the authorized amount pursuant by the Municipal Code. The difference between the Municipal Code prescribed amount to the outside agencies and the recommended allocation to outside agencies by staff will provide the funding to finance the proposed changes in both public safety departments.

In addition to the above contribution to outside agencies, staff is recommending an additional \$12,000 to the Central Coast Collaborative on Homelessness (C3H) bringing the City's contribution to \$24,000 annually. This will double the City's current contributions; however, it is below C3H's request of \$50,000.

- With the pending retirement of the Director of Administrative Services, staff recommends reorganizing the Department by temporarily transferring the Information Technology Division to the City Manager's Office and the Special Projects Division to the Community Development Department. The reorganization will streamline operations resulting in greater departmental efficiencies by aligning those two divisions with more appropriate departments. This will result in the Administrative Services Department to now be called the Department of Finance and the Director of Administrative Services position to be called Director of Finance.
- The department proposes to promote the Office Assistant II to Secretary, to more accurately reflect the complexity of tasks that are required by the department administration, as well as to recognize and acknowledge the incumbent for the range of duties she is currently performing.

GENERAL GOVERNMENT

DEPARTMENT: Finance
DIVISION: Regional Radio System

PROGRAM: Maintenance/Replacement
FUND: Radio Technology

	Actual 2014-15	Adopted 2015-16	Year-End Estimated 2015-16	Proposed 2016-17	Proposed 2017-18
<u>PROGRAM EXPENSES/REVENUES</u>					
Salaries & Benefits	\$	\$	\$	\$	\$
Services & Supplies		500,000	500,000	663,850	820,600
Total Operating Cost					
Capital					
Debt Service					
Transfers					
Total Cost	\$	\$ 500,000	\$ 500,000	\$ 663,850	\$ 820,600

<u>SUMMARY OF SERVICE PROGRAMS</u>					
Maintenance & Replacement	\$	\$ 500,000	\$ 500,000	\$ 663,850	\$ 820,600
Total Service Programs	\$	\$ 500,000	\$ 500,000	\$ 663,850	\$ 820,600

PROGRAM DESCRIPTION

The Radio Technology enterprise fund was created in 2015 in response to the onset of the new Police Department facility on Betteravia Road along with the new state-of-the-art 700 MHz trunked radio communication system. The purpose of this fund is to account for, and house in one location, the costs and anticipated revenues associated with the new 700 MHz trunked radio communication system.

Revenues to support these services will be made available by not only charging other operating departments, by way of cost allocation, but also other outside users of the system. Staff has been in discussion with other public agencies, including local school districts which have shown an interest in partnering with the City on this project, and as partner agencies come on board, more resources would be made available to help offset additional costs. In addition to the radio project, other technology-related projects that could be affiliated with this fund include the co-location of computer servers from outside agencies to the new police facility and the potential to complete the City's fiber optic loop and partner with nearby businesses on the use of such resources.

GOALS AND OBJECTIVES

- Become a recognized leader and provider of 700 MHz radio services on the Central Coast, and along the way, add partners to Central Regional Interoperability Communication System (Central RICS) to develop interoperability to the Central Coast region.

NOTEWORTHY BUDGET HIGHLIGHTS

- Configuring and installing the core radio network. Betteravia tower was installed as a key component of the backbone system with progress on the Los Flores tower which, when complete in 2016, will create the ability for a regional 700 MHz radio network.