



Finance Department

Finance provides a key service role to the City Council, the City Manager, all departments, and the public. The Department manages the City's financial operations in accordance with industry standards and established fiscal policies. Prudent fiscal stewardship, customer service, compliance, strategic planning, transparency and effective financial reporting are key elements of its mission.

The Finance Department is organized into six functional areas: (1) Accounting and Financial Reporting; (2) Budgeting and Contractual Bargaining Support; (3) Accounts Payable, Payroll, and Purchasing; (4) Revenue and Investment Portfolio Management; (5) Tax Compliance Audits and Advanced Debt Collection; and (6) Risk and Safety Management. Each division provides essential customer service and support to the City Council, the City Manager, all departments and the residents of Santa Cruz.

Core Services

- Acts as an adviser to the City Council, City Manager, and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Invests the City's idle cash in accordance with the Council approved Investment Policy to ensure that there is sufficient cash available to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and capital assets.
- Assists City Departments with the procurement of goods and services at competitive prices and in compliance with Federal and State laws and City ordinances.
- Issues payroll checks and benefits payments bi-weekly and files all the required Federal and State payroll tax withholding reports.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board (GASB).
- Develops and maintains the City's long-range financial forecast.
- Oversees the City's safety program.
- Prepares salary and benefit estimates for negotiations with the City's bargaining units.
- Collects and records all City revenues including property tax, sales tax, various service fees, utility users taxes, business licenses, franchise fees, transient occupancy taxes, and cannabis business taxes.
- Develops the annual Operating and Capital Improvement Budget and Capital Investment Program (CIP) on behalf of the City Manager. Projects revenues and expenditures; coordinates the preparation and publication of the Budget document; and makes the annual budget available through its transparency tool, OpenGov.
- Manages the City's and Successor Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Processes all the payments for goods and services timely and accurately.
- Manages all claims against the City and represents the City in small claims court.
- Periodically audit businesses for Transient Occupancy Tax (hotel tax), admission tax, and wharf lease revenues.
- Manages the administration of the City's self-insurance program, property insurance program, and develops/administers insurance specifications for City contracts.

Accomplishments and Goals

FY 2021 Accomplishments	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Participated in a multi-department effort to roll-out a digital payment portal known as MyCity for utility bills and business licenses.		X	X	X		X	
Launched an online reporting and payment option for cannabis business taxes and utility user taxes.		X	X	X		X	
Collaborated with City departments and FEMA to successfully submit the application for COVID-19 disaster reimbursement.				X		X	
Performed a comprehensive upgrade of Kronos, the City's payroll timekeeping system.				X			
Reviewed and updated all safety program policies, including COVID protocols.				X	X		
Created a Wildfire Smoke Protection Program.				X			
Reviewed and updated the City's Illness and Injury Prevention Program (IIPP).				X			
Re-designed the budget document to be more concise and consistent with Government Finance Officers Association (GFOA) recommended budget best practices.				X	X		
Streamlined the City's Budget Adjustment process to improve tracking and expedite approvals.				X			

FY 2022 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Update the City's Cost Allocation Plan, including citywide, facilities and fleet, and Santa Cruz Public Libraries.			X	X		X	
Evaluate the City's investment policy for additional diversification opportunities that are safe, community appropriate, and may provide higher yields.			X	X		X	
Update online Purchasing tutorials to improve access of training and information.				X			
Develop a new cost allocation formula for the City's self-insured liability program to ensure distribution across all departments reflects risk exposure.				X		X	
Update the Budget Adjustment Policy.				X			
Prepare Annual Financial Report that continues to meet the guidelines for the Government Finance Officers Association (GFOA) award for Certificate of Excellence in Financial Reporting.				X			
Prepare Budget document that meets the guidelines for the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.				X			

Workload Indicators and Performance Measures

Workload Indicators	Focus Area	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Estimate	FY 2022 Goal
Number of vendor invoices processed	Core Services	37,342	36,018	22,698	37,500	37,500
Number of purchase orders issued	Core Services	1,678	1,392	1,660	1,700	1,700
Number of liability claims processed	Core Services	79	75	75	76	75
Number of Transient Occupancy tax audits completed	Pursuit of All Funding Sources	19	27	40	37	40

Performance Measures	Focus Area	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Estimate	FY 2022 Goal
Accounts payable checks issued with no errors	Core Services	n/a	n/a	n/a	n/a	100%
Certificate of Achievement for Excellence in Financial Reporting received for Annual Financial Report received	Core Services	yes	yes	yes	yes	yes
Distinguished Budget Presentation Award received	Core Services	yes	yes	yes	yes	yes
Percent of tort claims resolved in 180 days	Core Services	99%	93%	95%	96%	96%
Percent of General Fund reserve goal achieved	Core Services	118%	89%	100%	100%	100%

Budget Summary - Finance

	Fiscal Year* 2020 Actuals	Fiscal Year 2021			Fiscal Year 2022 Adopted
		Adopted Budget	Amended* Budget	Year-End Estimate	
EXPENDITURES BY CHARACTER:					
Personnel Services	3,393,203	3,857,896	3,857,896	2,934,024	4,152,053
Services, Supplies, and Other Charges	3,480,277	5,008,324	5,548,037	5,363,349	5,742,024
Capital Outlay	9,961	15,000	32,783	26,890	-
Total Expenditures	<u>6,883,442</u>	<u>8,881,220</u>	<u>9,438,716</u>	<u>8,324,263</u>	<u>9,894,077</u>
EXPENDITURES BY ACTIVITY:					
Finance	1241 3,375,400	3,965,410	4,099,146	3,250,266	4,126,849
Subtotal General Fund	3,375,400	3,965,410	4,099,146	3,250,266	4,126,849
Liability Insurance	7821 3,508,042	4,915,810	5,339,570	5,073,996	5,767,228
Subtotal Other Funds	3,508,042	4,915,810	5,339,570	5,073,996	5,767,228
Total Expenditures	<u>6,883,442</u>	<u>8,881,220</u>	<u>9,438,716</u>	<u>8,324,263</u>	<u>9,894,077</u>
RESOURCES BY FUND					
General Fund	101 1,231,817	1,267,324	1,267,324	1,304,630	1,281,265
Liability Insurance	842 4,691,726	3,958,000	3,958,000	3,875,000	4,554,285
Total Resources	<u>5,923,543</u>	<u>5,225,324</u>	<u>5,225,324</u>	<u>5,179,630</u>	<u>5,835,550</u>
Net General Fund Cost	<u>(2,143,583)</u>	<u>(2,698,086)</u>	<u>(2,831,822)</u>	<u>(1,945,636)</u>	<u>(2,845,584)</u>
	FY 2020			FY 2021	FY 2022
TOTAL AUTHORIZED PERSONNEL:	<u>32.00</u>			<u>30.00</u>	<u>30.00</u>

*Sums may have discrepancies due to rounding

Staffing

Positions	2018-19 Revised*	2019-20 Revised*	2020-21 Revised*	2021-22 Adopted	FY 2021 Change
Accountant I/II	4.00	5.00	4.00	4.00	-
Accounting Assistant I	-	-	-	-	-
Accounting Assistant II	5.00	5.00	4.00	4.00	-
Accounting Services Supervisor	2.00	1.00	1.00	1.00	-
Accounting Technician	3.00	3.00	3.00	3.00	-
Administrative Assistant III	2.00	1.00	2.00	2.00	-
Assistant Director of Finance	1.00	1.00	1.00	1.00	-
Buyer I/II	1.00	1.00	1.00	1.00	-
Director of Finance	1.00	1.00	1.00	1.00	-
Finance Manager	1.00	1.00	3.00	3.00	-
Management Analyst	1.00	1.00	-	-	-
Payroll Technician	2.00	2.00	2.00	2.00	-
Principal Management Analyst	3.00	3.00	3.00	3.00	-
Purchasing Assistant	1.00	1.00	1.00	1.00	-
Purchasing Manager	1.00	1.00	-	-	-
Revenue Collections Specialist	1.00	1.00	1.00	1.00	-
Risk and Safety Manager	1.00	1.00	1.00	1.00	-
Senior Accountant	2.00	2.00	1.00	1.00	-
Senior Payments Technician	-	1.00	1.00	1.00	-
Total	32.00	32.00	30.00	30.00	-

*Revised salary authorizations are Adopted staffing plus any Mid-year adjustments

Organization Chart

