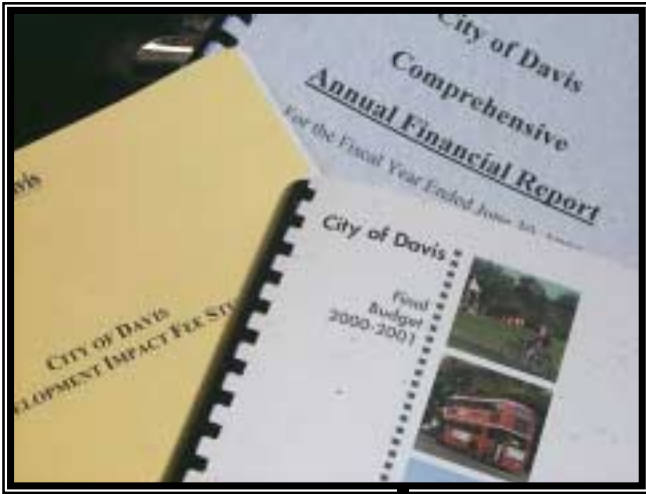


# FINANCE DEPARTMENT

## STATEMENT OF PURPOSE

As the "Custodian of Public Funds," manage and safeguard public financial resources. Provide prompt and courteous service to citizens and others having financial dealings with the city. Provide the City Council with thoughtful policy analysis and development of financially sound funding options. Help city departments implement their programs through budget development and management. Report the city's financial activity in a clear and understandable manner.



### FINANCE – DIVISION 28

Finance is responsible for providing quantitative financial information, policy analysis, and recommendations which support decisions about how best to allocate the resources available to the city. Finance accounts for those resources and reports the financial results of its operations. The department administers payroll, accounts payable, utility and parking citations billing, investment and banking functions, cashiering, and the collection of receivables, business licenses, hotel/motel taxes, and other revenues. The responsibilities of the department are described below:

**FINANCIAL PLANNING:** Perform reliable, detailed fiscal analyses. Develop and maintain long-range financial plans for constructing, acquiring, operating and maintaining the public facilities and services needed to maintain desired public service levels. Work with the Finance and Economics Commission to develop information and strategies to advise the City Council on financial policy issues.

**CASH MANAGEMENT & INVESTMENTS:** Deposit all revenues received, monitor city funds and maintain appropriate balances in all city accounts; reconcile city transactions with the bank statements. Invest and manage city funds consistent with city policies.

The city pools all cash funds not held by fiscal agents. Internal control is rigorously maintained to provide accountability and to protect the city's cash assets. Investments are conservatively managed with three primary objectives 1) safety of principal, 2) liquidity to meet cash flow needs and requirements; and 3) maximize investment yield. During the 1999-2000 fiscal year, total investment earnings for all funds totaled \$3,607,064, a return of 5.845%. Our return exceeds the average effective yield of the Local Agency Investment Fund of 5.690%.

**DEBT ADMINISTRATION:** Plan, prepare and administer long-term debt service issues. Maintain parcel land use identification to assess and collect major projects financing fees, tax increment, Mello-Roos bonds and assessments. Finance administers \$49 million in special assessment and Mello Roos bond issues.

**BUDGET & RESEARCH:** Maintain the city's Five-Year Budget Forecasting Model. Administer internal budget process and project funding requests. Conduct financial research and assists departments as in-house consultant. Maintain budgetary control to ensure compliance with legal provisions as approved by the City Council in the annual budget.

**FINANCIAL REPORTING:** Report to the citizens, the City Council, city departments, various state and federal agencies the financial status of the city, city funds and revenues in a clear and concise manner. Coordinate the annual independent audit. Finance produces a Comprehensive Financial Statement (CAFR), an annual Budget and periodic Treasurer's Reports. The CAFR is generally available in January for the prior fiscal year (July to June). A "preliminary" budget proposal is available in June and a "final" budget document is available by October. Information on city investments is submitted to the City Council in the Treasurer's Report at least quarterly.

**COST ACCOUNTING:** Manage the city's fixed assets, records and valuation for insurance coverage. Maintain internal financial budgetary controls.



**UTILITY BILLING:** Generate city utility service bills, process utility payments, maintain records, administer the utility pre-pay program.

**PARKING CITATIONS:** Receive and process about 14,000 annual parking citation payments issued by the Police Department.

**BUSINESS LICENSES:** Process new applications for business licenses; maintain and annually renew about 5,100 existing licenses and about 700 businesses located in the Business Improvement District (BID). BID revenues are passed onto the Davis Downtown Business Association for Council approved BID uses.

**ACCOUNTS RECEIVABLE & MISCELLANEOUS PAYMENTS:** Collect monies due the City of Davis such as charges for city services, leases, agreements, permits, abatements, etc. Administer the Transient Occupancy Tax, Park Tax and other city taxes. Provide financial services for grant programs and funding, including CDBG and child care programs.

**ACCOUNTS PAYABLE:** Monitor city acquisition of goods and services to ensure that purchases made by departments are consistent with city policies. 3,850 purchase orders were assigned last year and 34,190 invoices were processed.

**PAYROLL SERVICES:** Administer and oversee all aspects of \$20.3 million city payroll.

**CUSTOMER SERVICE:** Deliver prompt and courteous quality services to our internal and external customers. Provide for customer feedback.

The Finance Department has a public counter, located at the City Administrative Office Facility (also known as City Hall) at 23 Russell Blvd., and is open for business 8:00 a.m. to 5:00 p.m., Monday through Friday.



**Internal Customers**

- Payroll
- Accounts Payable
- Information Requests
- Billing Services
- Budget Assistance

**External Customers**

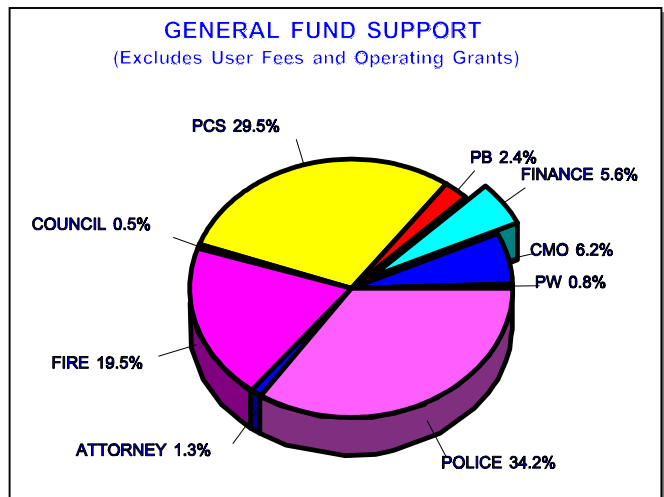
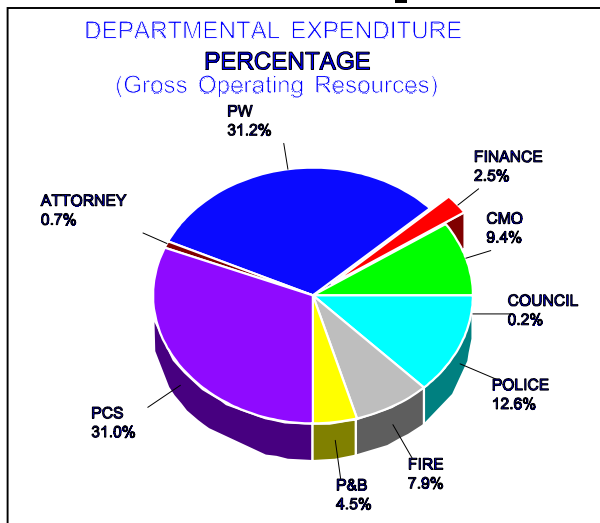
- City Service billing (utilities)
- Business Licenses
- Parking Citations
- Second Mortgages
- Low Income Refund Program

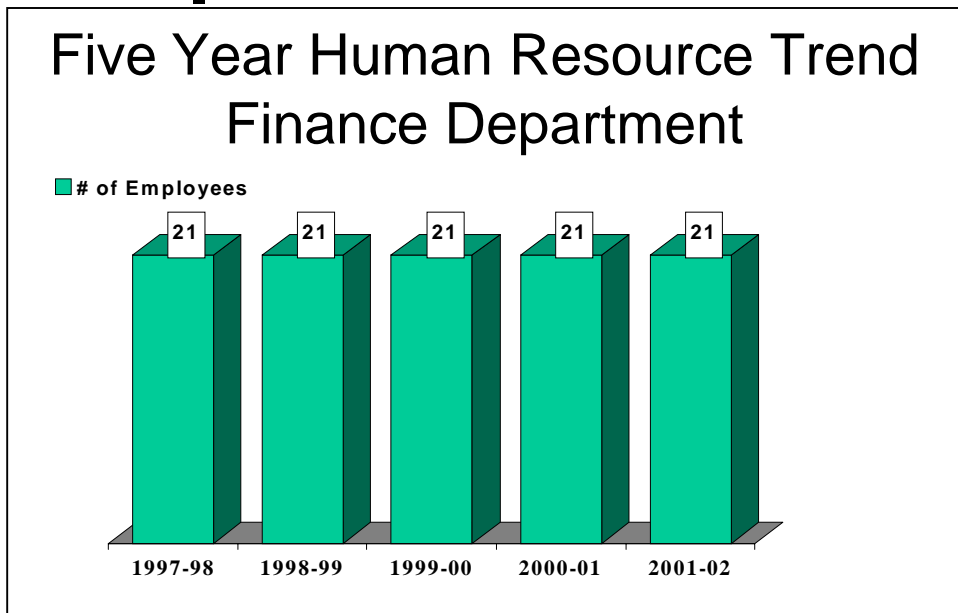
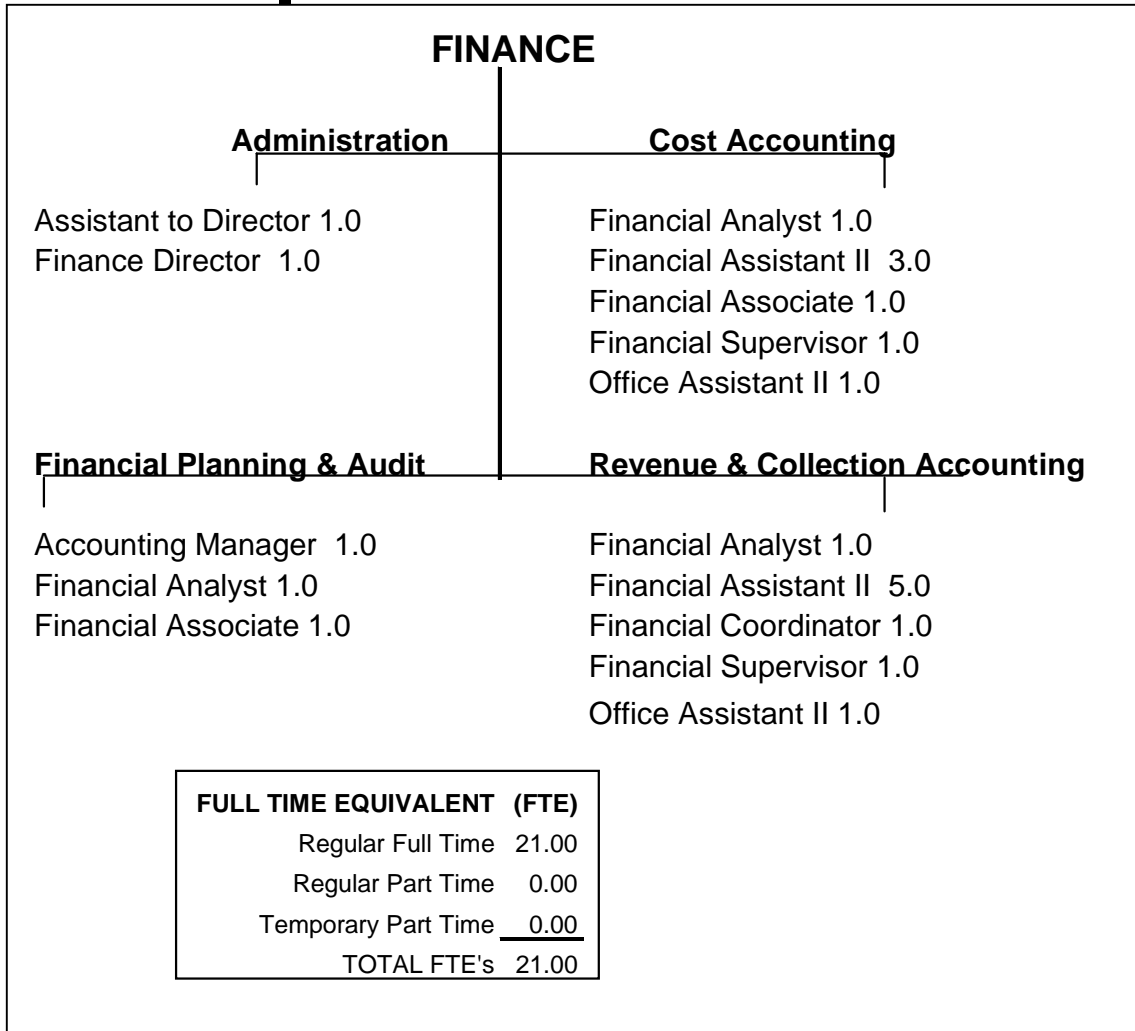
DEPARTMENT  
SUMMARY

FINANCE DEPARTMENT

<u>Source of Funds</u>	<u>Actual 1999-00</u>	<u>Budget 2000-01</u>	<u>Estimated 2000-01</u>	<u>Budget 2001-02</u>
General Fund Support	1,111,568	1,099,564	1,099,564	1,151,155
Capital Project Funds	595,693	81,060	81,060	100,718
Debt Service Funds	323	0	0	0
Development Impact Fees	15,929	52,287	52,287	54,852
Enterprise Funds	314,477	291,360	291,360	292,073
Fees & Charges	4,719	4,100	4,100	14,493
Public Safety Srv Fee/Tax	42,324	40,486	40,486	41,189
Special Revenue Funds	67,275	311,088	311,088	97,456
<b>Total Revenues</b>	<b>2,152,308</b>	<b>1,879,945</b>	<b>1,879,945</b>	<b>1,751,936</b>

<u>Expenditures</u>	<u>Actual 1999-00</u>	<u>Budget 2000-01</u>	<u>Estimated 2000-01</u>	<u>Budget 2001-02</u>
Capital Expenditures	40,895	9,500	9,500	0
Operating Expenditures	1,177,750	745,319	745,319	575,708
Salaries and Benefits	933,663	1,125,126	1,125,126	1,176,228
<b>Total Expenditures</b>	<b>2,152,308</b>	<b>1,879,945</b>	<b>1,879,945</b>	<b>1,751,936</b>





**FINANCE – DIVISION 28**

**Major Accomplishments in FY 2000-01**

- Completed \$13 million Davis Redevelopment Agency bond issue
- Worked with the Finance and Economics Commission (FEC) to prepare future budget planning analysis and report
- Drafted and implemented new investment policy
- Overhauled and updated the design of the Finance Department web page
- Provided technical and informational support for proposed Measure S Park Tax
- Implemented use of purchasing cards for departments to streamline departmental purchasing and accounts payable processing
- Completed revisions to internal collection process for all revenues to effect improvements in timing and successful collection

**Plans / Goals for FY 2001-02**

- Continue future budget planning with the FEC
- Consider options for the city's investment portfolio
- Continue auditing internal procedures and processes to effect improvements
- Obtain GFOA (Government Finance Officers Association) award for Excellence in Financial Reporting and CSMFO (California Society of Municipal Finance Officers) award for budget
- Expand customer service through training; provide feedback opportunities; develop increasing level of customer satisfaction with services provided
- Enhance the Finance Department web page by providing "electronic" access to all customer oriented financial forms
- Continue GASB 34 planning
- Conduct a Request for Proposals (RFP) for new Auditor contract

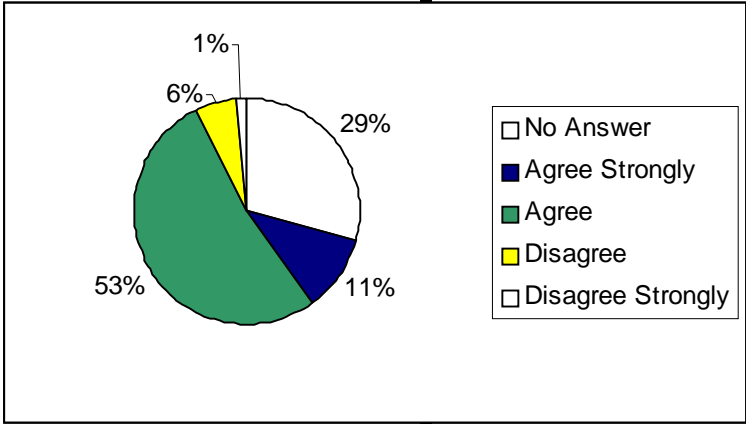
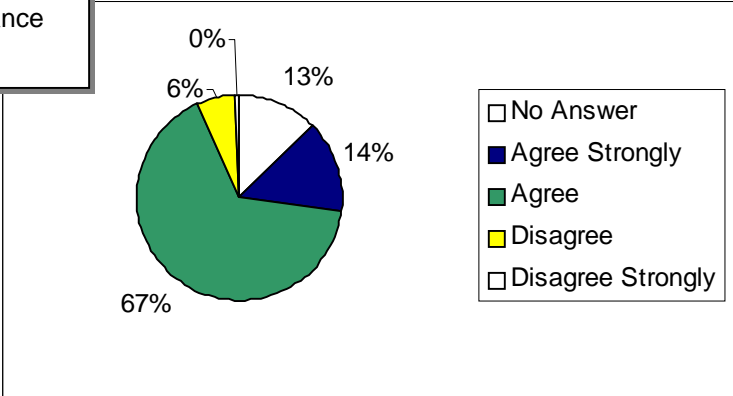
**How We Measure Up**

City	Population	# of Finance Emp's	# of Utility Accounts	Accounts Payable Checks	Payroll Checks	Business Licenses
West Sac	31,500	11	9,912	7,510	10,400	1,221
Woodland	46,700	16	13,000	5,200	3,720	0
Folsom	52,739	20	16,085	16,000	6,300	2,378
Lodi	57,935	30	23,375	12,600	16,900	5,400
Davis	58,629	21	15,339	13,784	7,600	5,138
Roseville	74,200	37	35,815	45,903	29,246	6,736
Vacaville	91,461	29	23,557	13,400	19,831	790

The table compares several benchmark indicators for the City of Davis Finance Department with six comparable cities in the region. The numbers are from fiscal year 1999-2000.

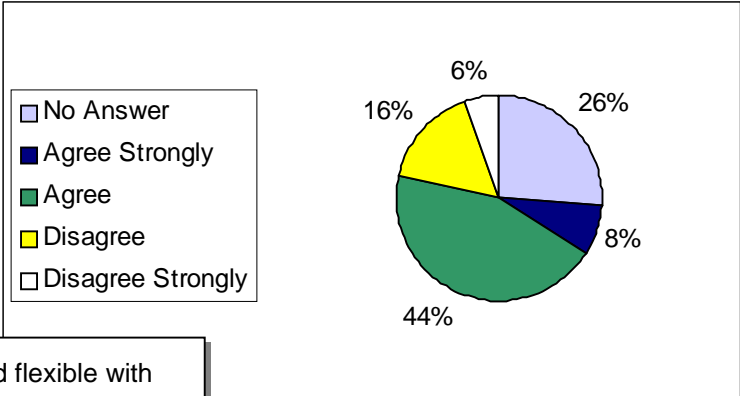
During FY 2000-01, the department surveyed its internal customers (staff in other departments) to determine their level of satisfaction with the Finance Department for various services provided. The graphs below highlight the results of this survey.

81% of respondents consider the Finance Department to be helpful & friendly.



Asked if Finance gives them plenty of time to accommodate a request for information or assistance, 64% of respondents agreed.

Though 52% of respondents agreed with the statement below, this was our weakest response level and indicates room for improvement. We will target this aspect in our customer service throughout FY 2001-02 .



The Finance Department is reasonable and flexible with regard to its policies and procedures.

No. 28

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DEPARTMENTAL EXPENDITURE  
PERCENTAGE BY DIVISION

Finance has only one division.

**SUMMARY OF MAJOR BUDGET CHANGES**

- The budget request includes a new revenue source. Since the department provides considerable financial services to child care grant programs, it is reasonable and fiscally prudent to assess the grant programs for these service costs rather than subsidize them with general fund monies.