



# Finance

## Department Summary

### Department Overview

The Finance Department manages the financial planning and accounting for the City, including revenue forecasting and expenditure control. The Department also provides payroll services, purchasing, accounts payable, business license, and administration of the City's outstanding debt obligations, and acts in a fiduciary capacity for assessment districts. The Department assists the City Manager in the preparation of the Annual Program Performance Budget, invests 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 completion of the annual audit of all City funds, and related compliance audits for gas tax, single audit federal funds, Measure B, and the coordination of audits of the City's component unit - Alameda Municipal Power (AMP), under the auspices of the elected City Auditor.

### Goals

- Manage the financial resources of the City, consistent with financial policies and budget principles established by the City Council.
- Provide accurate and timely budget and financial reports to City departments to assist in meeting departmental missions.
- Ensure sound budget and expenditure control oversight and reporting of the City's funds to protect the fiduciary interest of the community.
- Administer City expenditures in conformance with municipal code requirements for contracts and payables.
- Establish sound and productive working relationships with the City's elected Treasurer and Auditor, as required by City Charter.



### Workplan Highlights

- In FY 12-13, the City, through the efforts of the City Manager's Office and Finance Departments, won awards of excellence for its budget from both the California Society of Municipal Finance Officers and the Government Finance Officers Association.
- The Finance Department presents 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 presents expanded quarterly sales tax reports to provide more information regarding sales by geographic area and sales tax leakage by major industry.
- The Finance Department, in conjunction with the City Treasurer and independent investment firms, received an award of excellence for the City's revised investment policy from the United States and Canada Treasurer's Association (USCTC).



# Finance Department Summary

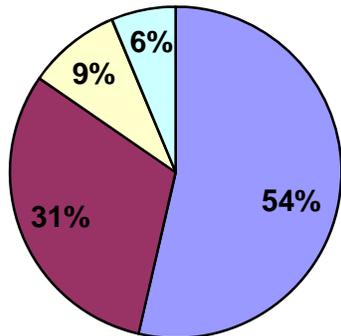
## Mission Statement

Provide professional financial and accounting information support to City departments to facilitate fiscal and organizational decisions by departments in achieving their goals and objectives.

## Expenditure Summary by Program

<b><u>Program Name</u></b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Budget</b>	<b>FY 12-13 Projected</b>	<b>FY 13-14 Budget</b>	<b>FY 14-15 Budget</b>
Accounting/Cash Management	\$ 1,133,906	\$ 1,182,002	\$ 1,181,000	\$ 1,161,000	\$ 1,217,000
Accounts Payable/Payroll	589,228	597,168	593,000	672,000	696,000
Business License	153,909	149,833	156,000	197,000	202,000
Central Services	105,404	137,155	129,000	136,000	138,000
<b>Total Program Budget</b>	<b>\$ 1,982,447</b>	<b>\$ 2,066,158</b>	<b>\$ 2,059,000</b>	<b>\$ 2,166,000</b>	<b>\$ 2,253,000</b>
<b>Less: Program Revenues *</b>	215,405	332,220	260,000	430,000	431,000
<b>Net Program Budget</b>	<b>\$ 1,767,042</b>	<b>\$ 1,733,938</b>	<b>\$ 1,799,000</b>	<b>\$ 1,736,000</b>	<b>\$ 1,822,000</b>
<b>Cost Recovery % **</b>	<b>11%</b>	<b>16%</b>	<b>13%</b>	<b>20%</b>	<b>19%</b>

**Department FY 13-14 Expenditures by Division**



- Accounting/Cash Management
- Accounts Payable/Payroll
- Business License
- Central Services

\* Does not include Business License Taxes, which are included as part of the City's general revenues  
 \*\* Includes cost allocation charges to other City programs. For FY 12-13 to 14-15 charges to other General Fund programs have been eliminated from program revenue.



# Finance Department Summary

## Expenditure Summary by Category

<u>Expenditure Category</u>	FY 11-12 Actual	FY 12-13 Budget	FY 12-13 Projected	FY 13-14 Budget	FY 14-15 Budget
Personnel Services*	\$ 1,396,399	\$ 1,450,793	\$ 1,383,000	\$ 1,445,000	\$ 1,521,000
Contractual Services	279,626	379,545	446,000	418,000	425,000
Materials & Supplies	159,125	182,965	181,000	189,000	193,000
Capital Outlay	21,741	7,500	3,000	3,000	3,000
Cost Allocation	125,556	45,355	46,000	111,000	111,000
<b>Total Program Budget</b>	<b>\$ 1,982,447</b>	<b>\$ 2,066,158</b>	<b>\$ 2,059,000</b>	<b>\$ 2,166,000</b>	<b>\$ 2,253,000</b>
<b>Less: Program Revenues</b>	<b>215,405</b>	<b>332,220</b>	<b>260,000</b>	<b>430,000</b>	<b>431,000</b>
<b>Net Program Budget</b>	<b>\$ 1,767,042</b>	<b>\$ 1,733,938</b>	<b>\$ 1,799,000</b>	<b>\$ 1,736,000</b>	<b>\$ 1,822,000</b>

\* Includes Part-Time Personnel Costs of:                    **\$ 144,000**    **\$ 129,000**    **\$ 127,000**    **\$ 128,000**

## Full-Time Personnel Summary

<u>Program</u>	FY 11-12 Actual	FY 12-13 Budget	FY 13-14 Budget	FY 14-15 Budget
Accounting/Cash Management (2410)	5.40	5.50	5.35	5.35
Accounts Payable/Payroll (2420)	5.45	5.35	5.35	5.35
Business License (2450)	1.15	1.15	1.15	1.15
Central Services (702001)	0.00	0.00	0.00	0.00
<b>Total</b>	<b>12.00</b>	<b>12.00</b>	<b>11.85</b>	<b>11.85</b>

## Fund Summary

	FY 11-12 Actual	FY 12-13 Budget	FY 12-13 Projected	FY 13-14 Budget	FY 14-15 Budget
<b>Program Budget by Fund</b>					
General Fund (001)	\$ 1,877,043	\$ 2,066,158	\$ 2,059,000	\$ 2,166,000	\$ 2,253,000
Central Stores (702)	105,404	-	-	-	-
<b>Net Program Budget by Fund</b>					
General Fund (001)	\$ 1,810,830	\$ 1,733,938	\$ 1,799,000	\$ 1,736,000	\$ 1,822,000
Central Stores (702)	(43,788)	-	-	-	-



## Finance

### Accounting/Cash Management

#### Program Description

The Accounting/Cash 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 and local ordinances. The investments are undertaken in cooperation with the City Treasurer, who is elected to a four-year term.



#### 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 reports, investment reports 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 31<sup>st</sup>, 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).
8. Implement a "Cloud" based version of the City's accounting software.

#### Budget Highlights and Significant Proposed Changes

- Complete Implementation of new "cloud"-based version of existing Sungard/Pentamation accounting system to address recommendations made by the City's independent financial auditors.
- The variance in Cost Allocation is a result of the recently updated Cost Allocation Plan.
- The proposed budget for FY 13-14 and 14-15 reflects a proposed reorganization of the department.

#### Performance Indicators

Performance Indicator	Relates to Objective	FY 11-12 Actual	FY 12-13 Projected	FY 13-14 Budget	FY 14-15 Budget
Journal entries processed	1	1,300	1,300	1,300	1,300
Bond issues monitored	4	12	13	13	13
Receipts recorded monthly	1	465	465	465	465





## Finance

# Accounts Payable and Payroll

### 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. Update the City's purchasing policy and procedures manual and implement new procedures, including regarding the use of purchase orders, ACH (automated clearing house) payments to vendors, calcard and the carryover of unspent purchase orders from one year to the next.
3. Issue 1099s and W-2s by January 31.
4. Implement online timecard system for selected departments.
5. Develop written procedure manuals for each program function.
6. Investigate the feasibility of direct deposit of non salary payments to employees and alternate forms of bi-weekly payroll payments to those employees not on direct deposit.
7. Implement on-line timecard entry and fully automate the process for receiving vendor payment requests from departments.



### Budget Highlights and Significant Proposed Changes

- For FY 13-14, the variance in personnel expense is due to a proposed reorganization of the department
- The variance in cost allocation is a result of the recently updated Cost Allocation Plan.

### Performance Indicators

Performance Indicator	Relates to Objective	FY 11-12 Actual	FY 12-13 Projected	FY 13-14 Budget	FY 14-15 Budget
Payroll checks issued		22,000	22,000	22,000	22,000
Accounts payable checks issued	1	11,850	11,850	11,850	11,850
W-2's issued	3	1,075	1,075	1,075	1,075
1099s issued	3	225	225	225	225
Purchase orders issued		3,150	2,900	2,900	2,900





# Finance

## Business License

### 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. The 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 15<sup>th</sup>.
2. Issue renewed business licenses within 15 days of application receipt, 99% of the time.
3. Place delinquent business licenses on the tax role by August 10<sup>th</sup> of each year.
4. Implement an on-line business license application module
5. Look to revise the non-tax related portions of the City's business license ordinance

### Budget Highlights and Significant Proposed Changes

- A third-party independent audit will be undertaken in FY 13-14 to identify firms that are conducting business within the City limits without a business license.
- The variance in Cost Allocation is a result of the recently updated Cost Allocation Plan.
- The proposed budget for FY 13-14 and 14-15 reflects a proposed reorganization of the department.
- Revenues for FY 12-13 and FY 13-14 include a proposed increase to the processing fee to be assessed on all business licenses, to partially recover processing costs incurred by this division.

### Performance Indicators

Performance Indicator	Relates to Objective	FY 11-12 Actual	FY 12-13 Projected	FY 13-14 Budget	FY 14-15 Budget
Business licenses issued	2	8,500	8,500	8,500	8,500
Renewal notices mailed	1	8,000	8,000	8,000	8,000







# Finance

## Central Stores

### 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 and Significant Proposed Changes

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

### Performance Indicators

Performance Indicator	Relates to Objective	FY 11-12 Actual	FY 12-13 Projected	FY 13-14 Budget	FY 14-15 Budget
Pieces of mail processed	3	139,000	139,000	139,000	139,000







# Finance

## FY 13-14 / 14-15

