

Finance



**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

**FINANCE DEPARTMENT
EXECUTIVE SUMMARY**

NARRATIVE

The Finance Department provides accounting, financial planning and reporting, business licensing, payroll services, purchasing, vendor payments, utility billing and cashiering, networking services, long-term financing and central services necessary to meet all City departments operating needs including the preparation and monitoring of the City Budget and the City's Comprehensive Annual Financial Report (CAFR). The Finance Department is also in directly in charge of the budget for the Employee Retirement Division (01-180) and the Non-Departmental Division (01-190).

The Department was created as a result of the reorganization that occurred after the retirement of the Administrative Services Director; previously, it was the Administrative Services Department. There was one director and two managers each in charge of their own division, Finance and Personnel. A new Finance Director position was created as part of the reorganization to manage the new Finance Department and the Personnel division was transferred to Administration.

Highlights of Fiscal Year 2003-2004: Due to the retirement of the Administrative Services Director and other retirements early in the fiscal year it was a difficult start for the department. One of the major challenges was the compilation of information to transfer and implement Governmental Accounting Standards Board (GASB) Statement #34 to the City's CAFR. The department successfully accomplished and implemented GASB 34 for the CAFR report issued for June 30, 2003 and once again received an Award for Excellence in Reporting.

Another major highlight for Fiscal Year 2003-2004 was the successful conversion of the current Financial and Payroll accounting systems into a new, user-friendly window based system. In addition, the department coordinated and provided support for the human resources module implementation. The conversion was a long process that required a lot of effort from everyone in the department. To ensure that the conversion was a success City-wide, and to minimize problems with understanding the new system, staff created easy to follow handouts and conducted in-house training for other departments. Other highlights in FY 2003-2004 included the following: Completion and continued expansion of the official City of San Fernando Website; Receipt of Awards for Excellence in Financial Reporting by the National and State organizations for Municipal Finance Officers for the City CAFR; Early Adoption of the City budget; Rapid expansion of the City's networking capabilities and Updating of the City's fixed assets records. The department also provided direct support for labor negotiations and risk management activities.

Goals and objectives for FY 2004-2005 include the following: Prepare for the final phase of implementing the Retroactive Conformance of Government Accounting Standards Board #34 (GASB #34) which will require extensive valuation/costing of the City's Infrastructures Capital Assets; Begin with the conversion of the Utility Billing software; create an On-line system for Purchase Orders citywide; Enhance or replace the current Business License software; Create a system that includes the acceptance of payments made on the web or by credit card; Automation of various manual accounting practices; Extension of the Audit contract; Complete the connections of all outlying city departments to the main network; Enhance employee cross-training program needed to avoid any processing delays when encountered with employee sickness or vacations, and continue the formal Equipment Replacement Fund to assist in the replacement of the City's vehicle fleet.

**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

**FINANCE DEPARTMENT
EXECUTIVE SUMMARY**

PERSONNEL	ACTUAL 2002-2003	BUDGETED 2003-2004	ESTIMATED 2003-2004	ADOPTED 2004-2005
Administrative Services Director	0.50	0.50	0.00	0.00
Finance Director	0.00	0.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00	1.00
Junior Accountant	0.00	0.00	0.00	1.00
Senior Accounting Technician	1.00	1.00	1.00	0.00
Accounting Technician	1.00	1.00	1.00	1.00
Senior Account Clerk II	1.00	1.00	1.00	1.00
Senior Account Clerk	2.00	2.00	2.00	2.00
Senior Account Clerk (Water Dept.)	1.00	1.00	1.00	1.00
Account Clerk	0.00	1.00	1.00	1.00
Office Clerk (Part-Time)	0.75	0.00	0.00	0.00
Total	8.25	8.50	9.00	9.00
APPROPRIATIONS	ACTUAL 2002-2003	BUDGETED 2003-2004	ESTIMATED 2003-2004	ADOPTED 2004-2005
Personnel Services	\$ 463,190	\$ 472,240	\$ 497,514	\$ 535,815
Operating Expenses	155,420	144,000	110,590	113,100
Capital Outlay	14,638	5,000	2,338	0
Total	\$ 633,248	\$ 621,240	\$ 610,442	\$ 648,915
SOURCE OF FUNDS				
General Fund	\$ 633,248	\$ 621,240	\$ 610,442	\$ 648,915
Total	\$ 633,248	\$ 621,240	\$ 610,442	\$ 648,915

**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

**FINANCE DEPARTMENT
EXECUTIVE SUMMARY**

Supporting Information

4100 PERSONNEL SERVICES \$535,815

Reflects a labor distribution of the Finance Department. The Senior Account Clerk responsible for Utility Billing is fully paid by the Enterprise Funds. The Account Clerk who assists the Senior Account Clerk with cashiering functions will also be partially funded (60%) through the Enterprise Fund.

4200 OPERATING EXPENSES \$113,100

4220	Telephone Expenses.		\$1,000
4260	Contractual Services (For conversion training cost and other services)		\$0
4270	Professional Services for:		\$61,000
	Sales Tax audits & analysis	\$4,000	
	Property Tax audits & reviews	\$4,000	
	Cost Allocation Plan review & update	\$9,000	
	City Audit Services	\$35,000	
	State Mandated Cost Claims (SB-90)	\$9,000	
4300	Department Supplies Various department supplies, such as computer paper, toner, business licenses, checks, w-2's, 1099's Misc., computer tapes & disks.		\$9,000
4320	Department Equipment Maintenance Eden system licenses	\$29,000	\$29,000
4360	Personnel Training.		\$6,500
4365	Tuition Reimbursement.		\$700
4370	Meetings, Memberships & Travel		\$3,300
	Government Finance Officers Conference	\$1,700	
	League of California Cities /Finance Conference (\$1,500)	\$0	
	California Society of Finance Officers / Conference	\$1,600	
	EDEN Annual Conference (Accounting Software) (\$1,000)	\$0	
	CMRTA Annual Conference (Business License) (\$500)	\$0	
4380	Subscriptions, Dues & Memberships		\$2,000
	Subscription Dues – CSMFO	\$700	
	Other Dues & Memberships	\$1,300	
4390	Vehicle Allowance & Mileage		\$600

4500 CAPITAL EXPENSES \$0

TOTAL \$648,915

**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

DIVISION	DIVISION NO.
Employee Retirement	180

NARRATIVE

This division is to account for payments made for retirement related costs directly by the General Fund. These retirement costs include payment to PERS for current city employees.

FY 2004-2005 is the fourth year that this division will be used. During previous years, the payments for the retirement costs were made out of the division where the employee was accounted for and where the retired employee was working at the time of their retirement.

Beginning with fiscal year 2001-2002 and continuing with 2003-2004, the payment of retired employees health benefits and service charges paid to PERS for their administration of the retired employees health insurance was paid directly from the Retirement Fund.

A voter approved special tax levy is used to pay for all costs of the City's membership in the Public Employees Retirement System (PERS). The Retirement Fund pays for the retired employee's health insurance directly. Based on information provided by PERS the rates will be increasing dramatically in the upcoming years. For Fiscal Year 2004-2005, the budget reflects a 50% increase based on the new rates received.

	ACTUAL 2002-2003	BUDGETED 2003-2004	ESTIMATED 2003-2004	ADOPTED 2004-2005
--	---------------------	-----------------------	------------------------	----------------------

None

APPROPRIATIONS

Personnel Services	\$ 955,116	\$ 1,270,450	\$ 1,270,450	\$ 1,953,976
Total	\$ 955,116	\$ 1,270,450	\$ 1,270,450	\$ 1,953,976

SOURCE OF FUNDS

General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Retirement Fund	955,116	1,270,450	1,270,450	1,953,976
Total	\$ 955,116	\$ 1,270,450	\$ 1,270,450	\$ 1,953,976

Supporting Information

4100	PERSONNEL SERVICES	\$1,953,976
4124	Retirement Costs for PERS	\$1,953,976
TOTAL		\$1,953,976

**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

DIVISION Non-Departmental	DIVISION NO. 190
-------------------------------------	----------------------------

NARRATIVE

The Non-Departmental budget provides for those activities that are not easily segregated into individual budgets or would cost more to segregate than economically feasible. Such items include, but are not limited to: City Hall telephones, insurance, unemployment charges, computer servicing for non-Police locations, City Hall copy and fax equipment and non-utility mail costs. The budget for the current year reflects an increase in the City's property insurance premium. It also includes a subsidy to the Grants fund for payment of the Las Palmas Phase III loan. Due to the expected \$250,000 annual shifts in Fiscal Year 04-05 and 05-06 of funds from the City to the State the amount allocated for this subsidy was maintained at \$100,000. The Council will be reviewing this amount and anticipates a higher subsidy once the shift to the State is no longer present.

There were two major changes to this division's budget. The first one focused on the funding for the Community Based Organizations (CBO's), which was moved to the Legislative Division (101) since these are funded and allocated directly by each Council member. The second, which was a great accomplishment, was the creation of a special events budget. This allows the special event budgets to be centralized under the Non-departmental division. The current budget, \$727,831, includes an allocation of \$136,491 for various events approved by Council. Any corresponding revenue will return to the General Fund to help support the cost of these events. A list of projects approved for the current fiscal year is also included.

	ACTUAL 2002-2003	BUDGETED 2003-2004	ESTIMATED 2003-2004	ADOPTED 2004-2005
--	---------------------	-----------------------	------------------------	----------------------

None

APPROPRIATIONS

Personnel Services	\$ 23,112	\$ 24,338	\$ 13,320	\$ 24,040
Operating Expenses	534,827	583,000	555,568	694,791
Capital Outlay	14,755	9,000	22,804	9,000
Total	\$ 572,694	\$ 616,338	\$ 591,692	\$ 727,831

**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

DIVISION					DIVISION NO.
Non-Departmental					190
SOURCE OF FUNDS	ACTUAL	BUDGETED	ESTIMATED	ADOPTED	
	2002-2003	2003-2004	2003-2004	2004-2005	
General Fund	\$ 572,694	\$ 616,338	\$ 591,692	\$ 727,831	
Total	\$ 572,694	\$ 616,338	\$ 591,692	\$ 727,831	
Supporting Information					
4100		PERSONNEL SERVICES			\$24,040
4111	Commissioner Reimbursement		\$0		
4132	Unemployment Insurance		\$24,040		
4200		OPERATING EXPENSES			\$694,791
4220	Telephone.		\$45,500		
4240	Insurance & Surety Bonds-Reflects costs for Property & Earthquake insurance, Employee blanket surety bonds.		\$240,000		
4250	Rents and Leases.		\$1,100		
4260	Contractual Services-misc. contractual services i.e. Computer network / departmental services.		\$88,800		
4280	Office Supplies for City Hall / Postage.		\$31,000		
4300	Department Supplies-Citywide supplies i.e. postage, computer & fax supplies, xerox & maintenance supplies, and postage for newsletters.		\$18,000		
4320	Department Equipment Maintenance.		\$20,000		
4380	Subscription Dues and Memberships to League of Calif. Cities and Southern California Association of Governments.		\$8,500		
4430	Activities & Programs, which include the Employee Recognition Dinner @ \$5,000.		\$5,000		
4435	Bank Charges.		\$400		
4450	Special Events Budget (See attached detail).		\$136,491		
4910	Transfer to Grants Fund to subsidize the Las Palmas loan repayment.		\$100,000		
4500		CAPITAL EXPENSES			\$9,000
4500	Reflects the purchase of a network server and other capital equipment.		\$9,000		
TOTAL					\$727,831

**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

Special Events

**Division No.
01-19X-XXXX**

NARRATIVE

During Fiscal Year 2004-2005 the City Council recommended the adoption of a Special Events budget. As compared to previous years, this budget would account for costs incurred by all departments and help track all the special events sponsored by the City. The following is a list of all events approved for the upcoming fiscal year and the cost per department. In addition, an estimated amount has been listed for those events that produce revenues through the collection of fees.

Description	Cost	Estimated Revenues
<u>July 4th (Recreation Park)</u>		
Rec & Comm. Serv. (Fireworks \$14,000)	\$ 20,074	\$ 2,310
Police Dept.	\$ 1,045	
Public Works	\$ 1,950	
	\$ 23,069	
<u>Summer Concerts (August 15, 22, and 29)</u>		
	Each	All
Rec & Comm. Serv.	\$ 5,350	\$ 16,050
Police Dept.	\$ 270	\$ 810
Public Works	\$ 600	\$ 1,800
	\$ 6,220	\$ 18,660
<u>El Grito (September 15)</u>		
Rec & Comm. Serv.	\$ 3,520	\$ 0
Police Dept.	\$ -	
Public Works	\$ 500	
	\$ 4,020	
<u>Menudo Festival</u>		
Rec & Comm. Serv.	\$ 40,941	\$ 21,100
Police Dept.	\$ 8,540	
Public Works	\$ 4,000	
	\$ 53,481	
<u>Cesar Chavez</u>		
Rec & Comm. Serv.	\$ 6,300	\$ 300
Police Dept.	\$ 1,410	
Public Works	\$ 4,600	
	\$ 12,310	

**CITY OF SAN FERNANDO
ADOPTED BUDGET
FY 2004-2005**

Special Events

**Division No.
01-19X-XXXX**

NARRATIVE

Description	Cost	Estimated Revenues
<u>Holiday Parade</u>		
Rec & Comm. Serv.	\$ 1,985	\$ 0
Police Dept.	\$ 2,820	
Public Works	\$ 6,025	
	\$ 10,830	
<u>Criterion (Bike Race)</u>		
Rec & Comm. Serv.	\$ 2,921	\$ 1,000
Police Dept.	\$ 720	
Public Works	\$ 5,000	
	\$ 8,641	
<u>5km Mission Run</u>		
Rec & Comm. Serv.	\$ 3,500	\$ 1,200
Police Dept.	\$ 180	
Public Works	\$ 1,800	
	\$ 5,480	

The following is the total of the cost and estimated revenues for all of the above events per department:

	<u>Total</u>	<u>Total</u>
Rec & Comm. Serv.	\$ 95,291	
Police Dept.	\$ 15,525	
Public Works	\$ 25,675	
	\$ 136,491	\$ 26,810
Net Cost of Special Events (Cost minus Estimated Revenues)		\$ 109,681