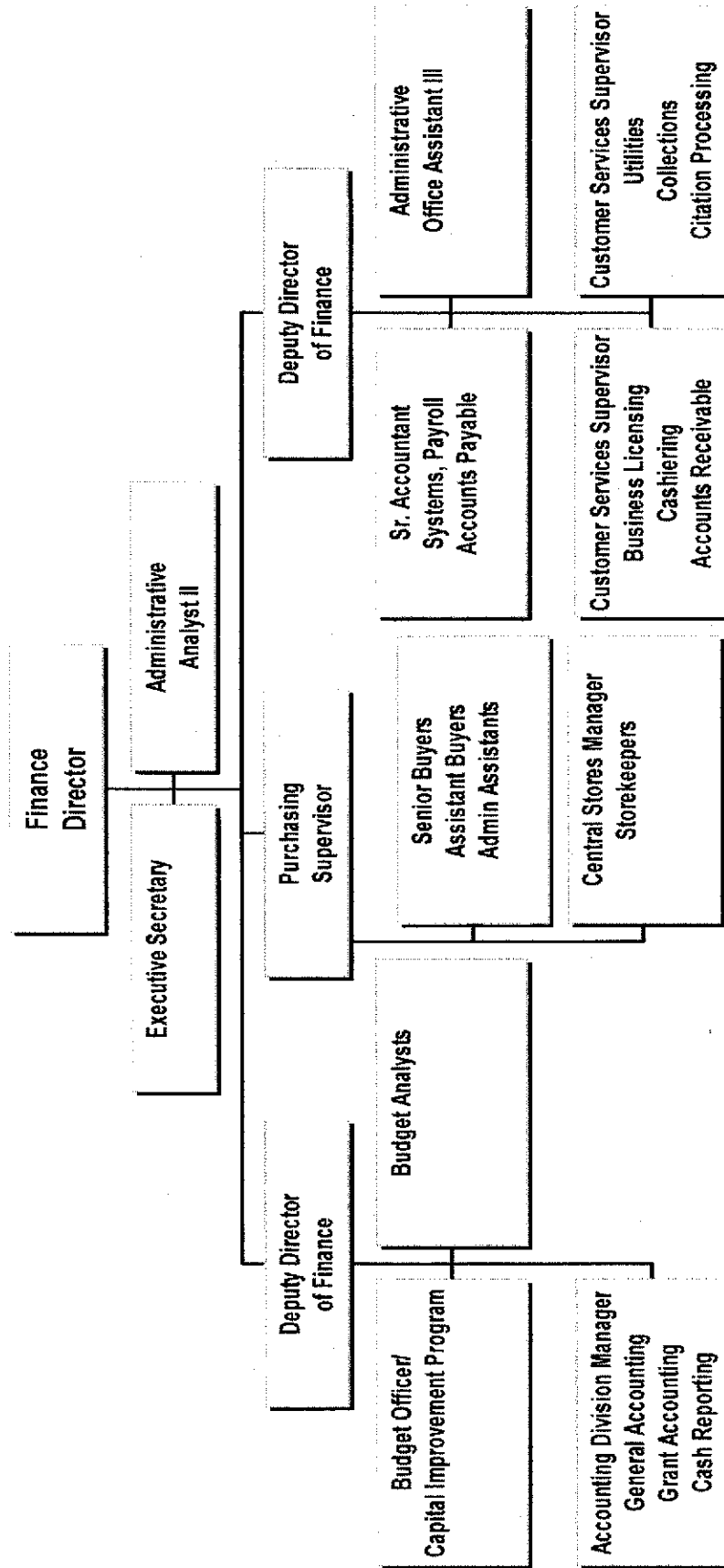


Finance Department



Finance Department

Position Allocation	FY02-03 Actual	FY03-04 Actual	FY04-05 Current	FY05-06 Adopted	Increase/ (Decrease)
<u>Finance Administration</u>					
Finance Director	1	1	1	1	
Executive Secretary	1	1	1	1	
Finance Administration (0100-1201)	2	2	2	2	
<u>Budget Division</u>					
Deputy Finance Director	1	1	1	1	
Manager of Budget & Financial Analyst	1	1			
Budget Analyst I/II	4	3	3	3	
Budget Analyst I (limited term 5/31/05)			1	1	
Budget Officer	1	1	1	1	
Administrative Analyst I	1	1			
Administrative Analyst II			1	1	
Budget & Financial Analysis (0100-1205)	8	7	7	7	
<u>Accounting Division</u>					
Accounting Division Manager	1	1	1	1	
Senior Accountant	3	3	3	3	
Accountant II	2	2	2	2	
Accountant I (Confidential)	1	1	1	1	
Accountant I	2	1	1	1	
Accounting Technician	1	1	1	1	
Account Clerk	5	4	3	3	
Admin Office Assistant II	1	1	1	1	
Accounting (0100-1222)	16	14	13	13	
Customer Services Accounting Technician	1	1	1	1	
Customer Services Account Clerk II	5	5	4	4	
Customer Services Account Clerk III			1	1	
Cashiering (0100-1221)	6	6	6	6	

Finance Department

Position Allocation	FY02-03 Actual	FY03-04 Actual	FY04-05 Current	FY05-06 Adopted	Increase/ (Decrease)
Deputy Director of Finance	1	1	1	1	
Customer Services Supervisor	1	1	1	1	
Sr. Admin Office Assistant (Confidential)		1	1	1	
Admin Office Assistant III (Confidential)	1				
Customer Services Accounting Technician	2	2	2	2	
Customer Services Account Clerk II	8	8	6	6	
Customer Services Account Clerk III			2	2	
Admin Office Assistant II		1	1		(1.00)
Utilities & Collections (0100-1223)	13	14	14	13	(1.00)
Customer Services Supervisor	1	1	1	1	
Customer Services Accounting Technician	1	1	1	1	
Customer Services Account Clerk II	5	5	4	4	
Customer Services Account Clerk III			1	1	
Licensing (0100-1224)	7	7	7	7	
Accountant I	1	1	1	1	
Customer Services Account Clerk II	1	2	2	2	
Accounts Receivable (0100-1225)	2	3	3	3	
Purchasing Officer					
Purchasing Supervisor	1	1	1	1	
Senior Buyer	2	2	2	2	
Assistant Buyer	1	1	1	1	
Account Clerk		1	1		(1.00)
Admin Office Assistant II	1	1	1	1.75	0.75
Purchasing (0100-1232)	5	6	6	5.75	(0.25)
Administrative Technician					
Customer Services Accounting Technician	1	1	1	1	
Customer Services Account Clerk III			1	1	
Customer Services Account Clerk II	1	1			
Citation Processing Services (0100-1234)	2	2	2	2	
Stores Manager	1	1	1	1	
Senior Storekeeper	1	1	1	1	
Storekeeper	2	2	2	2	
Central Store (7110-1272)	4	4	4	4	
General Fund	61	61	60	58.75	(1.25)
Other Funds	4	4	4	4	
Finance Total	65	65	64	62.75	(1.25)

Finance Department

City of Modes

Department Summary

Expenditures by Fund (\$)	Actual 2002-2003	Actual 2003-2004	Budget 2004-2005	Adopted 2005-2006	\$ Change From Budget	% Change
General Fund (0100)	5,328,788	5,498,713	5,571,658	5,860,772	289,114	5.2%
Central Services (7100)	41,288	34,332	48,678	21,546	(27,132)	(55.7%)
Inventory Purchases (7110)	732,068	3,081,832	2,866,865	2,878,396	11,531	0.4%
Total Expenditures	6,102,145	8,614,877	8,487,201	8,760,714	273,513	3.2%

Revenues General Fund (\$)	Actual 2002-2003	Actual 2003-2004	Budget 2004-2005	Adopted 2005-2006	\$ Change From Budget	% Change
General Fund (0100)	2,084,838	2,792,350	2,997,836	2,949,771	(48,065)	(1.6%)
Total Revenues	2,084,838	2,792,350	2,997,836	2,949,771	(48,065)	(1.6%)

Finance Department

City of Modesto

Department Summary

Expenditures by Category (\$)	Actual 2002-2003	Actual 2003-2004	Budget 2004-2005	Adopted 2005-2006	\$ Change From Budget	%Change
Employee Services Total	3,174,561	3,512,162	3,839,507	4,302,323	462,816	12.1%
Internal Service Charges Total	592,745	594,107	629,025	596,975	(32,050)	(5.1%)
Professional & Contractual Svc Total	1,435,718	1,252,791	1,042,910	1,155,801	112,891	10.8%
Materials & Supplies Total	145,126	111,417	138,855	148,346	9,491	6.8%
Other Total	636,402	3,017,550	2,836,904	2,557,269	(279,635)	(9.9%)
Capital Non-CIP Total	117,593	126,850	0	0	0	0.0%
Net Expenditures	6,102,145	8,614,877	8,487,201	8,760,714	273,513	3.2%

Support Departments

Performance Measures Overview

Finance Department

Modesto: A healthy, safe, attractive, economically vibrant, socially diverse and culturally rich city with a strong sense of identity and pride, a community engaged in the practice of citizenship with government based on the principle of stewardship.

Mission:

The mission of the Finance Department is to provide timely, quality information and innovative solutions with a high degree of responsiveness. The department is committed to delivering accurate information & finding solutions to fiscal challenges.

Core Services:

- Finance Administration
- Budget and Financial Analysis
- Accounting
- Customer Service: Cashiering, Utilities and Collections, Licensing, Accounts Receivable, Citation Processing Services
- Purchasing.

Strategic Plan Goals:

- S.B.1. Facilitate the budgeting process, and provide documents and procedures that are well understood by internal and external customers.
- S.B.2. Provide a Budget document that is user-friendly to our citizens and accurately reflects Council's priorities and delineated in this Strategic Plan.
- S.B.3. Purchase goods and services at the best possible price and receives them in a timely manner.
- S.B.4. Ensure the City's customers are very satisfied with the quality and efficiency of City services.

Key Performance - Efficiency Measures

Performance Measure

Results

FY 05-06 Target

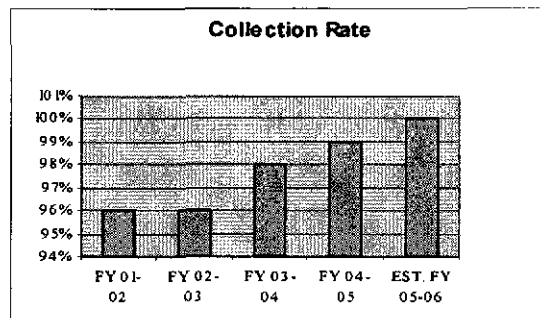
Comments

FIN - CUSTOMER SERVICES

What: Provide customer service and financial management that provides the highest quality utility services at the lowest rate possible.

Why: Measure the department's ability to maintain the viability of utility enterprise funds.

Strategic Plan Goals: IV.A.4 and IV.A.6



Target for FY 05-06
Collection rates as compared to a baseline average of collection rates during 2001-2002-2003-2004-2005

Target = 99%

Support Departments

Performance Measures Overview Finance Department

Modesto: A healthy, safe, attractive, economically, vibrant, socially diverse and culturally rich city with a strong sense of identity and pride, a community engaged in the practice of citizenship with governance based on the principle of stewardship.

Key Performance - Efficiency Measures

Performance Measure	Results	2005-2006 Target	Comments								
<p>FIN - PURCHASING REQUISITION CONVERSION</p> <p>What: Process departmental requisitions for informal quotations to purchase orders for placement with vendors.</p> <p>Why: Measure the department's ability to convert requisitions not requiring formal competitive solicitations to purchase orders within nine (9) days</p> <p>Strategic Plan Goals: S.B.3.</p>		Process 75% of requisitions for informal quotations within nine (9) days.	Prompt conversions will allow City staff to be confident that requisitions are being processed in a timely fashion and that products and services needed by City staff will be available for use in a shorter time frame.								
<p>FIN - PURCHASING COST SAVINGS</p> <p>What: Show the value add that the competitive procurement process provides on an annual basis.</p> <p>Why: Measure the department's ability to provide cost savings by going through the competitive bidding process.</p> <p>Strategic Plan Goals: S.B.3.</p>	<p>Projected Cost Savings in FY2005-06</p> <table border="1"> <thead> <tr> <th></th> <th>2003-04</th> <th>2004-05</th> <th>2005-06</th> </tr> </thead> <tbody> <tr> <td>Savings</td> <td>\$336,000.00</td> <td>\$350,000.00</td> <td>\$400,000.00</td> </tr> </tbody> </table>		2003-04	2004-05	2005-06	Savings	\$336,000.00	\$350,000.00	\$400,000.00		Documented cost savings will show the value of the competitive bidding process performed by a Purchasing Division staffed with skilled purchasing professionals.
	2003-04	2004-05	2005-06								
Savings	\$336,000.00	\$350,000.00	\$400,000.00								

Program Budget Report

Department FINANCE

Fund 0100

Org 1201

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Administration	\$375,600.00	100.00%	\$375,600.00	\$0.00	2

Summary for 'Org' = 1201 (1 detail record)

Org Total

Org 1205

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Council-Committee agenda report review	\$75,000.00	9.49%	\$75,000.00	\$0.00	0.75
	Rate Analysis/Setting	\$180,000.00	22.78%	\$40,000.00	\$140,000.00	1.25
	Budget Development - Capital	\$185,000.00	23.42%	\$128,840.00	\$56,160.00	1.5
	Budget Development - Operating	\$175,000.00	22.15%	\$0.00	\$175,000.00	1.5

Department FINANCE

Fund 0100

Org 1205

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Citywide Financial Analysis	\$75,000.00	9.49%	\$75,000.00	\$0.00	1
	Administration	\$100,059.00	12.66%	\$100,059.00	\$0.00	
Org Total	Summary for 'Org' = 1205 (6 detail records)	\$790,059.00		\$418,899.00	\$371,160.00	6

Org 1221

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Cashiering	\$442,022.00	100.00%	\$417,269.00	\$24,753.00	6
Org Total	Summary for 'Org' = 1221 (1 detail record)	\$442,022.00		\$417,269.00	\$24,753.00	6

Org 1222

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated

Department FINANCE

Fund 0100

Org 1222

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Grants accounting	\$176,616.00	13.00%			2
	Non-departmental (ie. applicable to entire City)	\$217,374.00	16.00%			0
	Payroll	\$190,202.00	14.00%			2.5
	Accounts payable	\$230,960.00	17.00%			3
	General accounting	\$407,577.00	30.00%			4.25
	Cash management	\$135,859.00	10.00%			1.25
Org Total	Summary for 'Org' = 1222 (6 detail records)	\$1,358,588.00				13

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
Org	1223					

Department FINANCE

Fund 0100

Org 1223

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Utilities and Collections	\$1,456,128.00	100.00%	\$13,341.00	\$1,442,787.00	14

Summary for 'Org' = 1223 (1 detail record)

Org Total

		\$1,456,128.00		\$13,341.00	\$1,442,787.00	14
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Org 1224

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Business Licensing Processing	\$516,300.00	100.00%	\$25,973.00	\$490,327.00	7

Summary for 'Org' = 1224 (1 detail record)

Org Total

		\$516,300.00		\$25,973.00	\$490,327.00	7
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Org 1225

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Bus Pass Collections	\$1,200.00	0.54%	\$0.00	\$1,200.00	0

Department FINANCE

Fund 0100

Org 1225

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Accounts Receivable	\$220,151.00	99.46%	\$220,151.00	\$0.00	3

Summary for 'Org' = 1225 (2 detail records)

Org Total

		\$221,351.00		\$220,151.00	\$1,200.00	3
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Org 1232

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Administration	\$78,042.00	16.57%	\$60,140.00	\$17,902.00	1.54
	Purchasing functions - Requisition processing	\$135,345.00	28.74%	\$135,345.00	\$0.00	1.02
	Procurement Card Program Administration	\$24,388.00	5.18%	\$24,388.00	\$0.00	0.5
	Support Services (Central Stores, Copiers)	\$4,879.00	1.04%	\$4,879.00	\$0.00	0.06
	Support Svcs Citywide (RFP's Bids, Council reports)	\$121,018.00	25.69%	\$121,018.00	\$0.00	1.14

Department FINANCE

Fund 0100

Org 1232

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Purchasing Functions - Management	\$107,308.00	22.78%	\$107,308.00	\$0.00	1.74

Summary for 'Org' = 1232 (6 detail records)

Org Total

Org 1234

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Citation Processing	\$229,744.00	100.00%	\$229,744.00	\$0.00	2

Summary for 'Org' = 1234 (1 detail record)

Org Total

Summary for 'Fund' = 0100 (25 detail records)

Fund Total

Fund 7100

		\$229,744.00		\$229,744.00	\$0.00	2
		\$5,860,772.00		\$2,154,055.00	\$2,348,129.00	59

Department FINANCE

Fund 7100

Org 1252

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Copier Charges	\$21,546.00	100.00%	\$21,546.00	\$0.00	0

Summary for 'Org' = 1252 (1 detail record)

Org Total

		\$21,546.00		\$21,546.00	\$0.00	0
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Org 1272

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget)	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	C/s purchases and stocks materials used in day-to-day field operations as well as provide daily delivery service to City staff for warehoused items as well as UPS and FEDEX. C/S	\$328,396.00	100.00%	\$15,778.00	\$312,618.00	4

Summary for 'Org' = 1272 (1 detail record)

Org Total

		\$328,396.00		\$15,778.00	\$312,618.00	4
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Summary for 'Fund' = 7100 (2 detail records)

Fund Total

		\$349,942.00		\$37,324.00	\$312,618.00	4
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Fund 7110

Department FINANCE

Fund 7110

Org 8311

Dept Priority By Fund	Program or Service Description	05-06 Total Program Budget (Proposed)	% of Total Program Budget	05-06 Total \$ Support From General Fund	05-06 \$ Support From Other Funds	FTE Allocated
	Inventory Purchasing	\$2,550,000.00	100.00%	\$2,550,000.00	\$0.00	0
	Summary for 'Org' = 8311 (1 detail record)	\$2,550,000.00		\$2,550,000.00	\$0.00	0
	Summary for 'Fund' = 7110 (1 detail record)	\$2,550,000.00		\$2,550,000.00	\$0.00	0
	Summary for 'Department' = FINANCE (28 detail records)	\$8,760,714.00		\$4,741,379.00	\$2,660,747.00	63
	Department Total	\$8,760,714.00		\$4,741,379.00	\$2,660,747.00	63
	Grand Total					

Inventory Purchasing

Summary for 'Org' = 8311 (1 detail record)

Summary for 'Fund' = 7110 (1 detail record)

Summary for 'Department' = FINANCE (28 detail records)

Department Total

Grand Total



Description: Upgrade City's Financial System and Software Programs**Background:**

The City's current financial system allows for variety of processes as shown below:

- General ledger
- Cash management
- Accounts payable
- Fixed assets
- Inventory control
- Payroll functions
- Chart of accounts
- Job costs
- Procurement
- Standard Reports
- Budgeting
- Human Resources

The current system is outdated and cumbersome to use. A large percentage of staff avoid learning the system since it is not user friendly and is limited in its ability to create needed report information. An upgraded system would be Web based, with enhanced integration of information. It would allow for new interfaces, advanced analytical and reporting tools, as well as the ease of use by employees. It would also allow for Grant Management, Advanced Receivables, Investment Management, Cost Allocation and Debt Management, as well as enhanced Human Resources reporting and payroll/timesheet functions.

Currently, the City has no mechanism in place to accumulate funding to pay for large system upgrades or replacements. Such systems cost millions and take time to implement, so long-term planning is essential. Doing nothing would continue to expose the City to risks, costs and inefficiencies and will continue to worsen, as our current systems become more outdated. With no additional staff as well as the possibility of a reduction in staff, improved technology should be on the City's highest priority list. For more detailed information, please refer to Information Technology Department's section.

Customer Services Software Systems

In addition to the City's financial system, several smaller software systems within Customer Services should be upgraded:

- The expansion of the Interactive Voice Response (IVR) System would accept checks via the phone and immediately reflect those payments.
- The Click2Gov software has been on the table for several years and would allow utility customers to pay their bills and access their accounts online.
- New Citation Processing software would address its current deficiencies.
- An added H.T.E. module would allow staff to share service and work orders related to customer utility accounts (currently using two separate software programs).
- An upgrade to the Quadrant system would allow more customized reports and easier to learn for new employees. It would also be more compatible with the IBM format, which would be a benefit to our IT Department.
- Current Business License Program is very limited and has a variety of issues. The program has no canned reports and the report builder is not user friendly. Errors in payment posting can only be solved by creating a second program, which is time consuming and convoluted. Reports cannot be exported to Excel for easier manipulation and system support is always a chargeable service.

