



Finance Department

Finance provides key services 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 and Payroll; (4) Revenue, Treasury, and Tax Compliance Auditing; (5) Risk and Safety Management; and (6) Purchasing. 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.
- 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 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.
- Audits business owners and operators for compliance with City tax ordinances (i.e. transient occupancy tax, cannabis business tax, admission tax).
- 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 2022 Accomplishments	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Worked with Council Budget and Revenue Ad Hoc Committee to get sales tax measure approved for voter consideration on the June 2022 ballot.			X	X		X	
Restructured allocation of pooled investments by shifting \$30M into higher yielding government agency bonds.			X	X		X	
Launched an online reporting and payment option for admission taxes.		X	X	X		X	
Established a Bond Committee which focused on meeting disclosure requirements.			X	X			
Established and implemented an emergency payroll processing protocol.			X	X			
Developed a new account structure to better track resources and uses related to homelessness.				X			
Added reviewed and updated all safety program policies, including COVID protocols.				X	X		
Implemented a new Risk Management software for claims and incident tracking.			X	X			
In collaboration with the City Manager's Office, implemented Phase I of creating equity in budgeting.			X	X	X		
Updated the Budget Adjustment policy and internal process to expedite approvals and improve communication.			X	X			

FY 2023 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Implement the City's Cost Allocation Plan, including citywide, facilities and fleet, and Santa Cruz Public Libraries.			X	X		X	
Implement GASB 87 for proper recognition of lease assets and lease liabilities.			X	X			
Launch comprehensive study of citywide fees and identify opportunities to achieve full cost recovery.			X	X		X	
Accelerate audits of short-term vacation rentals.			X	X		X	
Implement recommendations from Procurement Assessment, including establishing a purchasing taskforce.				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	
Improve vendor payment cycle by implementing a weekly check run.			X	X			
Implement Phase II of creating equity in budgeting.				X	X		
Deliver a transparent and sustainable homelessness response budget.							
Develop a Long Range Financial Plan for the City that addresses short and long-term financial sustainability goals.			X	X		X	
Improve Capital Investment Program financial reporting, including creating project fact sheets, and operational budget impact analysis.			X	X			

Workload Indicators and Performance Measures

Workload Indicators	Focus Area	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Goal
Number of vendor invoices processed	Core Services	37,342	36,018	31,956	34,484	34,500
Number of purchase orders issued	Core Services	1,678	1,392	1,413	1,486	1,490
Number of liability claims processed	Core Services	79	75	72	65	75
Number of Transient Occupancy tax audits completed	Pursuit of All Funding Sources	19	27	42	21	40

Performance Measures	Focus Area	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Goal
Payroll Federal and State withholding reports filed on time	Core Services	Yes	Yes	Yes	Yes	Yes
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%	97%	96%	96%
Percent of General Fund reserve goal achieved	Core Services	118%	89%	108%	99%	100%

Budget Summary - Finance

	Fiscal Year* 2021 Actuals	Fiscal Year 2022			Fiscal Year 2023 Adopted
		Adopted Budget	Amended* Budget	Year-End Estimate	
EXPENDITURES BY CHARACTER:					
Personnel Services	3,136,409	4,152,053	4,008,053	3,150,161	4,295,645
Services, Supplies, and Other Charges	8,535,085	5,742,024	6,991,391	6,241,424	7,084,722
Capital Outlay	46,822	-	-	80,000	-
Total Expenditures	<u>11,718,316</u>	<u>9,894,077</u>	<u>10,999,444</u>	<u>9,471,585</u>	<u>11,380,367</u>
EXPENDITURES BY ACTIVITY:					
Finance	1241 3,315,598	4,126,849	4,741,406	3,560,588	4,554,002
Subtotal General Fund	<u>3,315,598</u>	<u>4,126,849</u>	<u>4,741,406</u>	<u>3,560,588</u>	<u>4,554,002</u>
Finance	1241 3,688,910	-	-	-	-
Subtotal Other General Funds	<u>3,688,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liability Insurance	7821 4,713,807	5,767,228	6,258,038	5,910,997	6,826,365
Subtotal Other Funds	<u>4,713,807</u>	<u>5,767,228</u>	<u>6,258,038</u>	<u>5,910,997</u>	<u>6,826,365</u>
Total Expenditures	<u>11,718,316</u>	<u>9,894,077</u>	<u>10,999,444</u>	<u>9,471,585</u>	<u>11,380,367</u>
RESOURCES BY FUND					
General Fund	101 1,304,390	1,281,265	1,281,265	1,281,265	1,329,953
Liability Insurance	842 3,963,858	4,554,285	4,554,285	4,554,285	4,554,285
Total Resources	<u>5,268,248</u>	<u>5,835,550</u>	<u>5,835,550</u>	<u>5,835,550</u>	<u>5,884,238</u>
Net General Fund Cost	<u>(2,011,208)</u>	<u>(2,845,584)</u>	<u>(3,460,141)</u>	<u>(2,279,323)</u>	<u>(3,224,049)</u>
	FY 2021			FY 2022	FY 2023
TOTAL AUTHORIZED PERSONNEL:	<u>30.00</u>			<u>29.00</u>	<u>29.00</u>

*Sums may have discrepancies due to rounding

Staffing

Positions	2019-20 Revised*	2020-21 Revised*	2021-22 Revised*	2022-23 Adopted	FY 2023 Change
Accountant I/II	5.00	4.00	4.00	4.00	-
Accounting Assistant II	5.00	4.00	4.00	4.00	-
Accounting Svcs Supervisor	1.00	1.00	1.00	1.00	-
Accounting Technician	3.00	3.00	2.00	2.00	-
Administrative Assistant III	1.00	2.00	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	3.00	3.00	3.00	3.00	-
Management Analyst	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	-	-	-
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	1.00	1.00	1.00	1.00	-
Senior Payments Technician	1.00	1.00	1.00	1.00	-
	32.00	30.00	29.00	29.00	-

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

Organization Chart

