



# City of Palo Alto

## City Council Staff Report

(ID # 11208)

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**Report Type: Consent Calendar**

**Meeting Date: 3/23/2020**

**Council Priority: Fiscal Sustainability**

**Summary Title: FY 2021 Proposed Operating and Capital Budget Preparation**

**Title: Direction to Staff on Preparation of the Fiscal Year 2021 Proposed Operating and Capital Budgets**

**From: City Manager**

**Lead Department: Administrative Services**

### **Recommendation**

Staff recommends that the City Council approve the development and subsequent issuance of an essential budget document for the FY 2021 Proposed Operating and Capital Budgets.

### **Discussion**

The disruptions caused by COVID-19 are both widespread and significant. The disruptions impact not only the economic environment, as seen in the recent performance of various markets, but also our community, as seen in impacts on residents, local businesses, and our workforce. The City is faced with an unprecedented challenge of minimizing the risk to our community while ensuring that crucial services continue uninterrupted. Our workforce is rising to the challenge, leveraging technology solutions to ensure that they can continue to work on critical tasks, even while sheltering-in-place.

However, there is a clear need to prioritize the work of staff as we continue through these uncertain times. Therefore, it is recommended that the City Council approve the development and subsequent issuance of only an essential budget document for the FY 2021 Proposed Operating and Capital Budgets. The essential budget document will reflect significantly less information and documentation that the City Council and public are used to for this proposed document. Many of the narrative items that appear throughout the documents, such as accomplishments and initiatives from Departments, will not be included in the issuance of the essential FY 2021 Proposed Operating and Capital Budget Documents.

The budget will effectively be a carryover budget. This will in large part express the cost of current service levels recalculated to FY 2021 rates and limited additional adjustments. This includes the progression through years of CPI in contract services that have increases built into

them, updated labor costs per our negotiated agreements, and other known changes to current revenues and expenses. As a result of the uncertainties we face, it is expected that this proposed budget will reflect only critical changes to service delivery that are known and quantifiable. In the FY 2021 Proposed Capital Book, only critical changes for projects will be shown.

- Attachment A shows, as an example, what the Administrative Services Department section of the Operating Budget would look like if it was presented as it has been in prior years.
- Attachment B shows a redlined version of that section to show what staff is recommending be omitted from an essential version of the FY 2021 Proposed Operating Budget.
- Attachment C shows what the essential version of the department section would look like.

Narrowing the budget down to its core components will focus staff's work effort and ensure that the budget document is able to be produced and distributed according to the schedule necessary to have City Council approve it by June 30, 2020, including presenting the essential Proposed Budgets in May. This does mean that there will likely be more substantive changes to the FY 2021 Budget after it is proposed than there have been in years' past. This reflects the heightened uncertainty we now face. As that uncertainty is resolved, staff will return to City Council with recommended actions to address changes and allocate resources as appropriate and necessary.

The essential FY 2021 Proposed Operating and Capital Budgets will still be instrumental in helping the City plan its operations, resource allocations, and service delivery levels for FY 2021. Narrowing the focus to these essential items is anticipated to allow greater time from the workforce to be spent on other critical and immediate issues.

### **Stakeholder Engagement**

Conversations with the Finance Committee and the City Council throughout May and June prior to the adoption of the FY 2021 Operating and Capital Budgets allow for public participation in the annual budget process.

### **Resource Impact**

Although there is no specific cost associated with the recommendation in this report, it is anticipated that narrowing the focus of the budget document to essential pieces of information will allow for greater resources (specifically staff time) to be spent on other critical urgent matters.

### **Environmental Review**

This report is not a project for the purposes of the California Environmental Quality Act (CEQA).

**Attachments:**

- Attachment A - ASD Department Section Original
- Attachment B - ASD Department Section Red-Lined
- Attachment C - ASD Department Section Essential Version

# ADMINISTRATIVE SERVICES

## Mission Statement



The Administrative Services Department strives to provide proactive financial and analytical support to City departments and decision-makers and to safeguard and facilitate the optimal use of City resources.

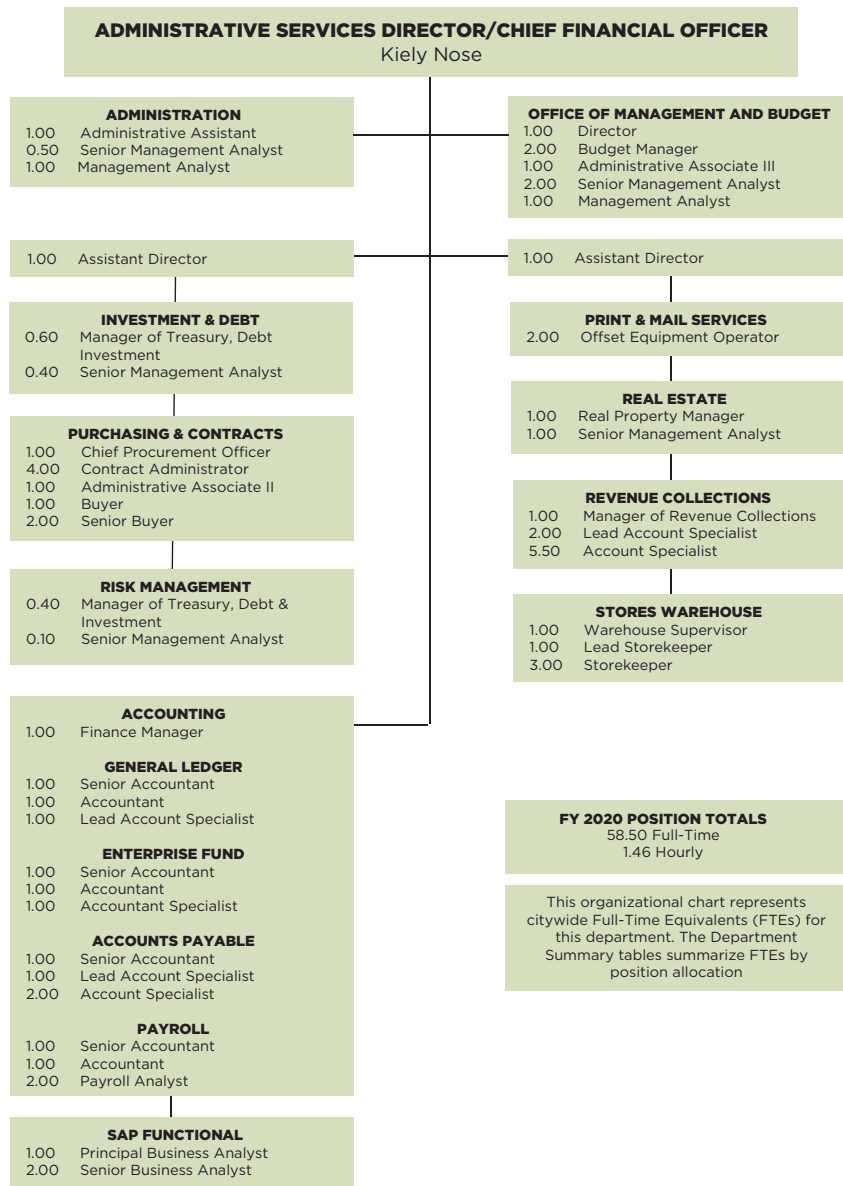
## Purpose



The purpose of the Administrative Services Department is to provide excellent customer service to decision-makers, the public, employees, and City departments; provide analytical, organizational, and administrative support for a wide variety

of projects; record, monitor, and protect City assets in a responsible manner; provide essential financial management and forecasting reports; and prepare and present financial reporting to various committees and City Council.

# ADMINISTRATIVE SERVICES



## Description

The Administrative Services Department (ASD) is responsible for the following functions:

### ADMINISTRATION

Provides financial, analytical, budget, strategic, and administrative support services for the department and organization.

### ACCOUNTING

Performs financial transactions and provides accurate, timely, and reliable financial information for internal and external customers, including vendor payments, payroll, and financial reporting.

### PURCHASING AND CONTRACTS

Facilitates negotiations, purchasing, and contracting needs in a timely, efficient, and customer-oriented manner.

### OFFICE OF MANAGEMENT AND BUDGET (OMB)

Oversees the citywide operating and capital budget preparation, review, and analysis, performance measures, and budget monitoring. In addition, prepares the long-range financial forecast and provides independent analytical support to the organization.

### PROPERTY MANAGEMENT AND ACQUISITION

Provides asset management, acquires property rights, manages leasing of City properties, prepares real estate agreements, completes easement acquisitions/vacations, negotiates real estate deals, and provides real estate services citywide.

### TREASURY AND REVENUE COLLECTIONS

Treasury safeguards and invests the City's portfolio, forecasts major General Fund tax revenues, issues and manages debt, and performs Utility Risk Management oversight. Revenue Collections collects payment revenue and provides customer support for parking permits and payment transactions. Provides print shop services to departments and warehouse services, including logistics, for the City's Electric, Water, Gas, and Wastewater Utilities, as well as for Public Works and the Regional Water Quality Control Plant.

## Accomplishments

- Maintained the City's AAA credit rating, which results in the lowest possible borrowing costs; confirmed in the most recent rating by Standard and Poors in February 2019.
- Addressed City Council request to identify a strategy for ongoing contributions for retirement costs through immediate action and a strategic action work plan. Immediate action was completed with the additional \$4.0 million contribution to the City's Pension 115 Trust account. For the strategic action work plan, OMB has been managing and completing a services inventory to aid in structural changes in the long-term financial picture.

## ADMINISTRATIVE SERVICES

- Drafted and supported a work plan to address the City Council 2019 priority 'Fiscal Sustainability', approved by the Finance Committee in March 2019.
- Issued \$26.8 million in tax-exempt and \$10.6 million in taxable Certificate of Participation bonds for the construction of the California Avenue Parking Garage, which is a key step in the completion of the 2014 Council Infrastructure Plan and a critical project in the ability to deliver the new Public Safety Building.
- Managed the City's real estate leases resulting in revenue of approximately \$4.0 million.
- Began negotiations for real estate transactions including the potential purchase of a 27,829 square foot portion of 3350 Birch Street.
- Entered into a new license agreement to renovate and manage/operate the City Hall Café at 250 Hamilton Avenue.
- Explored and identified options for City Council to calculate the long-term unfunded liabilities for pension. Facilitated the analysis for the change in pension assumptions to a 6.2% discount rate for the normal cost of pension expense. Continued to advance funds to the Pension Section 115 Trust with approximately \$13.5 million in deposits by the end of Fiscal Year 2019.
- Completed 20 easements and easement vacations.
- Consolidated the utility bill print printers with the citywide contract for copy machines resulting in increased efficiency for the utility bill print function.
- Participated in citywide emergency preparation and planning to ensure that financial tracking and reporting will be part of a coordinated emergency response effort.
- Implemented department-wide, technology-focused, core competency training such as: SAP module specific training for support resources and SAP reporting training in the Human Resources and Payroll modules.
- Worked to streamline and automate accounts payable automated clearing house (ACH) implementation and Treasury wires between software systems.
- Received an award in the Accounting Division for the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2018 from the Government Finance Officer Associations of United States and Canada (GFOA) for "excellence in financial reporting".
- Received California Society of Municipal Finance Officers (CSMFO) and GFOA awards in the Office of Management and Budget (OMB) for the Fiscal Year 2019 Adopted CIP and Operating budgets.
- Addressed audit finding in regards to P-card administration through the implementation of a formal review and submittal authorization for increasing P-card limits.

## Initiatives

- Continue implementation of the ASD strategic plan in four focus areas: 1) High-quality customer service, 2) Innovation and continuous improvement, 3) Best practices, and 4) Employee excellence, including customer support resources in purchasing, payroll, and accounting and implementation of electronic forms.

- Maintain employee excellence by focusing on employee rating form, training plans, and specific goals of improving customer service and responsiveness.
- Work to implement citywide procurement process training and education to improve efficiency and align with industry best practices and ensure the changing workforce is equipped to handle their procurement needs in an expeditious fashion. Communicate established purchasing policies, processes, and requirements.
- Implement department-wide, technology-focused, core competency training such as SAP module specific training for day-to-day business operations in departments and SAP reporting training in the Human Resources and Payroll modules.
- Collaborate and facilitate the implementation of a new online parking permit management system in a phased approach, beginning with residential parking permit programs.
- Continue to work to implement or manage the components of the Fiscal Sustainability work plan.
- Continue financial support for emergency preparation for federal financial reporting after a disaster in conjunction with the Office of Emergency Services.
- Work to implement the paperless office program, currently in the Purchasing Division, for the Accounting and Real Estate divisions.
- Support the citywide effort to upgrade the Enterprise Resource Planning (ERP) system.
- Explore and provide options for the acquisition of the Media Center property at 900 San Antonio Road on behalf of the Cable Joint Powers Agency (JPA) using PEG (Public, Education, and Government) fee revenue for the Cable JPA and City Council review.
- Support the Cubberley strategic planning efforts and necessary financial analysis with the community and Palo Alto Unified School District (PAUSD).
- Establish a new option and lease agreement with the Palo Alto History Museum for the Roth Building at 300 Homer Avenue.



# ADMINISTRATIVE SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Fund</b>						
General Fund-Operating	7,378,820	7,680,331	8,028,509	8,519,330	490,822	6.1%
Printing & Mailing Services Fund	1,364,905	1,644,249	1,481,584	1,730,856	249,272	16.8%
<b>Total</b>	<b>8,743,725</b>	<b>9,324,580</b>	<b>9,510,092</b>	<b>10,250,186</b>	<b>740,094</b>	<b>7.8%</b>
<b>Revenues</b>						
Charges for Services	4,647	13,890	12,570	187,673	175,103	1,393.0%
Charges to Other Funds	3,742,337	4,090,745	3,335,030	3,186,802	(148,228)	(4.4)%
Other Revenue	144,894	145,266	171,400	171,400	—	—%
Return on Investments	(140)	(1,100)	400	2,300	1,900	475.0%
<b>Total Revenues</b>	<b>3,891,737</b>	<b>4,248,801</b>	<b>3,519,400</b>	<b>3,548,175</b>	<b>28,776</b>	<b>0.8%</b>
<b>Positions by Fund</b>						
General Fund	41.50	40.06	39.61	40.61	1.00	2.52%
Printing and Mailing Services	2.10	2.10	2.10	2.10	—	—%
<b>Total</b>	<b>43.60</b>	<b>42.16</b>	<b>41.71</b>	<b>42.71</b>	<b>1.00</b>	<b>2.40%</b>

# GENERAL FUND

## Goals and Objectives

### GOAL 1

- Ensure the City of Palo Alto's short and long-term financial status is healthy and sound.

#### Objectives:

- Assist with implementation of City Council's 2014 Infrastructure Plan by providing updated financial planning and issuance of debt.
- Review opportunities for new and/or enhanced revenues.
- Analyze additional options for reducing the City's pension and retiree healthcare long-term liabilities.
- Provide long-term recommendations and strategies for the City's real estate assets such as Cubberley, Ventura, and Middlefield Road lots.
- Manage real estate assets effectively to enhance revenue and reduce cost.
- Recommend a strategically balanced budget, maintaining City Council-approved reserve levels, for City Council consideration.
- Assist with ongoing labor negotiations with analysis of labor and City proposals.
- Develop plans for addressing any forecast shortfalls in funding for operations and infrastructure.
- Provide bond financing of major capital projects such as the Wastewater Treatment facility replacements, Public Safety Building, etc.

### GOAL 2

- Provide timely and accurate financial reporting and transactions.

#### Objectives:

- Ensure that payroll processing, vendor payments, budget, and annual financial reporting are clear, timely, accurate, and in compliance with governmental finance standards.
- Enhance financial reporting mechanisms to ensure that departmental financial information is relevant and timely; look for opportunities to improve reporting as part of technology implementation upgrades.
- Increase information availability and transparency using open data tools and dashboards.
- Implement complex new labor agreements including new benefit structures, ensuring timely and accurate payments to employees and governing bodies such as the federal government and CalPERS.

### GOAL 3

- Ensure public funds and assets are invested prudently and are well-managed.

# ADMINISTRATIVE SERVICES

## Objectives:

- Ensure sufficient cash is always available to meet current expenditures.
- Maintain a reasonable rate of return on investments.
- Invest in sound Environmental, Social, and Governance (ESG) securities, which include green and sustainable bonds, when available and appropriate, in alignment with recently approved changes to the investment policy.

## GOAL 4

- Continue implementation of the ASD Strategic Plan in the focus areas of customer service, innovation, best practices, and employee excellence.

## Objectives:

- Continue implementing a succession plan for the department.
- Review ASD policies and procedures to continuously update, enhance, and streamline.
- Roll out training and resources for customer support to improve processing time.
- Enhance training plans for employees for job specific training and career development.
- Implement new tools for team collaboration and sharing, such as Office 365 and SharePoint.

## Key Performance Measures

### ANNUAL PERCENTAGE YIELD ON INVESTMENTS

<b>Goal</b>	Ensure public funds and assets are invested prudently and are well-managed.				
<b>Objective</b>	Maintain a reasonable rate of return on investments.				
	<b>FY 2017 Actuals</b>	<b>FY 2018 Actuals</b>	<b>FY 2019 Adopted</b>	<b>FY 2019 Estimated</b>	<b>FY 2020 Adopted</b>
Annual percentage yield on investments	1.82%	2.16%	2.15%	2.31%	2.40%
<b>Description</b>	This measure tracks the City's annual rate of return on investments while following primary objectives (in priority order) of safety, liquidity, and yield.				
<b>Purpose</b>	A stable rate of return helps to grow the City's investment portfolio and is one component in measuring the City's financial rating.				
<b>Status</b>	As anticipated with a rising interest rate environment, the City's adopted goal of 2.15% is estimated to be achieved in FY 2019. In comparison, the State Investment Pool average yield for FY 2018 was 1.36%.				

## AVERAGE PROCESSING TIME FOR PURCHASE REQUISITIONS

<b>Goal</b>	Implement performance management programs to support and enhance communication, accountability, and positive outcomes.				
<b>Objective</b>	Continue developing and implementing Procurement and Inventory process improvements.				
	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted	FY 2019 Estimated	FY 2020 Adopted
Average time from receipt of a Purchase Requisition to issuance of Purchase Order (Days)	22	26	22	25	25
<b>Description</b>	The City is required to follow procurement rules and regulations as outlined in the Municipal Code and State Law to ensure open and fair competition and the most cost-effective use of tax dollars. In compliance with existing rules and regulations, ASD endeavors to provide goods and services as quickly as possible to City departments.				
<b>Purpose</b>	To measure the average processing time for Purchase Requisitions (PR) in order to identify processing improvements while being compliant with existing rules and regulations.				
<b>Status</b>	The Purchasing Division has maintained efficiency with the use of e-Procurement software that was implemented in FY 2016. Staff anticipates an increase in larger, more complex PRs in FY 2020 due to the volume of capital improvement projects planned over the next several years. This influx of capital projects will result in an increase in estimated cycle time. Over the next year, the Purchasing Division will continue to work with City stakeholders to meet business needs in a timely manner despite this uptick in complex procurements.				

## Workload Measures

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted	FY 2019 Estimated	FY 2020 Adopted
Number of P-card (City credit card) transactions	19,087	19,230	19,100	17,500	18,000
Number of Purchase Orders and Purchase Requisitions processed <sup>1</sup>	1,509	1,455	2,400	1,400	1,500
Total amount of cash and investments - as of June 30 (Millions)	\$532.1	\$526.0	\$540.0	\$523.0	\$530.0

<sup>1</sup>The Administrative Services Department has refined the methodology for reporting this Workload Measure to more accurately reflect the volume of work performed. As such these numbers differ slightly from previously reported numbers.

# ADMINISTRATIVE SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Division</b>						
Accounting	2,043,348	2,154,241	2,313,999	2,517,142	203,143	8.8%
Administration	700,131	701,429	502,573	362,163	(140,410)	(27.9)%
Office of Management and Budget	1,019,241	1,471,554	1,427,663	1,515,138	87,475	6.1%
Purchasing	1,439,096	1,561,940	1,609,770	1,719,881	110,110	6.8%
Real Estate	862,337	567,478	651,916	682,402	30,486	4.7%
Treasury	1,314,666	1,223,689	1,522,588	1,722,605	200,017	13.1%
<b>Total</b>	<b>7,378,820</b>	<b>7,680,331</b>	<b>8,028,509</b>	<b>8,519,330</b>	<b>490,822</b>	<b>6.1%</b>
<b>Dollars by Category</b>						
<b>Salary &amp; Benefits</b>						
Healthcare	613,176	659,957	720,469	786,754	66,285	9.2%
Other Benefits	121,110	164,532	163,209	169,450	6,241	3.8%
Overtime	21,488	23,104	34,599	35,499	900	2.6%
Pension	1,019,697	1,185,868	1,266,442	1,661,345	394,903	31.2%
Retiree Medical	536,733	564,670	473,449	487,653	14,203	3.0%
Salary	3,841,677	4,146,162	4,257,849	4,198,750	(59,098)	(1.4)%
Workers' Compensation	20,338	39,412	108,269	171,647	63,377	58.5%
<b>Total Salary &amp; Benefits</b>	<b>6,174,219</b>	<b>6,783,704</b>	<b>7,024,287</b>	<b>7,511,098</b>	<b>486,811</b>	<b>6.9%</b>
Allocated Charges	364,415	405,529	443,050	461,207	18,157	4.1%
Contract Services	323,681	304,787	238,148	288,148	50,000	21.0%
Facilities & Equipment	270,979	2,570	4,200	4,200	—	—%
General Expense	198,066	144,980	206,924	207,924	1,000	0.5%
Operating Transfers-Out	—	—	65,146	—	(65,146)	(100.0)%
Rents & Leases	11,856	12,856	12,856	12,856	—	—%
Supplies & Material	35,602	25,905	33,898	33,898	—	—%
<b>Total Dollars by Expense Category</b>	<b>7,378,820</b>	<b>7,680,331</b>	<b>8,028,509</b>	<b>8,519,330</b>	<b>490,822</b>	<b>6.1%</b>
<b>Revenues</b>						
Charges for Services	4,647	13,890	12,570	187,673	175,103	1,393.0%
Charges to Other Funds	2,403,540	2,333,469	1,768,909	1,466,507	(302,402)	(17.1)%

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
Other Revenue	142,894	145,266	171,400	171,400	—	—%
<b>Total Revenues</b>	<b>2,551,080</b>	<b>2,492,625</b>	<b>1,952,879</b>	<b>1,825,580</b>	<b>(127,298)</b>	<b>(6.5)%</b>

### Positions by Division

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Change %
Accounting	13.60	13.60	13.52	13.52	—	—%
Administration	2.08	1.60	1.60	1.60	—	—%
Office of Management and Budget	6.02	6.62	6.02	6.02	—	—%
Purchasing	9.53	8.57	9.05	9.05	—	—%
Real Estate	2.32	2.32	2.32	2.32	—	—%
Treasury	7.95	7.35	7.10	8.10	1.00	14.08%
<b>Total</b>	<b>41.50</b>	<b>40.06</b>	<b>39.61</b>	<b>40.61</b>	<b>1.00</b>	<b>2.52%</b>

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Account Specialist	5.88	4.88	4.63	4.63	—	306,563
Account Specialist-Lead	4.05	3.05	3.45	3.45	—	244,507
Accountant	3.00	3.00	3.00	3.00	—	288,642
Administrative Assistant	1.00	1.00	1.00	1.00	—	93,018
Administrative Associate II	—	1.00	1.00	1.00	—	70,986
Administrative Associate III	1.00	1.00	1.00	1.00	—	76,090
Assistant Director Administrative Services	1.65	1.65	1.65	1.65	—	318,798
Buyer	1.00	1.00	1.00	1.00	—	93,459
Chief Procurement Officer	1.00	1.00	1.00	1.00	—	148,512
Contracts Administrator	1.70	2.70	2.70	2.70	—	301,463
Director Administrative Services/ CFO	0.80	0.80	0.80	0.80	—	199,845
Director Office of Management and Budget	1.00	1.00	1.00	1.00	—	199,035
Management Analyst	—	—	1.00	2.00	1.00	219,336
Manager Accounting	1.00	1.00	—	—	—	—
Manager Budget	1.00	1.00	2.00	2.00	—	312,770

# ADMINISTRATIVE SERVICES

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Manager Real Property	1.00	1.00	1.00	1.00	—	150,010
Manager Revenue Collections	0.62	0.62	0.62	0.62	—	95,198
Manager Treasury, Debt & Investments	0.60	0.60	0.60	0.60	—	89,407
Manager, Finance	—	—	1.00	1.00	—	172,723
Payroll Analyst	2.00	2.00	2.00	2.00	—	157,915
Senior Accountant	3.00	3.00	3.00	3.00	—	365,664
Senior Buyer	1.00	1.00	1.00	1.00	—	94,413
Senior Management Analyst	4.90	4.90	2.30	2.30	—	312,107
Storekeeper	1.00	1.00	1.00	1.00	—	68,918
Storekeeper-Lead	0.20	0.20	0.20	0.20	—	14,752
Warehouse Supervisor	0.20	0.20	0.20	0.20	—	18,487
<b>Sub-total: Full-Time Equivalent Positions</b>	<b>38.60</b>	<b>38.60</b>	<b>38.15</b>	<b>39.15</b>	<b>1.00</b>	<b>4,412,618</b>
Temporary/Hourly	2.90	1.46	1.46	1.46	—	99,881
<b>Total Positions</b>	<b>41.50</b>	<b>40.06</b>	<b>39.61</b>	<b>40.61</b>	<b>1.00</b>	<b>4,512,499</b>

## Budget Reconciliation

	Positions	Expenditures	Revenues	Net General Fund
<b>Prior Year Budget</b>	<b>39.61</b>	<b>8,028,509</b>	<b>1,952,878</b>	<b>6,075,631</b>
<b>One-Time Prior Year Budget Adjustments</b>				
Supplemental Pension Trust Fund Contribution	—	(65,146)	—	(65,146)
General Liability Savings (One-Time FY 2019 Savings)	—	12,236	—	12,236
Workers' Compensation Savings (One-Time FY 2019 Savings)	—	43,147	—	43,147
<b>One-Time Prior Year Budget Adjustments</b>	<b>—</b>	<b>(9,763)</b>	<b>—</b>	<b>(9,763)</b>
<b>Adjustments to Costs of Ongoing Activities</b>				
Salary and Benefits Adjustments	—	313,132	—	313,132
Proactive Contributions to City's Unfunded Pension Liability	—	199,820	—	199,820
General Fund Cost Allocation Plan	—	—	(302,402)	302,402
General Liability Insurance Allocated Charges	—	(3,405)	—	(3,405)
Information Technology Allocated Charges	—	(4,724)	—	(4,724)
Printing & Mailing Services Allocated Charges	—	12,336	—	12,336
Vehicle Replacement & Maintenance Allocated Charges	—	1,713	—	1,713
Workers' Compensation Allocated Charges	—	20,230	—	20,230
<b>Adjustments to Costs of Ongoing Activities</b>	<b>—</b>	<b>539,102</b>	<b>(302,402)</b>	<b>841,504</b>
<b>Total FY 2020 Base Budget</b>	<b>39.61</b>	<b>8,557,848</b>	<b>1,650,476</b>	<b>6,907,372</b>
<b>Budget Adjustments</b>				
1 Administrative Services Staffing Vacancies	—	(277,547)	—	(277,547)
2 Business Registry Certificate Program (Transfer from former Development Services Department to Administrative Services Department)	1.00	239,029	175,103	63,926
<b>Total Budget Adjustments</b>	<b>1.00</b>	<b>(38,518)</b>	<b>175,103</b>	<b>(213,621)</b>
<b>Total FY 2020 Adopted Budget</b>	<b>40.61</b>	<b>8,519,330</b>	<b>1,825,579</b>	<b>6,693,751</b>



# ADMINISTRATIVE SERVICES



## Budget Adjustments

Budget Adjustments	Positions	Expenditures	Revenues	Net General Fund
1 Administrative Services Staffing Vacancies	0.00	(277,547)	0	(277,547)

This one-time action recognizes vacancy savings for the equivalent of 1.0 FTE Senior Management Analyst and 1.0 FTE Accounting Specialist during FY 2020. Currently, the Administrative Services Department is experiencing a vacancy factor of nearly 15%, including positions at these levels. Due to the priority of other staffing recruitments of a more urgent need, such as Purchasing Division staffing, it is anticipated that these recruitments will not be addressed until further through FY 2020 and therefore savings can be anticipated. The functions of these positions are currently being absorbed temporarily by the Chief Financial Officer, Assistant Director, and additional administrative assistance, primarily on overtime. This diminishes staff's ability to continue to make progress on service delivery evolutions and requires staff to rely more heavily on contractual assistant and status quo business processes. (Ongoing savings: \$0)

### Performance Results



This action is anticipated to help contain costs for FY 2020.

2 Business Registry Certificate Program (Transfer from former Development Services Department to Administrative Services Department)	1.00	239,029	175,103	63,926
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This action reallocates the Business Registry Certificate (BRC) program from the former Development Services Department to the Administrative Services Department and reassigns the administrative management of both this program as well as the financial management of the Business Improvement District (BID) to the Administrative Services Department. With the merging of the Development Services Department and the Planning and Community Environment Department, this function was determined to best be placed in Administrative Services where the majority of taxes and administrative fees are handled by various teams with the Treasury Division of the department. This reallocation of 1.0 FTE Management Analyst, \$50,000 in contract services, and approximately \$175,000 in revenue estimated to be generated from the BRC, aligns the resources added by the City Council in February 29, 2016 (CMR 6661). A corresponding adjustment is recommended in the Planning and Development Services Department. (Ongoing costs: \$72,000)

### Performance Results



This action reallocates staff between departments and no performance impacts are anticipated to the Business Registry Certificate program.

# PRINTING AND MAILING SERVICES

## Accomplishments

- Processed 300,000 utility bills.
- Maintained timelines for producing City Council packets.
- In June 2018, replaced an outdated paper cutter with new technology allowing for precision paper cutting in house.

## Initiatives

- Maintain a high level of customer service for Printing and Mailing by listening to customers and, when appropriate, making relevant changes to operations.
- Provide quality printing products that meet the needs of customers.

## Goals and Objectives

### GOAL 1

- Provide timely and high-quality services for City departments, City Council, and Committees.

### Objectives:

- Ensure timely distribution of mail and utility bills.
- Ensure timely creation and distribution of City Council and Committee packets.

# ADMINISTRATIVE SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Division</b>						
Printing and Mailing	1,364,905	1,644,249	1,481,584	1,730,856	249,272	16.8%
<b>Total</b>	<b>1,364,905</b>	<b>1,644,249</b>	<b>1,481,584</b>	<b>1,730,856</b>	<b>249,272</b>	<b>16.8%</b>
<b>Dollars by Category</b>						
<b>Salary &amp; Benefits</b>						
Healthcare	24,790	28,566	27,305	28,291	986	3.6%
Other Benefits	2,253	3,267	3,135	3,359	223	7.1%
Overtime	6,145	4,779	—	—	—	—%
Pension	24,003	30,959	31,636	47,533	15,897	50.3%
Retiree Medical	59,845	62,960	14,663	15,103	440	3.0%
Salary	106,323	128,064	133,571	142,079	8,508	6.4%
Workers' Compensation	239	462	3,289	5,387	2,098	63.8%
<b>Total Salary &amp; Benefits</b>	<b>223,597</b>	<b>259,056</b>	<b>213,600</b>	<b>241,752</b>	<b>28,152</b>	<b>13.2%</b>
Allocated Charges	177,496	205,990	276,747	360,090	83,343	30.1%
Contract Services	10,607	—	114,711	239,711	125,000	109.0%
Facilities & Equipment	31,711	—	—	—	—	—%
General Expense	271,603	370,562	286,975	286,975	—	—%
Operating Transfers-Out	—	3,154	1,598	9,200	7,602	475.6%
Rents & Leases	494,718	640,236	507,695	512,870	5,175	1.0%
Supplies & Material	155,174	165,252	80,258	80,258	—	—%
<b>Total Dollars by Expense Category</b>	<b>1,364,905</b>	<b>1,644,249</b>	<b>1,481,584</b>	<b>1,730,856</b>	<b>249,272</b>	<b>16.8%</b>
<b>Revenues</b>						
Charges to Other Funds	1,338,798	1,757,276	1,566,121	1,720,295	154,174	9.8%
Other Revenue	2,000	—	—	—	—	—%
Return on Investments	(140)	(1,100)	400	2,300	1,900	475.0%
<b>Total Revenues</b>	<b>1,340,657</b>	<b>1,756,175</b>	<b>1,566,521</b>	<b>1,722,595</b>	<b>156,074</b>	<b>10.0%</b>
<b>Positions by Division</b>						
Printing and Mailing	2.10	2.10	2.10	2.10	—	—%
<b>Total</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>—</b>	<b>—%</b>

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Manager Revenue Collections	0.10	0.10	0.10	0.10	—	15,355
Offset Equipment Operator	1.52	1.52	1.52	1.52	—	95,834
<b>Sub-total: Full-Time Equivalent Positions</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>—</b>	<b>111,188</b>
Temporary/Hourly	0.48	0.48	0.48	0.48	—	27,256
<b>Total Positions</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>—</b>	<b>138,445</b>

# ADMINISTRATIVE SERVICES

## Budget Reconciliation

	Positions	Expenditures	Revenues	Net Printing and Mailing Services
<b>Prior Year Budget</b>	<b>2.10</b>	<b>1,481,584</b>	<b>1,566,521</b>	<b>(84,937)</b>
<b>One-Time Prior Year Budget Adjustments</b>				
Supplemental Pension Trust Fund Contribution	—	(1,598)	—	(1,598)
General Liability Savings (One-Time FY 2019 Savings)	—	372	—	372
Workers' Compensation Savings (One-Time FY 2019 Savings)	—	1,311	—	1,311
<b>One-Time Prior Year Budget Adjustments</b>	<b>—</b>	<b>85</b>	<b>—</b>	<b>85</b>
<b>Adjustments to Costs of Ongoing Activities</b>				
Salary and Benefits Adjustments	—	15,724	—	15,724
Proactive Contributions to City's Unfunded Pension Liability	—	5,230	—	5,230
FY 2019 Catch-Up Proactive Contributions to City's Unfunded Pension Liability	—	5,100	—	5,100
Return on Investments	—	—	1,900	(1,900)
Rents & Leases Expenditure Alignment	—	5,175	—	5,175
Transfer to Technology Fund (TE-19001 City Council Chambers Upgrade)	—	9,200	—	9,200
General Fund Cost Allocation Plan	—	83,470	—	83,470
General Liability Insurance Allocated Charges	—	(46)	—	(46)
Information Technology Allocated Charges	—	(453)	—	(453)
Printing & Mailing Services Allocated Charges	—	—	29,174	(29,174)
Workers' Compensation Allocated Charges	—	787	—	787
<b>Adjustments to Costs of Ongoing Activities</b>	<b>—</b>	<b>124,187</b>	<b>31,074</b>	<b>93,113</b>
<b>Total FY 2020 Base Budget</b>	<b>2.10</b>	<b>1,605,856</b>	<b>1,597,595</b>	<b>8,261</b>
<b>Budget Adjustments</b>				
1 Printing Services Non-Salary Expenses	—	125,000	125,000	—
<b>Total FY 2020 Adopted Budget</b>	<b>2.10</b>	<b>1,730,856</b>	<b>1,722,595</b>	<b>8,261</b>



## Budget Adjustments

Budget Adjustments	Positions	Expenditures	Revenues	Net Printing and Mailing Services
1 Printing Services Non-Salary Expenses	0.00	125,000	125,000	0

This action aligns the non-salary budget to reflect increased costs associated with supplies and materials and contract services for non-routine print jobs. In recent years, activity levels for non-routine print services requests, such as booklets, brochures, and catalogs, from departments have increased while the budgeted expenses have consistently stayed level. These costs are allocated to the departments using print services. Increases to both the expenses and revenues will align funding with current usage levels. (Ongoing net costs: \$0)

### Performance Results



These budget increases are anticipated to align funding with current activity levels with minimal impact on the quality of service delivery.

# ADMINISTRATIVE SERVICES

## Mission Statement



The Administrative Services Department strives to provide proactive financial and analytical support to City departments and decision-makers and to safeguard and facilitate the optimal use of City resources.

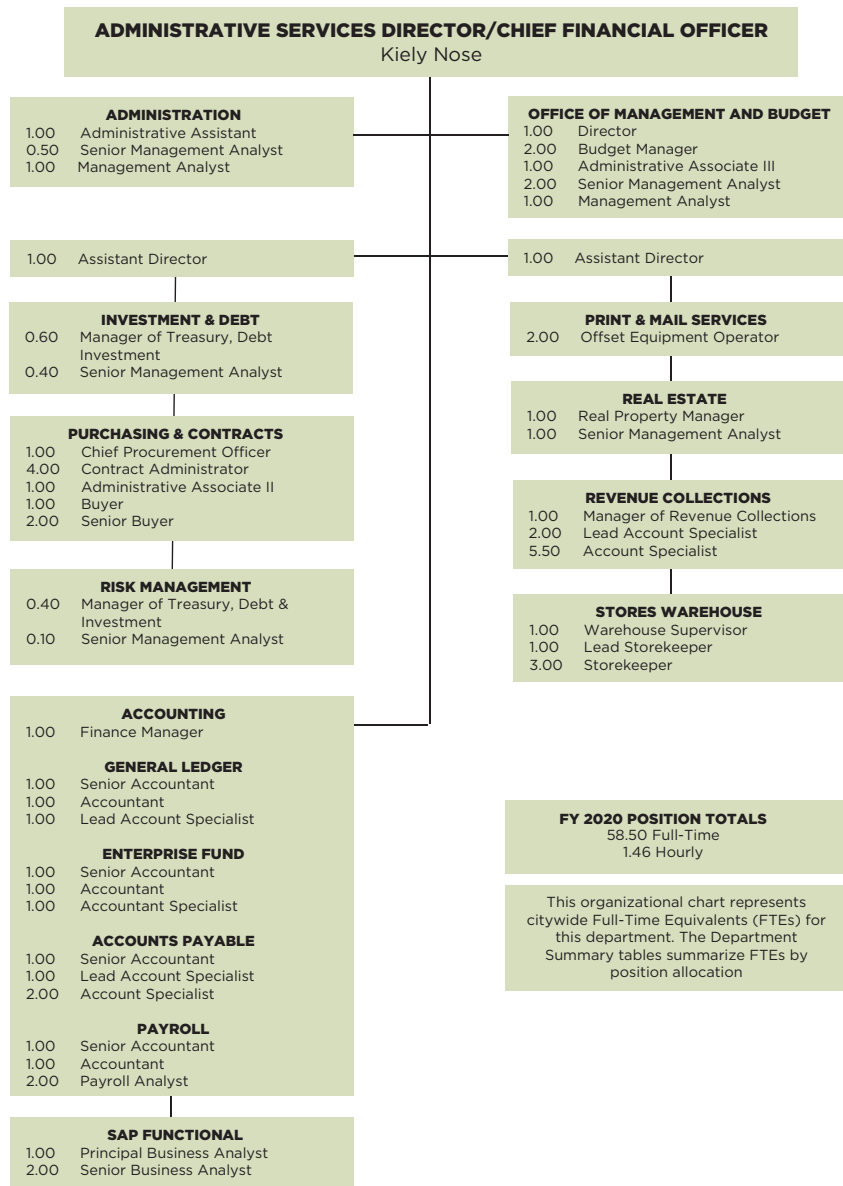
## Purpose



The purpose of the Administrative Services Department is to provide excellent customer service to decision-makers, the public, employees, and City departments; provide analytical, organizational, and administrative support for a wide variety

of projects; record, monitor, and protect City assets in a responsible manner; provide essential financial management and forecasting reports; and prepare and present financial reporting to various committees and City Council.

# ADMINISTRATIVE SERVICES





## Description

The Administrative Services Department (ASD) is responsible for the following functions:

### ADMINISTRATION

Provides financial, analytical, budget, strategic, and administrative support services for the department and organization.

### ACCOUNTING

Performs financial transactions and provides accurate, timely, and reliable financial information for internal and external customers, including vendor payments, payroll, and financial reporting.

### PURCHASING AND CONTRACTS

Facilitates negotiations, purchasing, and contracting needs in a timely, efficient, and customer-oriented manner.

### OFFICE OF MANAGEMENT AND BUDGET (OMB)

Oversees the citywide operating and capital budget preparation, review, and analysis, performance measures, and budget monitoring. In addition, prepares the long-range financial forecast and provides independent analytical support to the organization.

### PROPERTY MANAGEMENT AND ACQUISITION

Provides asset management, acquires property rights, manages leasing of City properties, prepares real estate agreements, completes easement acquisitions/vacations, negotiates real estate deals, and provides real estate services citywide.

### TREASURY AND REVENUE COLLECTIONS

Treasury safeguards and invests the City's portfolio, forecasts major General Fund tax revenues, issues and manages debt, and performs Utility Risk Management oversight. Revenue Collections collects payment revenue and provides customer support for parking permits and payment transactions. Provides print shop services to departments and warehouse services, including logistics, for the City's Electric, Water, Gas, and Wastewater Utilities, as well as for Public Works and the Regional Water Quality Control Plant.

## Accomplishments

- ~~Maintained the City's AAA credit rating, which results in the lowest possible borrowing costs; confirmed in the most recent rating by Standard and Poors in February 2019.~~
- ~~Addressed City Council request to identify a strategy for ongoing contributions for retirement costs through immediate action and a strategic action work plan. Immediate action was completed with the additional \$4.0 million contribution to the City's Pension 115 Trust account. For the strategic action work plan, OMB has been managing and completing a services inventory to aid in structural changes in the long term financial picture.~~

## ADMINISTRATIVE SERVICES

- Drafted and supported a work plan to address the City Council 2019 priority 'Fiscal Sustainability', approved by the Finance Committee in March 2019.
- Issued \$26.8 million in tax exempt and \$10.6 million in taxable Certificate of Participation bonds for the construction of the California Avenue Parking Garage, which is a key step in the completion of the 2014 Council Infrastructure Plan and a critical project in the ability to deliver the new Public Safety Building.
- Managed the City's real estate leases resulting in revenue of approximately \$4.0 million.
- Began negotiations for real estate transactions including the potential purchase of a 27,829 square foot portion of 3350 Birch Street.
- Entered into a new license agreement to renovate and manage/operate the City Hall Café at 250 Hamilton Avenue.
- Explored and identified options for City Council to calculate the long term unfunded liabilities for pension. Facilitated the analysis for the change in pension assumptions to a 6.2% discount rate for the normal cost of pension expense. Continued to advance funds to the Pension Section 115 Trust with approximately \$13.5 million in deposits by the end of Fiscal Year 2019.
- Completed 20 easements and easement vacations.
- Consolidated the utility bill print printers with the citywide contract for copy machines resulting in increased efficiency for the utility bill print function.
- Participated in citywide emergency preparation and planning to ensure that financial tracking and reporting will be part of a coordinated emergency response effort.
- Implemented department wide, technology focused, core competency training such as: SAP module specific training for support resources and SAP reporting training in the Human Resources and Payroll modules.
- Worked to streamline and automate accounts payable automated clearing house (ACH) implementation and Treasury wires between software systems.
- Received an award in the Accounting Division for the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2018 from the Government Finance Officers Associations of United States and Canada (GFOA) for "excellence in financial reporting".
- Received California Society of Municipal Finance Officers (CSMFO) and GFOA awards in the Office of Management and Budget (OMB) for the Fiscal Year 2019 Adopted CIP and Operating budgets.
- Addressed audit finding in regards to P-card administration through the implementation of a formal review and submittal authorization for increasing P-card limits.

## Initiatives

- Continue implementation of the ASD strategic plan in four focus areas: 1) High quality customer service, 2) Innovation and continuous improvement, 3) Best practices, and 4) Employee excellence, including customer support resources in purchasing, payroll, and accounting and implementation of electronic forms.

- ~~Maintain employee excellence by focusing on employee rating form, training plans, and specific goals of improving customer service and responsiveness.~~
- ~~Work to implement citywide procurement process training and education to improve efficiency and align with industry best practices and ensure the changing workforce is equipped to handle their procurement needs in an expeditious fashion. Communicate established purchasing policies, processes, and requirements.~~
- ~~Implement department wide, technology focused, core competency training such as SAP module specific training for day to day business operations in departments and SAP reporting training in the Human Resources and Payroll modules.~~
- ~~Collaborate and facilitate the implementation of a new online parking permit management system in a phased approach, beginning with residential parking permit programs.~~
- ~~Continue to work to implement or manage the components of the Fiscal Sustainability work plan.~~
- ~~Continue financial support for emergency preparation for federal financial reporting after a disaster in conjunction with the Office of Emergency Services.~~
- ~~Work to implement the paperless office program, currently in the Purchasing Division, for the Accounting and Real Estate divisions.~~
- ~~Support the citywide effort to upgrade the Enterprise Resource Planning (ERP) system.~~
- ~~Explore and provide options for the acquisition of the Media Center property at 900 San Antonio Road on behalf of the Cable Joint Powers Agency (JPA) using PEG (Public, Education, and Government) fee revenue for the Cable JPA and City Council review.~~
- ~~Support the Cubberley strategic planning efforts and necessary financial analysis with the community and Palo Alto Unified School District (PAUSD).~~
- ~~Establish a new option and lease agreement with the Palo Alto History Museum for the Roth Building at 300 Homer Avenue.~~

# ADMINISTRATIVE SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Fund</b>						
General Fund-Operating	7,378,820	7,680,331	8,028,509	8,519,330	490,822	6.1%
Printing & Mailing Services Fund	1,364,905	1,644,249	1,481,584	1,730,856	249,272	16.8%
<b>Total</b>	<b>8,743,725</b>	<b>9,324,580</b>	<b>9,510,092</b>	<b>10,250,186</b>	<b>740,094</b>	<b>7.8%</b>
<b>Revenues</b>						
Charges for Services	4,647	13,890	12,570	187,673	175,103	1,393.0%
Charges to Other Funds	3,742,337	4,090,745	3,335,030	3,186,802	(148,228)	(4.4)%
Other Revenue	144,894	145,266	171,400	171,400	—	—%
Return on Investments	(140)	(1,100)	400	2,300	1,900	475.0%
<b>Total Revenues</b>	<b>3,891,737</b>	<b>4,248,801</b>	<b>3,519,400</b>	<b>3,548,175</b>	<b>28,776</b>	<b>0.8%</b>
<b>Positions by Fund</b>						
General Fund	41.50	40.06	39.61	40.61	1.00	2.52%
Printing and Mailing Services	2.10	2.10	2.10	2.10	—	—%
<b>Total</b>	<b>43.60</b>	<b>42.16</b>	<b>41.71</b>	<b>42.71</b>	<b>1.00</b>	<b>2.40%</b>

# GENERAL FUND

## Goals and Objectives

### GOAL 1

- Ensure the City of Palo Alto's short and long term financial status is healthy and sound.

#### Objectives:

- Assist with implementation of City Council's 2014 Infrastructure Plan by providing updated financial planning and issuance of debt.
- Review opportunities for new and/or enhanced revenues.
- Analyze additional options for reducing the City's pension and retiree healthcare long term liabilities.
- Provide long term recommendations and strategies for the City's real estate assets such as Cubberley, Ventura, and Middlefield Road lots.
- Manage real estate assets effectively to enhance revenue and reduce cost.
- Recommend a strategically balanced budget, maintaining City Council approved reserve levels, for City Council consideration.
- Assist with ongoing labor negotiations with analysis of labor and City proposals.
- Develop plans for addressing any forecast shortfalls in funding for operations and infrastructure.
- Provide bond financing of major capital projects such as the Wastewater Treatment facility replacements, Public Safety Building, etc.

### GOAL 2

- Provide timely and accurate financial reporting and transactions.

#### Objectives:

- Ensure that payroll processing, vendor payments, budget, and annual financial reporting are clear, timely, accurate, and in compliance with governmental finance standards.
- Enhance financial reporting mechanisms to ensure that departmental financial information is relevant and timely; look for opportunities to improve reporting as part of technology implementation upgrades.
- Increase information availability and transparency using open data tools and dashboards.
- Implement complex new labor agreements including new benefit structures, ensuring timely and accurate payments to employees and governing bodies such as the federal government and CalPERS.

### GOAL 3

- Ensure public funds and assets are invested prudently and are well managed.

# ADMINISTRATIVE SERVICES

## Objectives:

- Ensure sufficient cash is always available to meet current expenditures.
- Maintain a reasonable rate of return on investments.
- Invest in sound Environmental, Social, and Governance (ESG) securities, which include green and sustainable bonds, when available and appropriate, in alignment with recently approved changes to the investment policy.

## GOAL 4

- Continue implementation of the ASD Strategic Plan in the focus areas of customer service, innovation, best practices, and employee excellence.

## Objectives:

- Continue implementing a succession plan for the department.
- Review ASD policies and procedures to continuously update, enhance, and streamline.
- Roll out training and resources for customer support to improve processing time.
- Enhance training plans for employees for job-specific training and career development.
- Implement new tools for team collaboration and sharing, such as Office 365 and SharePoint.

# Key Performance Measures

## ANNUAL PERCENTAGE YIELD ON INVESTMENTS

<b>Goal</b>	Ensure public funds and assets are invested prudently and are well-managed.				
<b>Objective</b>	Maintain a reasonable rate of return on investments.				
	<b>FY 2017 Actuals</b>	<b>FY 2018 Actuals</b>	<b>FY 2019 Adopted</b>	<b>FY 2019 Estimated</b>	<b>FY 2020 Adopted</b>
Annual percentage yield on investments	1.82%	2.16%	2.15%	2.31%	2.40%
<b>Description</b>	This measure tracks the City's annual rate of return on investments while following primary objectives (in priority order) of safety, liquidity, and yield.				
<b>Purpose</b>	A stable rate of return helps to grow the City's investment portfolio and is one component in measuring the City's financial rating.				
<b>Status</b>	As anticipated with a rising interest rate environment, the City's adopted goal of 2.15% is estimated to be achieved in FY 2019. In comparison, the State Investment Pool average yield for FY 2018 was 1.36%.				

**AVERAGE PROCESSING TIME FOR PURCHASE REQUISITIONS**

<b>Goal</b>	Implement performance management programs to support and enhance communication, accountability, and positive outcomes.				
<b>Objective</b>	Continue developing and implementing Procurement and Inventory process improvements.				
	<b>FY 2017 Actuals</b>	<b>FY 2018 Actuals</b>	<b>FY 2019 Adopted</b>	<b>FY 2019 Estimated</b>	<b>FY 2020 Adopted</b>
Average time from receipt of a Purchase Requisition to issuance of Purchase Order (Days)	22	26	22	25	25
<b>Description</b>	The City is required to follow procurement rules and regulations as outlined in the Municipal Code and State Law to ensure open and fair competition and the most cost-effective use of tax dollars. In compliance with existing rules and regulations, ASD endeavors to provide goods and services as quickly as possible to City departments.				
<b>Purpose</b>	To measure the average processing time for Purchase Requisitions (PR) in order to identify processing improvements while being compliant with existing rules and regulations.				
<b>Status</b>	The Purchasing Division has maintained efficiency with the use of e-Procurement software that was implemented in FY 2016. Staff anticipates an increase in larger, more complex PRs in FY 2020 due to the volume of capital improvement projects planned over the next several years. This influx of capital projects will result in an increase in estimated cycle time. Over the next year, the Purchasing Division will continue to work with City stakeholders to meet business needs in a timely manner despite this uptick in complex procurements.				

Workload Measures

	<b>FY 2017 Actuals</b>	<b>FY 2018 Actuals</b>	<b>FY 2019 Adopted</b>	<b>FY 2019 Estimated</b>	<b>FY 2020 Adopted</b>
Number of P-card (City credit card) transactions	19,087	19,230	19,100	17,500	18,000
Number of Purchase Orders and Purchase Requisitions processed <sup>1</sup>	1,509	1,455	2,400	1,400	1,500
Total amount of cash and investments as of June 30 (Millions)	\$532.1	\$526.0	\$540.0	\$523.0	\$530.0

<sup>1</sup>The Administrative Services Department has refined the methodology for reporting this Workload Measure to more accurately reflect the volume of work performed. As such these numbers differ slightly from previously reported numbers.

# ADMINISTRATIVE SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Division</b>						
Accounting	2,043,348	2,154,241	2,313,999	2,517,142	203,143	8.8%
Administration	700,131	701,429	502,573	362,163	(140,410)	(27.9)%
Office of Management and Budget	1,019,241	1,471,554	1,427,663	1,515,138	87,475	6.1%
Purchasing	1,439,096	1,561,940	1,609,770	1,719,881	110,110	6.8%
Real Estate	862,337	567,478	651,916	682,402	30,486	4.7%
Treasury	1,314,666	1,223,689	1,522,588	1,722,605	200,017	13.1%
<b>Total</b>	<b>7,378,820</b>	<b>7,680,331</b>	<b>8,028,509</b>	<b>8,519,330</b>	<b>490,822</b>	<b>6.1%</b>
<b>Dollars by Category</b>						
<b>Salary &amp; Benefits</b>						
Healthcare	613,176	659,957	720,469	786,754	66,285	9.2%
Other Benefits	121,110	164,532	163,209	169,450	6,241	3.8%
Overtime	21,488	23,104	34,599	35,499	900	2.6%
Pension	1,019,697	1,185,868	1,266,442	1,661,345	394,903	31.2%
Retiree Medical	536,733	564,670	473,449	487,653	14,203	3.0%
Salary	3,841,677	4,146,162	4,257,849	4,198,750	(59,098)	(1.4)%
Workers' Compensation	20,338	39,412	108,269	171,647	63,377	58.5%
<b>Total Salary &amp; Benefits</b>	<b>6,174,219</b>	<b>6,783,704</b>	<b>7,024,287</b>	<b>7,511,098</b>	<b>486,811</b>	<b>6.9%</b>
Allocated Charges	364,415	405,529	443,050	461,207	18,157	4.1%
Contract Services	323,681	304,787	238,148	288,148	50,000	21.0%
Facilities & Equipment	270,979	2,570	4,200	4,200	—	—%
General Expense	198,066	144,980	206,924	207,924	1,000	0.5%
Operating Transfers-Out	—	—	65,146	—	(65,146)	(100.0)%
Rents & Leases	11,856	12,856	12,856	12,856	—	—%
Supplies & Material	35,602	25,905	33,898	33,898	—	—%
<b>Total Dollars by Expense Category</b>	<b>7,378,820</b>	<b>7,680,331</b>	<b>8,028,509</b>	<b>8,519,330</b>	<b>490,822</b>	<b>6.1%</b>
<b>Revenues</b>						
Charges for Services	4,647	13,890	12,570	187,673	175,103	1,393.0%
Charges to Other Funds	2,403,540	2,333,469	1,768,909	1,466,507	(302,402)	(17.1)%



## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
Other Revenue	142,894	145,266	171,400	171,400	—	—%
<b>Total Revenues</b>	<b>2,551,080</b>	<b>2,492,625</b>	<b>1,952,879</b>	<b>1,825,580</b>	<b>(127,298)</b>	<b>(6.5)%</b>

### Positions by Division

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Change %
Accounting	13.60	13.60	13.52	13.52	—	—%
Administration	2.08	1.60	1.60	1.60	—	—%
Office of Management and Budget	6.02	6.62	6.02	6.02	—	—%
Purchasing	9.53	8.57	9.05	9.05	—	—%
Real Estate	2.32	2.32	2.32	2.32	—	—%
Treasury	7.95	7.35	7.10	8.10	1.00	14.08%
<b>Total</b>	<b>41.50</b>	<b>40.06</b>	<b>39.61</b>	<b>40.61</b>	<b>1.00</b>	<b>2.52%</b>

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Account Specialist	5.88	4.88	4.63	4.63	—	306,563
Account Specialist-Lead	4.05	3.05	3.45	3.45	—	244,507
Accountant	3.00	3.00	3.00	3.00	—	288,642
Administrative Assistant	1.00	1.00	1.00	1.00	—	93,018
Administrative Associate II	—	1.00	1.00	1.00	—	70,986
Administrative Associate III	1.00	1.00	1.00	1.00	—	76,090
Assistant Director Administrative Services	1.65	1.65	1.65	1.65	—	318,798
Buyer	1.00	1.00	1.00	1.00	—	93,459
Chief Procurement Officer	1.00	1.00	1.00	1.00	—	148,512
Contracts Administrator	1.70	2.70	2.70	2.70	—	301,463
Director Administrative Services/ CFO	0.80	0.80	0.80	0.80	—	199,845
Director Office of Management and Budget	1.00	1.00	1.00	1.00	—	199,035
Management Analyst	—	—	1.00	2.00	1.00	219,336
Manager Accounting	1.00	1.00	—	—	—	—
Manager Budget	1.00	1.00	2.00	2.00	—	312,770

# ADMINISTRATIVE SERVICES

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Manager Real Property	1.00	1.00	1.00	1.00	—	150,010
Manager Revenue Collections	0.62	0.62	0.62	0.62	—	95,198
Manager Treasury, Debt & Investments	0.60	0.60	0.60	0.60	—	89,407
Manager, Finance	—	—	1.00	1.00	—	172,723
Payroll Analyst	2.00	2.00	2.00	2.00	—	157,915
Senior Accountant	3.00	3.00	3.00	3.00	—	365,664
Senior Buyer	1.00	1.00	1.00	1.00	—	94,413
Senior Management Analyst	4.90	4.90	2.30	2.30	—	312,107
Storekeeper	1.00	1.00	1.00	1.00	—	68,918
Storekeeper-Lead	0.20	0.20	0.20	0.20	—	14,752
Warehouse Supervisor	0.20	0.20	0.20	0.20	—	18,487
<b>Sub-total: Full-Time Equivalent Positions</b>	<b>38.60</b>	<b>38.60</b>	<b>38.15</b>	<b>39.15</b>	<b>1.00</b>	<b>4,412,618</b>
Temporary/Hourly	2.90	1.46	1.46	1.46	—	99,881
<b>Total Positions</b>	<b>41.50</b>	<b>40.06</b>	<b>39.61</b>	<b>40.61</b>	<b>1.00</b>	<b>4,512,499</b>

## Budget Reconciliation

	Positions	Expenditures	Revenues	Net General Fund
<b>Prior Year Budget</b>	<b>39.61</b>	<b>8,028,509</b>	<b>1,952,878</b>	<b>6,075,631</b>
<b>One-Time Prior Year Budget Adjustments</b>				
Supplemental Pension Trust Fund Contribution	—	(65,146)	—	(65,146)
General Liability Savings (One-Time FY 2019 Savings)	—	12,236	—	12,236
Workers' Compensation Savings (One-Time FY 2019 Savings)	—	43,147	—	43,147
<b>One-Time Prior Year Budget Adjustments</b>	<b>—</b>	<b>(9,763)</b>	<b>—</b>	<b>(9,763)</b>
<b>Adjustments to Costs of Ongoing Activities</b>				
Salary and Benefits Adjustments	—	313,132	—	313,132
Proactive Contributions to City's Unfunded Pension Liability	—	199,820	—	199,820
General Fund Cost Allocation Plan	—	—	(302,402)	302,402
General Liability Insurance Allocated Charges	—	(3,405)	—	(3,405)
Information Technology Allocated Charges	—	(4,724)	—	(4,724)
Printing & Mailing Services Allocated Charges	—	12,336	—	12,336
Vehicle Replacement & Maintenance Allocated Charges	—	1,713	—	1,713
Workers' Compensation Allocated Charges	—	20,230	—	20,230
<b>Adjustments to Costs of Ongoing Activities</b>	<b>—</b>	<b>539,102</b>	<b>(302,402)</b>	<b>841,504</b>
<b>Total FY 2020 Base Budget</b>	<b>39.61</b>	<b>8,557,848</b>	<b>1,650,476</b>	<b>6,907,372</b>
<b>Budget Adjustments</b>				
1 Administrative Services Staffing Vacancies	—	(277,547)	—	(277,547)
2 Business Registry Certificate Program (Transfer from former Development Services Department to Administrative Services Department)	1.00	239,029	175,103	63,926
<b>Total Budget Adjustments</b>	<b>1.00</b>	<b>(38,518)</b>	<b>175,103</b>	<b>(213,621)</b>
<b>Total FY 2020 Adopted Budget</b>	<b>40.61</b>	<b>8,519,330</b>	<b>1,825,579</b>	<b>6,693,751</b>

# ADMINISTRATIVE SERVICES



## Budget Adjustments

Budget Adjustments	Positions	Expenditures	Revenues	Net General Fund
1 Administrative Services Staffing Vacancies	0.00	(277,547)	0	(277,547)

This one-time action recognizes vacancy savings for the equivalent of 1.0 FTE Senior Management Analyst and 1.0 FTE Accounting Specialist during FY 2020. Currently, the Administrative Services Department is experiencing a vacancy factor of nearly 15%, including positions at these levels. Due to the priority of other staffing recruitments of a more urgent need, such as Purchasing Division staffing, it is anticipated that these recruitments will not be addressed until further through FY 2020 and therefore savings can be anticipated. The functions of these positions are currently being absorbed temporarily by the Chief Financial Officer, Assistant Director, and additional administrative assistance, primarily on overtime. This diminishes staff's ability to continue to make progress on service delivery evolutions and requires staff to rely more heavily on contractual assistant and status quo business processes. (Ongoing savings: \$0)

### Performance Results



This action is anticipated to help contain costs for FY 2020.

2 Business Registry Certificate Program (Transfer from former Development Services Department to Administrative Services Department)	1.00	239,029	175,103	63,926
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This action reallocates the Business Registry Certificate (BRC) program from the former Development Services Department to the Administrative Services Department and reassigns the administrative management of both this program as well as the financial management of the Business Improvement District (BID) to the Administrative Services Department. With the merging of the Development Services Department and the Planning and Community Environment Department, this function was determined to best be placed in Administrative Services where the majority of taxes and administrative fees are handled by various teams with the Treasury Division of the department. This reallocation of 1.0 FTE Management Analyst, \$50,000 in contract services, and approximately \$175,000 in revenue estimated to be generated from the BRC, aligns the resources added by the City Council in February 29, 2016 (CMR 6661). A corresponding adjustment is recommended in the Planning and Development Services Department. (Ongoing costs: \$72,000)

### Performance Results



This action reallocates staff between departments and no performance impacts are anticipated to the Business Registry Certificate program.

# PRINTING AND MAILING SERVICES

## Accomplishments

- Processed 300,000 utility bills.
- Maintained timelines for producing City Council packets.
- In June 2018, replaced an outdated paper cutter with new technology allowing for precision paper cutting in-house.

## Initiatives

- Maintain a high level of customer service for Printing and Mailing by listening to customers and, when appropriate, making relevant changes to operations.
- Provide quality printing products that meet the needs of customers.

## Goals and Objectives

### GOAL 1

- Provide timely and high quality services for City departments, City Council, and Committees.

### Objectives:

- Ensure timely distribution of mail and utility bills.
- Ensure timely creation and distribution of City Council and Committee packets.

# ADMINISTRATIVE SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Division</b>						
Printing and Mailing	1,364,905	1,644,249	1,481,584	1,730,856	249,272	16.8%
<b>Total</b>	<b>1,364,905</b>	<b>1,644,249</b>	<b>1,481,584</b>	<b>1,730,856</b>	<b>249,272</b>	<b>16.8%</b>
<b>Dollars by Category</b>						
<b>Salary &amp; Benefits</b>						
Healthcare	24,790	28,566	27,305	28,291	986	3.6%
Other Benefits	2,253	3,267	3,135	3,359	223	7.1%
Overtime	6,145	4,779	—	—	—	—%
Pension	24,003	30,959	31,636	47,533	15,897	50.3%
Retiree Medical	59,845	62,960	14,663	15,103	440	3.0%
Salary	106,323	128,064	133,571	142,079	8,508	6.4%
Workers' Compensation	239	462	3,289	5,387	2,098	63.8%
<b>Total Salary &amp; Benefits</b>	<b>223,597</b>	<b>259,056</b>	<b>213,600</b>	<b>241,752</b>	<b>28,152</b>	<b>13.2%</b>
Allocated Charges	177,496	205,990	276,747	360,090	83,343	30.1%
Contract Services	10,607	—	114,711	239,711	125,000	109.0%
Facilities & Equipment	31,711	—	—	—	—	—%
General Expense	271,603	370,562	286,975	286,975	—	—%
Operating Transfers-Out	—	3,154	1,598	9,200	7,602	475.6%
Rents & Leases	494,718	640,236	507,695	512,870	5,175	1.0%
Supplies & Material	155,174	165,252	80,258	80,258	—	—%
<b>Total Dollars by Expense Category</b>	<b>1,364,905</b>	<b>1,644,249</b>	<b>1,481,584</b>	<b>1,730,856</b>	<b>249,272</b>	<b>16.8%</b>
<b>Revenues</b>						
Charges to Other Funds	1,338,798	1,757,276	1,566,121	1,720,295	154,174	9.8%
Other Revenue	2,000	—	—	—	—	—%
Return on Investments	(140)	(1,100)	400	2,300	1,900	475.0%
<b>Total Revenues</b>	<b>1,340,657</b>	<b>1,756,175</b>	<b>1,566,521</b>	<b>1,722,595</b>	<b>156,074</b>	<b>10.0%</b>
<b>Positions by Division</b>						
Printing and Mailing	2.10	2.10	2.10	2.10	—	—%
<b>Total</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>—</b>	<b>—%</b>

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Manager Revenue Collections	0.10	0.10	0.10	0.10	—	15,355
Offset Equipment Operator	1.52	1.52	1.52	1.52	—	95,834
<b>Sub-total: Full-Time Equivalent Positions</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>—</b>	<b>111,188</b>
Temporary/Hourly	0.48	0.48	0.48	0.48	—	27,256
<b>Total Positions</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>—</b>	<b>138,445</b>

# ADMINISTRATIVE SERVICES

## Budget Reconciliation

	Positions	Expenditures	Revenues	Net Printing and Mailing Services
<b>Prior Year Budget</b>	<b>2.10</b>	<b>1,481,584</b>	<b>1,566,521</b>	<b>(84,937)</b>
<b>One-Time Prior Year Budget Adjustments</b>				
Supplemental Pension Trust Fund Contribution	—	(1,598)	—	(1,598)
General Liability Savings (One-Time FY 2019 Savings)	—	372	—	372
Workers' Compensation Savings (One-Time FY 2019 Savings)	—	1,311	—	1,311
<b>One-Time Prior Year Budget Adjustments</b>	<b>—</b>	<b>85</b>	<b>—</b>	<b>85</b>
<b>Adjustments to Costs of Ongoing Activities</b>				
Salary and Benefits Adjustments	—	15,724	—	15,724
Proactive Contributions to City's Unfunded Pension Liability	—	5,230	—	5,230
FY 2019 Catch-Up Proactive Contributions to City's Unfunded Pension Liability	—	5,100	—	5,100
Return on Investments	—	—	1,900	(1,900)
Rents & Leases Expenditure Alignment	—	5,175	—	5,175
Transfer to Technology Fund (TE-19001 City Council Chambers Upgrade)	—	9,200	—	9,200
General Fund Cost Allocation Plan	—	83,470	—	83,470
General Liability Insurance Allocated Charges	—	(46)	—	(46)
Information Technology Allocated Charges	—	(453)	—	(453)
Printing & Mailing Services Allocated Charges	—	—	29,174	(29,174)
Workers' Compensation Allocated Charges	—	787	—	787
<b>Adjustments to Costs of Ongoing Activities</b>	<b>—</b>	<b>124,187</b>	<b>31,074</b>	<b>93,113</b>
<b>Total FY 2020 Base Budget</b>	<b>2.10</b>	<b>1,605,856</b>	<b>1,597,595</b>	<b>8,261</b>
<b>Budget Adjustments</b>				
1 Printing Services Non-Salary Expenses	—	125,000	125,000	—
<b>Total FY 2020 Adopted Budget</b>	<b>2.10</b>	<b>1,730,856</b>	<b>1,722,595</b>	<b>8,261</b>





## Budget Adjustments

Budget Adjustments	Positions	Expenditures	Revenues	Net Printing and Mailing Services
1 Printing Services Non-Salary Expenses	0.00	125,000	125,000	0

This action aligns the non-salary budget to reflect increased costs associated with supplies and materials and contract services for non-routine print jobs. In recent years, activity levels for non-routine print services requests, such as booklets, brochures, and catalogs, from departments have increased while the budgeted expenses have consistently stayed level. These costs are allocated to the departments using print services. Increases to both the expenses and revenues will align funding with current usage levels. (Ongoing net costs: \$0)

### Performance Results



These budget increases are anticipated to align funding with current activity levels with minimal impact on the quality of service delivery.

# ADMINISTRATIVE SERVICES

## Mission Statement



The Administrative Services Department strives to provide proactive financial and analytical support to City departments and decision-makers and to safeguard and facilitate the optimal use of City resources.

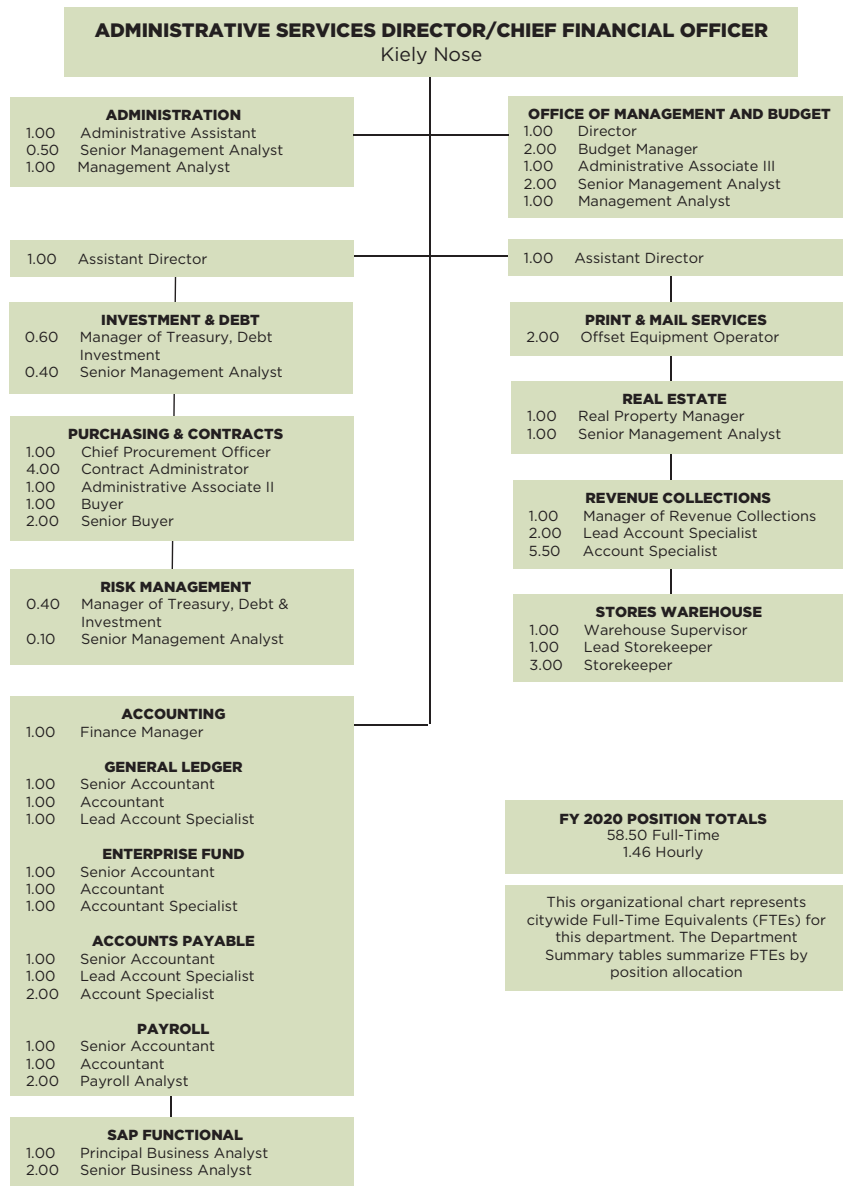
## Purpose



The purpose of the Administrative Services Department is to provide excellent customer service to decision-makers, the public, employees, and City departments; provide analytical, organizational, and administrative support for a wide variety

of projects; record, monitor, and protect City assets in a responsible manner; provide essential financial management and forecasting reports; and prepare and present financial reporting to various committees and City Council.

# ADMINISTRATIVE SERVICES



## Description

The Administrative Services Department (ASD) is responsible for the following functions:

### **ADMINISTRATION**

Provides financial, analytical, budget, strategic, and administrative support services for the department and organization.

### **ACCOUNTING**

Performs financial transactions and provides accurate, timely, and reliable financial information for internal and external customers, including vendor payments, payroll, and financial reporting.

### **PURCHASING AND CONTRACTS**

Facilitates negotiations, purchasing, and contracting needs in a timely, efficient, and customer-oriented manner.

### **OFFICE OF MANAGEMENT AND BUDGET (OMB)**

Oversees the citywide operating and capital budget preparation, review, and analysis, performance measures, and budget monitoring. In addition, prepares the long-range financial forecast and provides independent analytical support to the organization.

### **PROPERTY MANAGEMENT AND ACQUISITION**

Provides asset management, acquires property rights, manages leasing of City properties, prepares real estate agreements, completes easement acquisitions/vacations, negotiates real estate deals, and provides real estate services citywide.

### **TREASURY AND REVENUE COLLECTIONS**

Treasury safeguards and invests the City's portfolio, forecasts major General Fund tax revenues, issues and manages debt, and performs Utility Risk Management oversight. Revenue Collections collects payment revenue and provides customer support for parking permits and payment transactions. Provides print shop services to departments and warehouse services, including logistics, for the City's Electric, Water, Gas, and Wastewater Utilities, as well as for Public Works and the Regional Water Quality Control Plant.

# ADMINISTRATIVE SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Fund</b>						
General Fund-Operating	7,378,820	7,680,331	8,028,509	8,519,330	490,822	6.1%
Printing & Mailing Services Fund	1,364,905	1,644,249	1,481,584	1,730,856	249,272	16.8%
<b>Total</b>	<b>8,743,725</b>	<b>9,324,580</b>	<b>9,510,092</b>	<b>10,250,186</b>	<b>740,094</b>	<b>7.8%</b>
<b>Revenues</b>						
Charges for Services	4,647	13,890	12,570	187,673	175,103	1,393.0%
Charges to Other Funds	3,742,337	4,090,745	3,335,030	3,186,802	(148,228)	(4.4)%
Other Revenue	144,894	145,266	171,400	171,400	—	—%
Return on Investments	(140)	(1,100)	400	2,300	1,900	475.0%
<b>Total Revenues</b>	<b>3,891,737</b>	<b>4,248,801</b>	<b>3,519,400</b>	<b>3,548,175</b>	<b>28,776</b>	<b>0.8%</b>
<b>Positions by Fund</b>						
General Fund	41.50	40.06	39.61	40.61	1.00	2.52%
Printing and Mailing Services	2.10	2.10	2.10	2.10	—	—%
<b>Total</b>	<b>43.60</b>	<b>42.16</b>	<b>41.71</b>	<b>42.71</b>	<b>1.00</b>	<b>2.40%</b>

# GENERAL FUND

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Division</b>						
Accounting	2,043,348	2,154,241	2,313,999	2,517,142	203,143	8.8%
Administration	700,131	701,429	502,573	362,163	(140,410)	(27.9)%
Office of Management and Budget	1,019,241	1,471,554	1,427,663	1,515,138	87,475	6.1%
Purchasing	1,439,096	1,561,940	1,609,770	1,719,881	110,110	6.8%
Real Estate	862,337	567,478	651,916	682,402	30,486	4.7%
Treasury	1,314,666	1,223,689	1,522,588	1,722,605	200,017	13.1%
<b>Total</b>	<b>7,378,820</b>	<b>7,680,331</b>	<b>8,028,509</b>	<b>8,519,330</b>	<b>490,822</b>	<b>6.1%</b>
<b>Dollars by Category</b>						
<b>Salary &amp; Benefits</b>						
Healthcare	613,176	659,957	720,469	786,754	66,285	9.2%
Other Benefits	121,110	164,532	163,209	169,450	6,241	3.8%
Overtime	21,488	23,104	34,599	35,499	900	2.6%
Pension	1,019,697	1,185,868	1,266,442	1,661,345	394,903	31.2%
Retiree Medical	536,733	564,670	473,449	487,653	14,203	3.0%
Salary	3,841,677	4,146,162	4,257,849	4,198,750	(59,098)	(1.4)%
Workers' Compensation	20,338	39,412	108,269	171,647	63,377	58.5%
<b>Total Salary &amp; Benefits</b>	<b>6,174,219</b>	<b>6,783,704</b>	<b>7,024,287</b>	<b>7,511,098</b>	<b>486,811</b>	<b>6.9%</b>
Allocated Charges	364,415	405,529	443,050	461,207	18,157	4.1%
Contract Services	323,681	304,787	238,148	288,148	50,000	21.0%
Facilities & Equipment	270,979	2,570	4,200	4,200	—	—%
General Expense	198,066	144,980	206,924	207,924	1,000	0.5%
Operating Transfers-Out	—	—	65,146	—	(65,146)	(100.0)%
Rents & Leases	11,856	12,856	12,856	12,856	—	—%
Supplies & Material	35,602	25,905	33,898	33,898	—	—%
<b>Total Dollars by Expense Category</b>	<b>7,378,820</b>	<b>7,680,331</b>	<b>8,028,509</b>	<b>8,519,330</b>	<b>490,822</b>	<b>6.1%</b>
<b>Revenues</b>						
Charges for Services	4,647	13,890	12,570	187,673	175,103	1,393.0%
Charges to Other Funds	2,403,540	2,333,469	1,768,909	1,466,507	(302,402)	(17.1)%

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
Other Revenue	142,894	145,266	171,400	171,400	—	—%
<b>Total Revenues</b>	<b>2,551,080</b>	<b>2,492,625</b>	<b>1,952,879</b>	<b>1,825,580</b>	<b>(127,298)</b>	<b>(6.5)%</b>

### Positions by Division

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
Accounting	13.60	13.60	13.52	13.52	—	—%
Administration	2.08	1.60	1.60	1.60	—	—%
Office of Management and Budget	6.02	6.62	6.02	6.02	—	—%
Purchasing	9.53	8.57	9.05	9.05	—	—%
Real Estate	2.32	2.32	2.32	2.32	—	—%
Treasury	7.95	7.35	7.10	8.10	1.00	14.08%
<b>Total</b>	<b>41.50</b>	<b>40.06</b>	<b>39.61</b>	<b>40.61</b>	<b>1.00</b>	<b>2.52%</b>

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Account Specialist	5.88	4.88	4.63	4.63	—	306,563
Account Specialist-Lead	4.05	3.05	3.45	3.45	—	244,507
Accountant	3.00	3.00	3.00	3.00	—	288,642
Administrative Assistant	1.00	1.00	1.00	1.00	—	93,018
Administrative Associate II	—	1.00	1.00	1.00	—	70,986
Administrative Associate III	1.00	1.00	1.00	1.00	—	76,090
Assistant Director Administrative Services	1.65	1.65	1.65	1.65	—	318,798
Buyer	1.00	1.00	1.00	1.00	—	93,459
Chief Procurement Officer	1.00	1.00	1.00	1.00	—	148,512
Contracts Administrator	1.70	2.70	2.70	2.70	—	301,463
Director Administrative Services/ CFO	0.80	0.80	0.80	0.80	—	199,845
Director Office of Management and Budget	1.00	1.00	1.00	1.00	—	199,035
Management Analyst	—	—	1.00	2.00	1.00	219,336
Manager Accounting	1.00	1.00	—	—	—	—
Manager Budget	1.00	1.00	2.00	2.00	—	312,770

# ADMINISTRATIVE SERVICES

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Manager Real Property	1.00	1.00	1.00	1.00	—	150,010
Manager Revenue Collections	0.62	0.62	0.62	0.62	—	95,198
Manager Treasury, Debt & Investments	0.60	0.60	0.60	0.60	—	89,407
Manager, Finance	—	—	1.00	1.00	—	172,723
Payroll Analyst	2.00	2.00	2.00	2.00	—	157,915
Senior Accountant	3.00	3.00	3.00	3.00	—	365,664
Senior Buyer	1.00	1.00	1.00	1.00	—	94,413
Senior Management Analyst	4.90	4.90	2.30	2.30	—	312,107
Storekeeper	1.00	1.00	1.00	1.00	—	68,918
Storekeeper-Lead	0.20	0.20	0.20	0.20	—	14,752
Warehouse Supervisor	0.20	0.20	0.20	0.20	—	18,487
<b>Sub-total: Full-Time Equivalent Positions</b>	<b>38.60</b>	<b>38.60</b>	<b>38.15</b>	<b>39.15</b>	<b>1.00</b>	<b>4,412,618</b>
Temporary/Hourly	2.90	1.46	1.46	1.46	—	99,881
<b>Total Positions</b>	<b>41.50</b>	<b>40.06</b>	<b>39.61</b>	<b>40.61</b>	<b>1.00</b>	<b>4,512,499</b>



## Budget Reconciliation

	Positions	Expenditures	Revenues	Net General Fund
<b>Prior Year Budget</b>	<b>39.61</b>	<b>8,028,509</b>	<b>1,952,878</b>	<b>6,075,631</b>
<b>One-Time Prior Year Budget Adjustments</b>				
Supplemental Pension Trust Fund Contribution	—	(65,146)	—	(65,146)
General Liability Savings (One-Time FY 2019 Savings)	—	12,236	—	12,236
Workers' Compensation Savings (One-Time FY 2019 Savings)	—	43,147	—	43,147
<b>One-Time Prior Year Budget Adjustments</b>	<b>—</b>	<b>(9,763)</b>	<b>—</b>	<b>(9,763)</b>
<b>Adjustments to Costs of Ongoing Activities</b>				
Salary and Benefits Adjustments	—	313,132	—	313,132
Proactive Contributions to City's Unfunded Pension Liability	—	199,820	—	199,820
General Fund Cost Allocation Plan	—	—	(302,402)	302,402
General Liability Insurance Allocated Charges	—	(3,405)	—	(3,405)
Information Technology Allocated Charges	—	(4,724)	—	(4,724)
Printing & Mailing Services Allocated Charges	—	12,336	—	12,336
Vehicle Replacement & Maintenance Allocated Charges	—	1,713	—	1,713
Workers' Compensation Allocated Charges	—	20,230	—	20,230
<b>Adjustments to Costs of Ongoing Activities</b>	<b>—</b>	<b>539,102</b>	<b>(302,402)</b>	<b>841,504</b>
<b>Total FY 2020 Base Budget</b>	<b>39.61</b>	<b>8,557,848</b>	<b>1,650,476</b>	<b>6,907,372</b>
<b>Budget Adjustments</b>				
1 Administrative Services Staffing Vacancies	—	(277,547)	—	(277,547)
2 Business Registry Certificate Program (Transfer from former Development Services Department to Administrative Services Department)	1.00	239,029	175,103	63,926
<b>Total Budget Adjustments</b>	<b>1.00</b>	<b>(38,518)</b>	<b>175,103</b>	<b>(213,621)</b>
<b>Total FY 2020 Adopted Budget</b>	<b>40.61</b>	<b>8,519,330</b>	<b>1,825,579</b>	<b>6,693,751</b>

# ADMINISTRATIVE SERVICES



## Budget Adjustments

Budget Adjustments	Positions	Expenditures	Revenues	Net General Fund
1 Administrative Services Staffing Vacancies	0.00	(277,547)	0	(277,547)

This one-time action recognizes vacancy savings for the equivalent of 1.0 FTE Senior Management Analyst and 1.0 FTE Accounting Specialist during FY 2020. Currently, the Administrative Services Department is experiencing a vacancy factor of nearly 15%, including positions at these levels. Due to the priority of other staffing recruitments of a more urgent need, such as Purchasing Division staffing, it is anticipated that these recruitments will not be addressed until further through FY 2020 and therefore savings can be anticipated. The functions of these positions are currently being absorbed temporarily by the Chief Financial Officer, Assistant Director, and additional administrative assistance, primarily on overtime. This diminishes staff's ability to continue to make progress on service delivery evolutions and requires staff to rely more heavily on contractual assistant and status quo business processes. (Ongoing savings: \$0)

### Performance Results



This action is anticipated to help contain costs for FY 2020.

2 Business Registry Certificate Program (Transfer from former Development Services Department to Administrative Services Department)	1.00	239,029	175,103	63,926
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This action reallocates the Business Registry Certificate (BRC) program from the former Development Services Department to the Administrative Services Department and reassigns the administrative management of both this program as well as the financial management of the Business Improvement District (BID) to the Administrative Services Department. With the merging of the Development Services Department and the Planning and Community Environment Department, this function was determined to best be placed in Administrative Services where the majority of taxes and administrative fees are handled by various teams with the Treasury Division of the department. This reallocation of 1.0 FTE Management Analyst, \$50,000 in contract services, and approximately \$175,000 in revenue estimated to be generated from the BRC, aligns the resources added by the City Council in February 29, 2016 (CMR 6661). A corresponding adjustment is recommended in the Planning and Development Services Department. (Ongoing costs: \$72,000)

### Performance Results



This action reallocates staff between departments and no performance impacts are anticipated to the Business Registry Certificate program.

# PRINTING AND MAILING SERVICES

## Budget Summary

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change \$	FY 2020 Change %
<b>Dollars by Division</b>						
Printing and Mailing	1,364,905	1,644,249	1,481,584	1,730,856	249,272	16.8%
<b>Total</b>	<b>1,364,905</b>	<b>1,644,249</b>	<b>1,481,584</b>	<b>1,730,856</b>	<b>249,272</b>	<b>16.8%</b>
<b>Dollars by Category</b>						
<b>Salary &amp; Benefits</b>						
Healthcare	24,790	28,566	27,305	28,291	986	3.6%
Other Benefits	2,253	3,267	3,135	3,359	223	7.1%
Overtime	6,145	4,779	—	—	—	—%
Pension	24,003	30,959	31,636	47,533	15,897	50.3%
Retiree Medical	59,845	62,960	14,663	15,103	440	3.0%
Salary	106,323	128,064	133,571	142,079	8,508	6.4%
Workers' Compensation	239	462	3,289	5,387	2,098	63.8%
<b>Total Salary &amp; Benefits</b>	<b>223,597</b>	<b>259,056</b>	<b>213,600</b>	<b>241,752</b>	<b>28,152</b>	<b>13.2%</b>
Allocated Charges	177,496	205,990	276,747	360,090	83,343	30.1%
Contract Services	10,607	—	114,711	239,711	125,000	109.0%
Facilities & Equipment	31,711	—	—	—	—	—%
General Expense	271,603	370,562	286,975	286,975	—	—%
Operating Transfers-Out	—	3,154	1,598	9,200	7,602	475.6%
Rents & Leases	494,718	640,236	507,695	512,870	5,175	1.0%
Supplies & Material	155,174	165,252	80,258	80,258	—	—%
<b>Total Dollars by Expense Category</b>	<b>1,364,905</b>	<b>1,644,249</b>	<b>1,481,584</b>	<b>1,730,856</b>	<b>249,272</b>	<b>16.8%</b>
<b>Revenues</b>						
Charges to Other Funds	1,338,798	1,757,276	1,566,121	1,720,295	154,174	9.8%
Other Revenue	2,000	—	—	—	—	—%
Return on Investments	(140)	(1,100)	400	2,300	1,900	475.0%
<b>Total Revenues</b>	<b>1,340,657</b>	<b>1,756,175</b>	<b>1,566,521</b>	<b>1,722,595</b>	<b>156,074</b>	<b>10.0%</b>
<b>Positions by Division</b>						
Printing and Mailing	2.10	2.10	2.10	2.10	—	—%
<b>Total</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>—</b>	<b>—%</b>

## Staffing

Job Classification	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change FTE	FY 2020 Salary
Manager Revenue Collections	0.10	0.10	0.10	0.10	—	15,355
Offset Equipment Operator	1.52	1.52	1.52	1.52	—	95,834
<b>Sub-total: Full-Time Equivalent Positions</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>—</b>	<b>111,188</b>
Temporary/Hourly	0.48	0.48	0.48	0.48	—	27,256
<b>Total Positions</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>—</b>	<b>138,445</b>

# ADMINISTRATIVE SERVICES

## Budget Reconciliation

	Positions	Expenditures	Revenues	Net Printing and Mailing Services
<b>Prior Year Budget</b>	<b>2.10</b>	<b>1,481,584</b>	<b>1,566,521</b>	<b>(84,937)</b>
<b>One-Time Prior Year Budget Adjustments</b>				
Supplemental Pension Trust Fund Contribution	—	(1,598)	—	(1,598)
General Liability Savings (One-Time FY 2019 Savings)	—	372	—	372
Workers' Compensation Savings (One-Time FY 2019 Savings)	—	1,311	—	1,311
<b>One-Time Prior Year Budget Adjustments</b>	<b>—</b>	<b>85</b>	<b>—</b>	<b>85</b>
<b>Adjustments to Costs of Ongoing Activities</b>				
Salary and Benefits Adjustments	—	15,724	—	15,724
Proactive Contributions to City's Unfunded Pension Liability	—	5,230	—	5,230
FY 2019 Catch-Up Proactive Contributions to City's Unfunded Pension Liability	—	5,100	—	5,100
Return on Investments	—	—	1,900	(1,900)
Rents & Leases Expenditure Alignment	—	5,175	—	5,175
Transfer to Technology Fund (TE-19001 City Council Chambers Upgrade)	—	9,200	—	9,200
General Fund Cost Allocation Plan	—	83,470	—	83,470
General Liability Insurance Allocated Charges	—	(46)	—	(46)
Information Technology Allocated Charges	—	(453)	—	(453)
Printing & Mailing Services Allocated Charges	—	—	29,174	(29,174)
Workers' Compensation Allocated Charges	—	787	—	787
<b>Adjustments to Costs of Ongoing Activities</b>	<b>—</b>	<b>124,187</b>	<b>31,074</b>	<b>93,113</b>
<b>Total FY 2020 Base Budget</b>	<b>2.10</b>	<b>1,605,856</b>	<b>1,597,595</b>	<b>8,261</b>
<b>Budget Adjustments</b>				
1 Printing Services Non-Salary Expenses	—	125,000	125,000	—
<b>Total FY 2020 Adopted Budget</b>	<b>2.10</b>	<b>1,730,856</b>	<b>1,722,595</b>	<b>8,261</b>



## Budget Adjustments

Budget Adjustments	Positions	Expenditures	Revenues	Net Printing and Mailing Services
1 Printing Services Non-Salary Expenses	0.00	125,000	125,000	0

This action aligns the non-salary budget to reflect increased costs associated with supplies and materials and contract services for non-routine print jobs. In recent years, activity levels for non-routine print services requests, such as booklets, brochures, and catalogs, from departments have increased while the budgeted expenses have consistently stayed level. These costs are allocated to the departments using print services. Increases to both the expenses and revenues will align funding with current usage levels. (Ongoing net costs: \$0)

### Performance Results



These budget increases are anticipated to align funding with current activity levels with minimal impact on the quality of service delivery.