



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: Accounting and Financial Reporting; Budgeting and Contractual Bargaining Support; Accounts Payable and Payroll; Revenue, Treasury, and Tax Compliance Auditing; Risk and Safety Management; and 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 advisor 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.
- Develops and maintains the City's long-range financial forecast.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board.
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and capital assets.
- 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.
- Assists City departments with the procurement of goods and services at competitive prices and in compliance with federal and state laws and City ordinances.
- Processes all payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly and files all the required Federal and State payroll tax withholding reports.
- Manages the administration of the City's self-insurance program, property insurance program, and develops and administers insurance specifications for City contracts.
- Prepares salary and benefit estimates for negotiations with the City's bargaining units.
- Oversees the City's safety program.
- 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. Oversees updates to the citywide Master Fee Schedule.
- 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.
- Develops and manages the Cost Allocation Plan and Internal Service Funds allocations.
- 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.
- 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).

Accomplishments and Goals

FY 2023 Accomplishments	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Initiated development of citywide long-range financial plan and fiscal outlook model			X	X		X	
Reached department Climate Action Plan milestones			X	X	X		X
Implemented voter-approved increases to the transient occupancy tax rates for both commercial and residential short-term rental properties			X	X		X	
Continued reinvestment of pooled cash into higher yielding government agency bonds			X	X		X	
Supported the council Budget and Revenue Ad Hoc Committee and City Manager’s Office in researching multiple tax measures for voter consideration			X	X		X	
Improved vendor payment cycle by implementing a weekly check run			X	X			
Accelerated audits of short-term vacation rentals			X	X		X	
Completed RFP for citywide financial auditing services			X	X			
Implemented GASB 87 for proper recognition of lease assets and lease liabilities			X	X			
Updated the City’s Cost Allocation Plan			X	X		X	
Earned the Governmental Finance Officers’ Association (GFOA) Award of Financial Reporting Achievement (AFRA)			X				
Earned the Distinguished Budget Presentation Award from the GFOA			X	X			
Participated in EOC activation and led the Finance and Procurement units	X		X	X		X	
Updated the City’s competitive solicitation templates to encourage open competition for City contracts				X			

<p>FY 2023 Accomplishments (continued)</p>	<p>Infrastructure</p>	<p>DT & Other Business Sectors</p>	<p>Fiscal Sustainability</p>	<p>Core Services</p>	<p>Equity, Health & Well- Being, Sustainability</p>	<p>New & Improved Funding Sources</p>	<p>Green Economy</p>
<p>Created a solicitation file framework to drive standardization among citywide department procurement files</p>				<p>X</p>			
<p>Created an updated electronic credit card manual to provide guidance on credit card policies and procedures and usage and encourage compliance</p>				<p>X</p>			
<p>Implemented a new cost allocation formula for the City's self-insured liability program</p>				<p>X</p>		<p>X</p>	
<p>Improved the Capital Investment Program financial reporting by creating project fact sheets and operational budget impact analysis</p>			<p>X</p>	<p>X</p>			



FY 2024 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Complete long-range financial plan and begin implementation of adopted plan			X	X		X	
Facilitate selection and preparation of a new accounting software ERP solution				X			
Continue achieving Climate Action Plan goals and milestones			X	X	X		X
Continue reviewing and revising finance policies and training guides			X	X			
Support comprehensive study of citywide fees and identify opportunities to achieve fuller cost recovery			X	X		X	
Collaborate on implementation of Land Management ERP			X	X		X	
Implement GASB 91 to provide a single method of reporting conduit debt obligations, GASB 94 to improve reporting on public-private and public-public partnerships and arrangements, and GASB 96 for proper recognition of subscription-based IT arrangements as liabilities			X	X			
Support the migration to new timekeeping software			X	X			
Facilitate document management of FEMA records and reimbursement	X		X	X		X	
Upgrade fraud protection and ACH protocols			X	X			X
Develop and implement internal procurement training series to educate on best practices and integrate into new-employee orientation				X			
Develop a cooperative procurement strategy				X			
Review and update safety programs			X		X		
Reduce citywide safety accidents and incidents			X		X		
Implement Phase II of creating equity in budgeting				X	X		

FY 2024 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Implement an e-procurement solution to ensure institutional resiliency, efficiency in the solicitation process, and up-to-date contract terms, and to provide organized vendor communication, document management, and support for department staff			X	X			
Develop a budget monitoring policy			X	X			



Workload Indicators and Performance Measures

Workload Indicators	Focus Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Goal
Number of vendor invoices processed	Core Services	36,018	31,956	34,051	34,008	33,338
Number of purchase orders issued	Core Services	1,392	1,413	1,419	1,350	1,350
Number of Journal Entries	Core Services	43,401	40,938	37,890	48,427	43,158
Number of liability claims processed	Core Services	75	72	43	70	70
Number of Transient Occupancy tax audits completed	Pursuit of All Funding Sources	27	42	26	35	30

Performance Measures	Focus Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 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	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	93%	97%	97%	98%	98%

Budget Summary - Finance

		Fiscal Year*	Fiscal Year 2023			Fiscal Year
		2022 Actuals	Adopted Budget	Amended* Budget	Year-End Estimate	2024 Adopted
EXPENDITURES BY CHARACTER:						
Personnel Services		3,293,264	4,295,645	4,295,645	3,670,562	3,979,878
Services, Supplies, and Other Charges		7,154,261	7,084,722	10,831,408	6,913,772	8,419,322
Capital Outlay		35,248	-	503,016	271,000	-
Total Expenditures		<u>10,482,772</u>	<u>11,380,367</u>	<u>15,630,069</u>	<u>10,855,334</u>	<u>12,399,200</u>
EXPENDITURES BY ACTIVITY:						
Finance	1241	<u>3,618,534</u>	<u>4,554,002</u>	<u>5,191,375</u>	<u>4,386,218</u>	<u>4,391,501</u>
Subtotal General Fund		3,618,534	4,554,002	5,191,375	4,386,218	4,391,501
Finance	1241	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
Subtotal Other General Funds		-	-	60,000	-	-
Liability Insurance	7821	<u>6,864,238</u>	<u>6,826,365</u>	<u>10,378,694</u>	<u>6,469,116</u>	<u>8,007,699</u>
Subtotal Other Funds		6,864,238	6,826,365	10,378,694	6,469,116	8,007,699
Total Expenditures		<u>10,482,772</u>	<u>11,380,367</u>	<u>15,630,069</u>	<u>10,855,334</u>	<u>12,399,200</u>
RESOURCES BY FUND :						
General Fund	101	<u>1,281,771</u>	<u>1,329,953</u>	<u>1,329,953</u>	<u>1,329,953</u>	<u>3,981,846</u>
Liability Insurance	842	<u>4,554,285</u>	<u>4,554,285</u>	<u>4,554,285</u>	<u>4,554,285</u>	<u>8,088,253</u>
Total Resources		5,836,056	5,884,238	5,884,238	5,884,238	12,070,099
Net General Fund Cost		<u>(2,370,948)</u>	<u>(3,224,049)</u>	<u>(3,861,422)</u>	<u>(3,056,265)</u>	<u>(409,655)</u>
		FY 2022			FY 2023	FY 2024
TOTAL AUTHORIZED PERSONNEL:		<u>29.00</u>			<u>29.00</u>	<u>31.00</u>

*Sums may have discrepancies due to rounding

Staffing

Positions	2020-21 Revised*	2021-22 Revised*	2022-23 Revised*	2023-24 Adopted	FY 2024 Change
Accountant I/II	4.00	4.00	4.00	4.00	-
Accounting Assistant II	4.00	4.00	4.00	4.00	-
Accounting Svcs Supervisor	1.00	1.00	1.00	1.00	-
Accounting Technician	3.00	2.00	2.00	4.00	2.00
Administrative Assistant III	2.00	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	2.00	1.00
Director of Finance	1.00	1.00	1.00	1.00	-
Finance Manager	3.00	3.00	3.00	2.00	(1.00)
Management Analyst	-	-	-	1.00	1.00
Payroll Technician	2.00	2.00	2.00	2.00	-
Principal Management Analyst	3.00	3.00	1.00	1.00	-
Purchasing Assistant	1.00	-	-	-	-
Purchasing Manager	-	1.00	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	-
Safety Officer	-	-	1.00	1.00	-
Senior Accountant	1.00	1.00	2.00	1.00	-
Senior Payments Technician	1.00	1.00	1.00	-	(1.00)
	30.00	29.00	29.00	31.00	2.00

*Revised salary authorizations are adopted staffing plus any mid-year adjustments

Organization Chart

