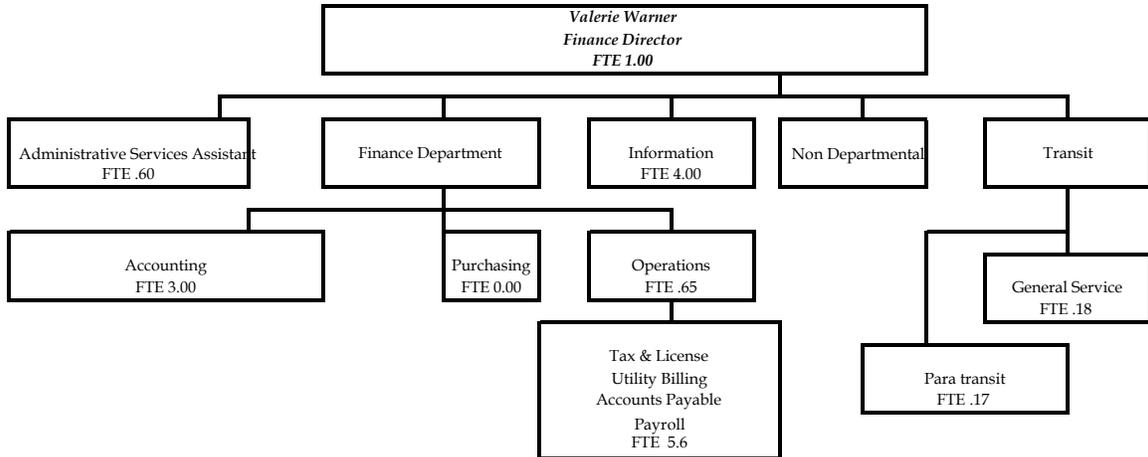


FINANCE DEPARTMENT



Mission

To manage, protect and report on the City of Eureka's financial resources to enhance the City's financial condition for our residents, and businesses.

Department Summary

Finance



DEPARTMENT DESCRIPTION:

The Finance Department is responsible for providing the financial management of all City funds and maintaining the fiscal integrity of the City. Major activities include: managing the City's investment portfolio; obtaining financing for capital requirements; financial analysis and reporting; budget management; revenue management, including billing and collection for utilities, licenses and other revenues; information services; purchasing; transit operations; and central duplicating and printing.

	<u>2005-06 Actual</u>	<u>2006-07 Budget</u>	<u>2006-07 Estimated</u>	<u>2007-08 Budget</u>
EXPENDITURES BY PROGRAM:				
Finance	\$618,228	\$658,124	\$627,098	\$692,562
Information Services				
Information Technology Operations	577,519	888,847	871,357	976,031
Non-Departmental	2,258,406	1,986,566	1,913,053	2,017,743
Transit - General Public	1,146,459	1,077,408	2,185,853	1,088,989
Transit - Para transit	546,035	556,121	598,761	585,957
	<u>\$5,146,647</u>	<u>\$5,167,066</u>	<u>\$6,196,122</u>	<u>\$5,361,282</u>

EXPENDITURES BY CATEGORY:

Salaries and Benefits	\$801,273	\$264,058	\$792,709	\$919,913
Services and Supplies	4,267,996	3,964,879	3,974,682	4,065,282
Capital Outlay	77,378	223,400	1,345,231	366,087
Capital Lease		118,235	83,500	10,000
Total Expenditures	<u>\$5,146,647</u>	<u>\$4,570,572</u>	<u>\$6,196,122</u>	<u>\$5,361,282</u>

REVENUES BY FUND

General Fund	\$3,071,972	\$2,492,108	\$2,760,330	\$3,078,796
Information Technology Operations	670,845	811,319	814,819	631,112
Transit Fund	1,403,830	1,267,145	2,620,973	1,651,374
Total Resources	<u>\$5,146,647</u>	<u>\$4,570,572</u>	<u>\$6,196,122</u>	<u>\$5,361,282</u>

	<u>2005-06 Actual</u>	<u>2006-07 Actual</u>	<u>2007-08 Budget</u>
PERSONNEL:			
Full-time Positions	13.00	14.00	14.00
Regular Part-time Positions	0.60	1.20	1.20
Total	<u>13.60</u>	<u>15.20</u>	<u>15.20</u>

General Government



DEPARTMENT:	Finance	FUND:	General
PROGRAM:	Finance	ACCOUNT:	41430

PROGRAM DESCRIPTION:

FINANCE

The Finance program provides leadership for and plans, coordinates and monitors the activities of the Finance Department in accordance with established fiscal policies. The program is also responsible for managing the City's cash, investments and debt. The finance program also offers leadership to other departments in developing budgets that will meet program goals and maintain sufficient revenues and reserves.

ACCOUNTING

The Accounting program maintains the City's financial systems by designing and monitoring internal controls over transactions that will serve to safeguard city assets, by creating the Comprehensive Annual Financial Report (CAFR) in conformance with generally accepted accounting principles, and by coordinating an annual budget process that includes public input. The accounting program is responsible for producing various other external and internal financial reports which satisfy regulatory requirements and which also provide information to facilitate and encourage more effective policy discussions and decisions.

OPERATIONS

The Operations program includes various financial services such as revenue collections. The Tax and License operation ensures that all businesses conducting business in the City of Eureka are properly licensed. Operations collects transient occupancy tax, utility users' tax (UUT) and business license fees. The Utility Billing program provides accurate and timely billing of the City's water and sewer services; assists customers in applying for and discontinuing utility service; educates customers regarding how to find the cause of high water usage and responds to customer inquiries and disputes regarding their City utility accounts. The Accounts Payable program develops, implements and maintains payment processes. The Payroll program implements and maintains personnel payment processes in compliance with all Federal, State, and City regulations. The Purchasing program assists all city departments with purchasing of services, supplies and materials as approved through the budget appropriations process.

General Government



DEPARTMENT: Finance
 PROGRAM: Finance
 FUND: General
 ACCOUNT: 41430

	<u>2005-06 Actual</u>	<u>2006-07 Budget</u>	<u>2006-07 Estimated</u>	<u>2007-08 Budget</u>
PROGRAM EXPENDITURES:				
Salaries and Benefits	\$558,064	\$596,494	\$557,377	\$634,857
Services and Supplies	60,164	60,630	69,721	57,705
Capital Outlay		1,000		
Total Expenditures	<u>\$618,228</u>	<u>\$658,124</u>	<u>\$627,098</u>	<u>\$692,562</u>

	<u>2005-06 Actual</u>	<u>2006-07 Actual</u>	<u>2007-08 Budget</u>
FULL TIME AND REGULAR PART-TIME POSITIONS:			
Finance Director	1.00	1.00	1.00
Finance Office Manager	0.65	0.65	0.65
Accountant Supervisor	1.00	1.00	
Accountant I/II	2.00	2.00	3.00
Accounting Technician	2.00	2.00	2.00
Accounting Specialist I/II (RPT)	0.60	0.60	0.60
Administrative Service Assistant (RPT)		0.60	0.60
Accounting Specialist II	3.00	3.00	3.00
Total	<u>10.25</u>	<u>10.85</u>	<u>10.85</u>

SERVICE LEVEL CHANGES:

Reclass the Accountant Supervisor to an Accountant I-II.

General Government



DEPARTMENT:	Finance	FUND:	General
PROGRAM:	Finance	ACCOUNT:	41430

PROGRAM GOALS:

FINANCE

Monitor department activities and concentrate resources on areas of highest importance. Monitor and optimize cash flow by accelerating revenue collection and delaying cash disbursements to the extent possible. Maximize investment revenue by keeping the maximum amount invested while maintaining sufficient liquidity to meet current needs. Maintain bond rating by meeting all existing bond covenant requirements. Monitor opportunities to refinance or restructure debt. Ensure that program budgets contain revenues sufficient to meet program needs and produce prudent reserves.

ACCOUNTING

Throughout the year, the accounting staff will monitor capital projects, grant activities and other department activities to ensure that these activities are progressing as planned and that activities are properly recorded in the books of the city. Performing this ongoing work and also maintaining close communication with departments throughout the year, the accounting program should continue to receive clean audit opinions, continue to receive the GFOA awards for CAFR and Annual Budget, minimize or eliminate audit findings, minimize or eliminate prior period adjustments in the financial statements and minimize the number of mid-year budget adjustments.

OPERATIONS

Collect revenue sources such as UUT, sales tax, and transit occupancy tax. License and permit businesses and individuals to comply with City Code, process applications, maintain accounts, renew billing/notification, and generate reports relating to licensing fees and revenue. Bill and collect water and sewer fees. Establish water/sewer accounts for customers requesting service, discontinuing service as requested, and respond to customer inquiries about their bills in a timely and accurate manner. Develop and implement efficient and effective payment processes. Ensure payroll and accounts payable transactions are processed in a timely, efficient and accurate manner.

PROGRAM OBJECTIVES:

FINANCE

Develop meaningful performance measures to evaluate finance department activities. Create a cash flow model that will prevent unscheduled liquidation of investments. Make all required continuing disclosures for debt on time. Perform mid-year review of all funds including examination of major revenues, expenditures and reserves.

General Government



DEPARTMENT: Finance
 PROGRAM: Finance
 FUND: General
 ACCOUNT: 41430

ACCOUNTING

Program/Service Outcomes: (based on program objectives)	2005-06 Actual	2006-07 Projected	2007-08 Projected
Receive unqualified audit opinion on CAFR	Yes	Yes	Yes
External audit opinion issued by October 15	No	Yes	Yes
Receive unqualified single audit opinion	No	Yes	Yes
External single audit opinion issued by October 15	No	Yes	Yes
City-wide 5-year Financial Forecast Prepared	Yes	No	Yes
Budget meets or exceeds all requirements and GFOA reporting excellence benchmarks	Yes	Yes	Yes
CAFR meets or exceeds all requirements and GFOA reporting excellence benchmarks	Yes	Yes	Yes
Program/Service Outputs: (goods, services, units produced)			
# of Journal entry processed annually	1,505	1,000	1,000
# of Budget transfers processed annually	129	100	100

OPERATIONS

Program/Service Outcomes: (based on program objectives)	2005-06 Actual	2006-07 Projected	2007-08 Projected
% of Time semi monthly payroll processed on time	100%	100%	100%
% of Time that the backlog of invoices is 5 days or less	96%	98%	97%

General Government



DEPARTMENT: Finance
 PROGRAM: Finance
 FUND: General
 ACCOUNT: 41430

OPERATIONS (Continued)

Program/Service Outputs: (goods, services, units produced)	<u>2005-06 Actual</u>	<u>2006-07 Projected</u>	<u>2007-08 Projected</u>
Business Licenses processed	2,416	2,406	2,480
# of Utility statements issued	113,564	114,200	114,200
# of Payroll checks and direct deposits processed	9,926	10,283	10,264
# of Accounts payable checks issued	6,760	6,653	6,700
# of Purchase Orders	1,629	1,587	1,600

Transportation



DEPARTMENT: Finance
 PROGRAM: Transit - General Public
 FUND: Transit
 ACCOUNT: 41470

PROGRAM DESCRIPTION:

Eureka Transit Service (ETS) is a fixed route bus system which operates Monday through Saturday, serving the City of Eureka and surrounding unincorporated areas. Goals are: 1) Provide safe, reliable, high quality and economical public transportation; 2) Coordinate transit system development with community planning, development efforts, land use policy, and other transportation services; and 3) Demonstrate the importance of ETS to the vitality of the community. The City of Eureka also contributes funding, through a joint powers agreement, for operations of the regional Redwood Transit System, which services a sixty-five mile corridor on Highway 101.

	<u>2005-06 Actual</u>	<u>2006-07 Budget</u>	<u>2006-07 Estimated</u>	<u>2007-08 Budget</u>
PROGRAM EXPENDITURES:				
Salaries and Benefits	\$16,849	\$15,238	\$15,016	\$16,925
Services and Supplies	1,115,835	1,062,170	1,048,006	1,072,064
Capital Outlay	13,775	0	1,122,831	0
Total Expenditures	<u><u>\$1,146,459</u></u>	<u><u>\$1,077,408</u></u>	<u><u>\$2,185,853</u></u>	<u><u>\$1,088,989</u></u>

	<u>2005-06 Actual</u>	<u>2006-07 Actual</u>	<u>2007-08 Budget</u>
FULL TIME AND REGULAR PART-TIME POSITIONS:			
Finance Office Manager	0.18	0.18	0.18
Total	<u><u>0.18</u></u>	<u><u>0.18</u></u>	<u><u>0.18</u></u>

SERVICE LEVEL CHANGES:

None.

Information Technology



DEPARTMENT: Finance

FUND: Information Technology Operations

PROGRAM: Information Technology Operations

ACCOUNT: 41435

PROGRAM DESCRIPTION:

The Information Services program provides City-wide support for all office automation equipment, including computers, telephones, fax machines, copiers, and other equipment. Program activities include developing, implementing and maintaining long-range policies, standards, equipment inventories, preventive maintenance and repair programs, as well as providing training, on-going user support and day-to-day troubleshooting on all equipment. In addition it provides a funding mechanism for the replacement of computers, printers and related equipment and software; based on equipment and software. Based on equipment age and type, charges will be assessed to each department and transferred into the Information Technology Operations Fund where those funds will be held in reserve. While the assessments to each operating department began in FY 2001-02, computer equipment replacement purchases from this fund began in FY 2002-03 and will continue into the future.

	<u>2005-06 Actual</u>	<u>2006-07 Budget</u>	<u>2006-07 Estimated</u>	<u>2007-08 Budget</u>
PROGRAM EXPENDITURES:				
Salaries and Benefits	\$164,014	\$217,455	\$200,133	\$237,148
Services and Supplies	\$349,902	368,221	365,324	362,796
Capital Outlay	63,603	222,400	\$222,400	366,087
Capital Lease		80,771	83,500	10,000
Total Expenditures	<u>\$577,519</u>	<u>\$888,847</u>	<u>\$871,357</u>	<u>\$976,031</u>

	<u>2005-06 Actual</u>	<u>2006-07 Actual</u>	<u>2007-08 Budget</u>
FULL TIME AND REGULAR PART-TIME POSITIONS:			
Information Services Manager	1.00	1.00	1.00
Information Services Technician	1.00	2.00	2.00
Central Services Assistant	1.00	1.00	1.00
Total	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>

SERVICE LEVEL CHANGES:

None

Information Technology



DEPARTMENT: Finance

FUND: Information Technology Operations

PROGRAM: Information Technology Operations

ACCOUNT: 41435

PROGRAM GOALS:

To maintain the City's centralized computer system with 99.5% uptime. To assist in maintaining the integrity of the City's information files. To initiate problem review and analysis within thirty minutes of a reported problem of workstation, printer, software, telephone or voice mail. Monitor replacement of computer equipment and adjust operating fund transfers in response to current and future needs. To develop a database for tracking all problems reported to this division. Review and update security measures as changes in the information technology industry necessitates. To maintain the City's web site and retain accuracy within a 99% tolerance level.

PROGRAM OBJECTIVES:

Maintain and enhance the City's office automation equipment, including the integrity of the information contained within the equipment. Purchase equipment and software that meets technology standards as set by the City Council. To centralize the management of the City wide computer network and related equipment. Maintain and enhance the City's web site to facilitate accurate information be available to those who access the site.

PERFORMANCE MEASURES:

Program/Service Outcomes: (based on program objectives)	2005-06 Actual	2006-07 Projected	2007-08 Projected
Percentage of uptime for City's centralized computer system	99.5%	99.5%	99.5%
Number of times equipment problem review and analysis initiated within a 30 minute period	99.5%	80.0%	75.0%
Web site maintained and enhanced	94.5%	99.5%	99.5%
Program/Service Outputs: (goods, services, units produced)			
Centrex lines supported	450	450	450
Alarm lines/non-Centrex lines/pay phones supported	100	90	75
Voice mailboxes supported	220	220	220

Information Technology



DEPARTMENT: Finance

FUND: Information Technology
Operations

PROGRAM: Information Technology Operations

ACCOUNT: 41435

PERFORMANCE MEASURES: (Continue)

Program/Service Outputs: (goods, services, units produced)	2005-06 Actual	2006-07 Projected	2007-08 Projected
Software applications supported	260	260	260
PC's/Workstations supported	160	225	240
Network users supported	200	250	260
System backups done	260	260	260
E-mail addresses supported	200	250	260
Hardware and software support request	4,000	5,000	5,000
Hardware replaced or recycled	80	100	100
Copies made on site	756,900	575,000	600,000
Pieces of first class mail & bulk mail processed	183,000	189,000	190,000
Operating fund transfers completed	12	12	12