

# Administrative Services

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# Department Overview

## Budget Units

Budget Unit	Program	2023 Proposed Budget
<b>Administrative Services</b>		<b>\$ 901,880</b>
100-40-400	Administrative Services Administration	\$ 901,880
<b>Finance</b>		<b>\$ 2,879,237</b>
100-41-405	Accounting	\$ 1,745,952
100-41-406	Business Licenses	\$ 473,445
100-41-425	Purchasing	\$ 369,240
100-41-426	Budget	\$ 290,600
<b>Human Resources</b>		<b>\$ 6,190,347</b>
100-44-412	Human Resources	\$ 1,505,541
642-44-414	Retiree Benefits	\$ 1,388,276
100-44-417	Insurance Administration	\$ 2,034,411
620-44-418	Workers Compensation Insurance	\$ 516,946
641-44-419	Short Term and Long Term Disability	\$ 98,523
641-44-420	Compensated Absences	\$ 646,650
<b>Total</b>		<b>\$ 9,971,464</b>

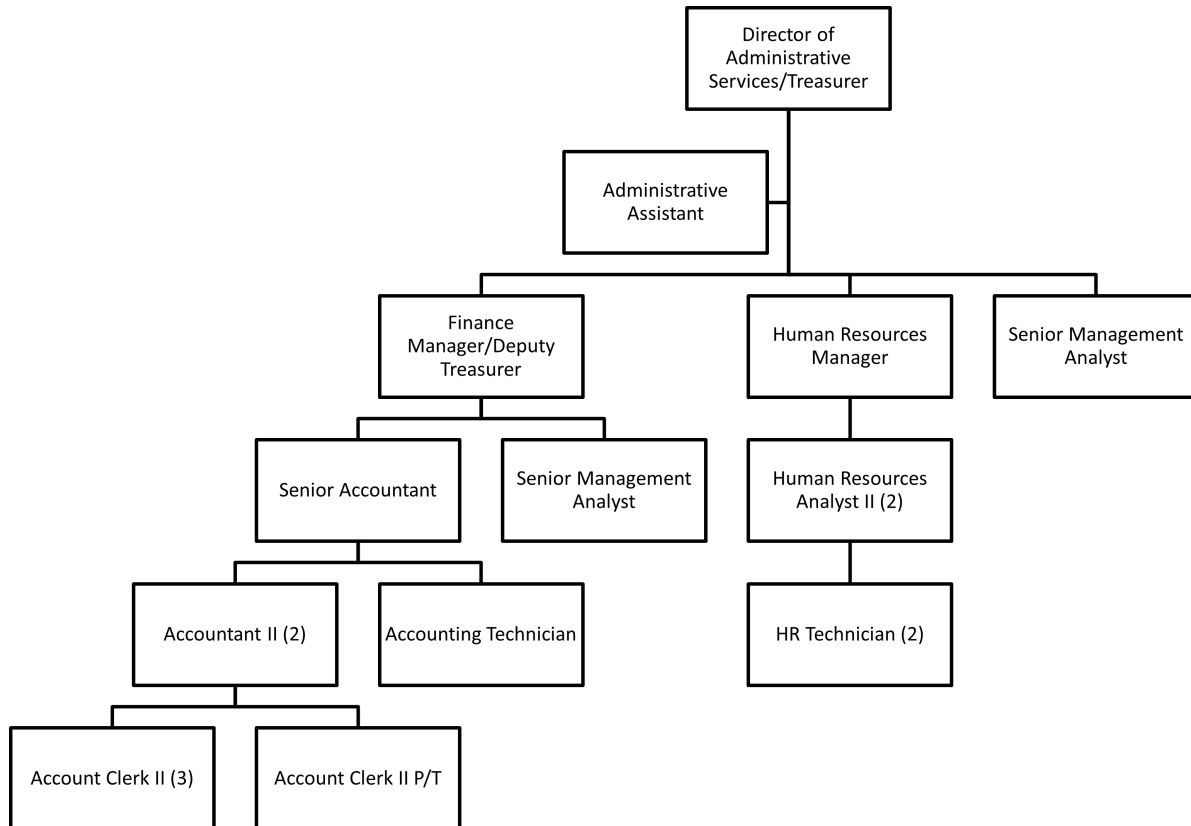
# Budget at a Glance

## 2023 Proposed Budget

Total Revenues	\$ 4,403,661
Total Expenditures	\$ 9,971,464
Fund Balance	\$ (1,332,250)
General Fund Costs	\$ 4,235,553
% Funded by General Fund	42.5%
Total Staffing	18.9 FTE

# Organization

Kristina Alfaro, Director of Administrative Services



## Performance Measures

### Finance Division

Goal: Financial Stability - Provide a sustainable level of core services that are funded from ongoing and stable revenue sources.

Benefit: Citizens can enjoy high quality of services that meet community priorities.

Performance Measure	FY 2020 July-June	FY 2021 July-June	FY 2022 July-Dec	Ongoing Target
General Fund fund balance as a % of budgeted appropriations	69%	103%	78%	35%
Credit Rating	AA+	AA+	AA+	AA+
Actual revenue vs. budget (% below budget)	-7%	-19%	-35%	10%
Actual expenditures (% below budget)	17%	15%	23%	5%
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	43%	53%	53%	63%

### Human Resources Division

Goal: To create a thriving organization with meaningful careers in public service.

Benefit: The agency supports a professional and engaged workforce offering diverse and quality community services.

<b>Performance Measure</b>	<b>FY 2020 July-June</b>	<b>FY 2021 July-June</b>	<b>FY 2022 July-Dec</b>	<b>Ongoing Target</b>
# of Worker's Compensation Cases	15	10	13	0
Total recordable Injury Rate YTD	5.7%	5.0%	6.4%	0%
% absenteeism (% of total annual work hours)	3%	2%	2%	2%
% turnover rate*	3%	5%	3%	1%
% Employee satisfaction	N/A	N/A	N/A	100%
% Employee participation in wellness activities	47%	43%	47%	75%
Average # of applications received per recruitment	41	70	48	50
Recruitment timeline - # days from hiring request to offer letter	85	78	70	60
# of employees using the Telework program	N/A	N/A	N/A	17
% Utilization of full-service employee portal	100%	N/A**	N/A**	100%

\*Data for resignations only

\*\*Data not applicable

## Workload Indicators

### Finance Division

Workload Indicator	FY 2020 July-June	FY 2021 July-June	FY 2022 July-Dec
# of vendor checks processed	5,668	4,457	2,471
# of payroll checks processed	9,953	7,816	4,014
# of business license applications	901	1,061	410
# of business license renewals	2,842	2,467	677
# of journal entries posted	4,637	3,915	2,108
# of purchase orders approved	495	534	326
# of receipts processed	14,204	10,367	6,016

### Human Resources Division

Workload Indicator	FY 2020 July-June	FY 2021 July-June	FY 2022 July-Dec
# of regular recruitments	20	24	15
# of regular new hires	20	22	23
# of temporary new hires	N/A	18	12
# of personnel payroll changes	1,104	834	441
# of full-time employee exits processed	14	30	9
# of mandated training classes offered*	N/A	18	8
# of employees participating in the wellness program	91	90	93

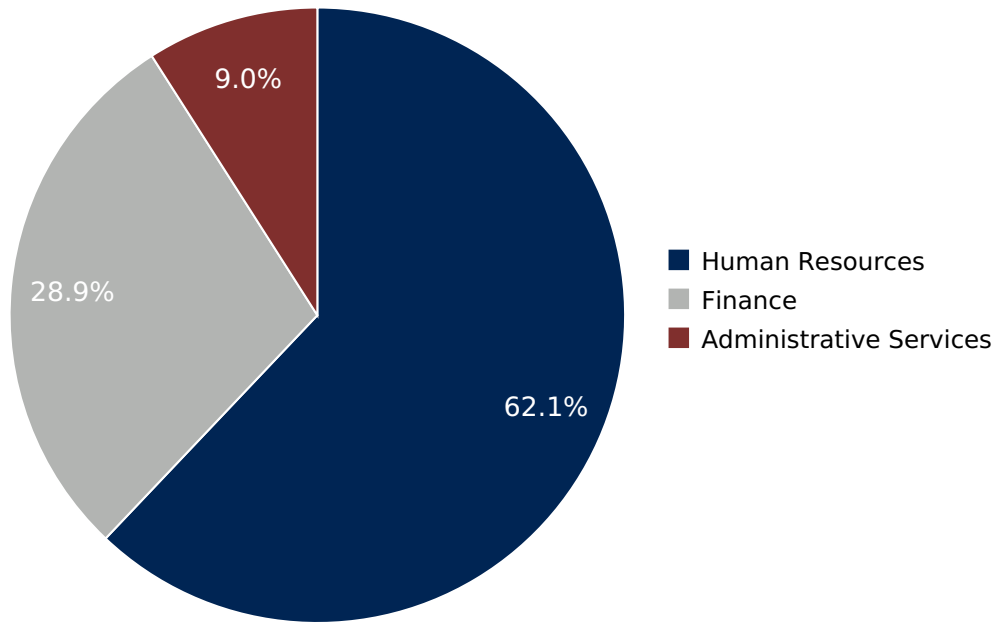
\* some trainings mandated every other year, however not on the same annual schedule

## Proposed Budget

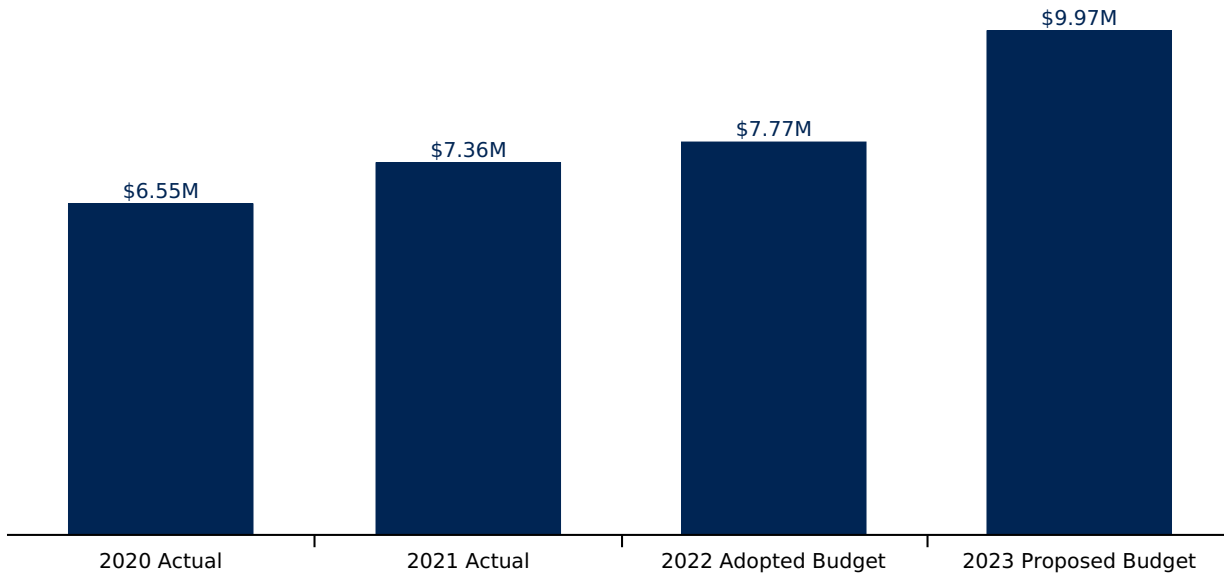
It is recommended that City Council approve a budget of \$9,971,464 for the Administrative Services department. This represents an increase of \$2,200,349 (28.3%) from the FY 2021-22 Adopted Budget.

The increase in compensation and benefits is due to the requests for a Purchasing Manager and a Budget Manager. The increase in contract services is primarily due to increases in general liability and property insurance premiums, which are increasing by over \$760,000 compared to last year's budget. One-time special projects are requested for a fee study and federal grants program.

## Proposed Expenditures by Division



## Department Expenditure History





## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
Charges for Services	\$ 3,898,699	\$ 4,156,784	\$ 4,837,735	\$ 4,403,661
Miscellaneous Revenue	\$ 35,060	\$ 8,775	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 3,933,759</b>	<b>\$ 4,165,559</b>	<b>\$ 4,837,735</b>	<b>\$ 4,403,661</b>
<b>Expenditures</b>				
Employee Compensation	\$ 2,028,226	\$ 2,229,343	\$ 2,259,659	\$ 2,688,101
Employee Benefits	\$ 2,096,913	\$ 2,191,476	\$ 2,321,303	\$ 2,660,698
Materials	\$ 184,873	\$ 83,977	\$ 166,641	\$ 191,213
Contract Services	\$ 1,972,395	\$ 2,513,838	\$ 2,612,344	\$ 3,719,161
Cost Allocation	\$ 266,331	\$ 341,705	\$ 341,693	\$ 349,530
Special Projects	\$ -	\$ -	\$ -	\$ 265,000
Contingencies	\$ -	\$ -	\$ 69,475	\$ 97,761
<b>Total Expenditures</b>	<b>\$ 6,548,738</b>	<b>\$ 7,360,339</b>	<b>\$ 7,771,115</b>	<b>\$ 9,971,464</b>
<b>Fund Balance</b>	<b>\$ 1,807,757</b>	<b>\$ (1,678,654)</b>	<b>\$ (941,848)</b>	<b>\$ (1,332,250)</b>
<b>General Fund Costs</b>	<b>\$ 4,422,735</b>	<b>\$ 1,516,125</b>	<b>\$ 1,991,532</b>	<b>\$ 4,235,553</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

<b>Position Title</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Adopted Budget</b>	<b>2023 Proposed Budget</b>
ACCOUNTANT II	2.00	1.00	2.00	2.00
ACCOUNT CLERK II	2.00	3.00	3.00	3.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	1.00	0.95	0.95	0.95
BUDGET MANAGER	0	0	0	1.00
DIRECTOR OF ADMIN SERVICES	1.00	1.00	1.00	1.00
FINANCE MANAGER	1.00	0.95	0.95	0.95
HUMAN RESOURCES ANALYST II	1.00	2.00	2.00	2.00
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	1.00	2.00	2.00	2.00
PURCHASING MANAGER	0	0	0	1.00
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	2.00	2.00	2.00	2.00
<b>Total</b>	<b>14.00</b>	<b>15.90</b>	<b>16.90</b>	<b>18.90</b>

# Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ 156,003
Total Expenditures	\$ 901,880
Fund Balance	\$ -
General Fund Costs	\$ 745,877
% Funded by General Fund	82.7%
Total Staffing	3.8 FTE

## Program Overview

The Administrative Services Administration program oversees and coordinates Human Resources/Risk Management, Finance, Purchasing, Budget, and Treasury. Staff support is provided to the Fiscal Strategic and Audit Committees, as well as the Santa Clara County Leadership Academy.

## Service Objectives

- Manage the City's investment portfolio to obtain safety of funds, liquidity, and a reasonable rate of return.
- Perform special projects for the City Manager.
- Manage the City's Contract for Law Enforcement Services with the Santa Clara County Sheriff's Office.
- Provide staff support to the Santa Clara County Leadership Academy

## Proposed Budget

It is recommended that City Council approve a budget of \$901,880 for the Administrative Services Administration program. This represents a decrease of \$24,423 (-2.6%) from the FY 2021-22 Adopted Budget.

This budget is relatively unchanged from last fiscal year. The decrease in Materials and Contract Services is due to the transfer of printing costs for the budget document to the Budget program.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
Charges for Services	\$ 69,263	\$ 185,799	\$ 183,169	\$ 156,003
Miscellaneous Revenue	\$ -	\$ (2,800)	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 69,263</b>	<b>\$ 182,999</b>	<b>\$ 183,169</b>	<b>\$ 156,003</b>
<b>Expenditures</b>				
Employee Compensation	\$ 541,196	\$ 593,523	\$ 594,796	\$ 588,164
Employee Benefits	\$ 239,759	\$ 249,510	\$ 280,580	\$ 282,451
Materials	\$ 76,682	\$ 17,077	\$ 46,067	\$ 29,841
Contract Services	\$ -	\$ 8,323	\$ 3,618	\$ 661
Cost Allocation	\$ 35,067	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,242	\$ 763
<b>Total Expenditures</b>	<b>\$ 892,704</b>	<b>\$ 868,433</b>	<b>\$ 926,303</b>	<b>\$ 901,880</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund Costs</b>	<b>\$ 823,441</b>	<b>\$ 685,434</b>	<b>\$ 743,134</b>	<b>\$ 745,877</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.00	0.95	0.95	0.95
DIRECTOR OF ADMIN SERVICES	0.80	0.80	0.80	0.80
SENIOR MANAGEMENT ANALYST	1.00	2.00	2.00	2.00
<b>Total</b>	<b>2.80</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>

There are no changes to the current level of staffing.

# Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ 2,105,135
Total Expenditures	\$ 1,745,952
Fund Balance	\$ -
General Fund Costs	\$ (359,183)
% Funded by General Fund	-20.6%
Total Staffing	6.9 FTE

## Program Overview

The Finance Division oversees all financial accounting and treasury functions for the City. Accurate and timely maintenance of all City financial records, including financial reporting, revenue collection, banking and investments, disbursement of all funds, and payroll processing are handled by the Finance Division. All required Federal, State and other regulatory reporting with respect to the City's financial condition are prepared in the Accounting program of Finance. In addition, Finance monitors the City's two investment policies, manages budget-to-actual activities for both operational and capital budgets, performs all financial analyses, conducts research, and prepares reports on all fiscal matters of the City for internal and external customers.

## Service Objectives

- Process all financial transactions of the City of Cupertino, including general ledger accounting, cash management and investment of City funds, payroll, accounts payable, revenue collections, banking, and miscellaneous billing.
- Record all City financial transactions prudently and within all regulatory requirements.
- Produce timely and accurate financial reports.
- Maintain a high level of professionalism when fulfilling the City's financial policies, processing its financial transactions, and representing the City to its residents.
- Respond promptly to inquiries from the public and other City departments.

## Proposed Budget

It is recommended that City Council approve a budget of \$1,745,952 for the Accounting program. This represents an increase of \$142,952 (8.9%) from the FY 2021-22 Adopted Budget.

The increase in Compensation is due to part-time staff that was not budgeted in FY 2021-22. The increase in Special Projects is due to a fee study of the City's costs of service and fees for service. The fee study will assess the City's fees to ensure appropriate cost recovery and assess the costs of service to facilitate the allocation of overhead costs through the Cost Allocation Plan. The last fee study was performed in FY 2015-16.

## Special Projects

The following table shows the special projects for the fiscal year.

Project	Appropriation	Revenue	Funding Source	Description
Fee Study	\$75,000	\$75,000	General Fund	Fee study of City services and costs.
<b>Total</b>	<b>\$75,000</b>	<b>\$75,000</b>		

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
Charges for Services	\$ 1,673,028	\$ 2,114,792	\$ 2,175,347	\$ 2,105,135
Miscellaneous Revenue	\$ 35,060	\$ 11,553	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 1,708,088</b>	<b>\$ 2,126,345</b>	<b>\$ 2,175,347</b>	<b>\$ 2,105,135</b>
<b>Expenditures</b>				
Employee Compensation	\$ 730,307	\$ 858,215	\$ 831,742	\$ 875,847
Employee Benefits	\$ 320,800	\$ 370,373	\$ 401,927	\$ 428,205
Materials	\$ 16,564	\$ 8,487	\$ 23,131	\$ 24,009
Contract Services	\$ 188,162	\$ 248,303	\$ 337,192	\$ 333,942
Cost Allocation	\$ 58,882	\$ -	\$ -	\$ -
Special Projects	\$ -	\$ -	\$ -	\$ 75,000
Contingencies	\$ -	\$ -	\$ 9,008	\$ 8,949
<b>Total Expenditures</b>	<b>\$ 1,314,715</b>	<b>\$ 1,485,378</b>	<b>\$ 1,603,000</b>	<b>\$ 1,745,952</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund Costs</b>	<b>\$ (393,373)</b>	<b>\$ (640,967)</b>	<b>\$ (572,347)</b>	<b>\$ (359,183)</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

<b>Position Title</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Adopted Budget</b>	<b>2023 Proposed Budget</b>
ACCOUNTANT II	1.90	1.00	1.90	1.90
ACCOUNT CLERK II	1.50	2.00	2.00	2.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
FINANCE MANAGER	1.00	0.95	0.95	0.95
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
<b>Total</b>	<b>6.40</b>	<b>5.95</b>	<b>6.85</b>	<b>6.85</b>

There are no changes to the current level of staffing.

# Business Licenses

Budget Unit 100-41-406

General Fund - Finance - Business Licenses

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 473,445
Fund Balance	\$ -
General Fund Costs	\$ 473,445
% Funded by General Fund	100.0%
Total Staffing	1.1 FTE

## Program Overview

The Business Licenses program monitors business licensing activity for compliance with the City Municipal Code and applicable state law.

## Service Objectives

- Issue business licenses to entities conducting business within the city limits of Cupertino.
- Collect appropriate business license fees.
- Monitor compliance with the Business License Tax Code and provide useful information related to business activity to City departments.
- Identify non-compliant business activity.

## Proposed Budget

It is recommended that City Council approve a budget of \$473,445 for the Business Licenses program. This represents an increase of \$69,068 (17.1%) from the FY 2021-22 Adopted Budget.

The increase is due to bank charges for business licenses transactions in Accela.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.



Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Employee Compensation	\$ 86,146	\$ 97,527	\$ 101,611	\$ 101,611
Employee Benefits	\$ 46,954	\$ 52,727	\$ 62,881	\$ 64,279
Materials	\$ 179	\$ 83	\$ -	\$ -
Contract Services	\$ 9,003	\$ 61,787	\$ -	\$ 65,000
Cost Allocation	\$ 95,029	\$ 252,034	\$ 239,885	\$ 240,930
Contingencies	\$ -	\$ -	\$ -	\$ 1,625
<b>Total Expenditures</b>	<b>\$ 237,311</b>	<b>\$ 464,158</b>	<b>\$ 404,377</b>	<b>\$ 473,445</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund Costs</b>	<b>\$ 237,311</b>	<b>\$ 464,157</b>	<b>\$ 404,377</b>	<b>\$ 473,445</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
ACCOUNTANT II	0.10	0	0.10	0.10
ACCOUNT CLERK II	0.50	1.00	1.00	1.00
<b>Total</b>	<b>0.60</b>	<b>1.00</b>	<b>1.10</b>	<b>1.10</b>

There are no changes to the current level of staffing.

# Purchasing

Budget Unit 100-41-425

General Fund - Finance - Purchasing

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 369,240
Fund Balance	\$ -
General Fund Costs	\$ 369,240
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

## Program Overview

The Purchasing program provides centralized oversight and management over the City's procurement of goods and services. Centralized procurement assures fair and open acquisition processes that seek to obtain maximum value for each dollar spent. Major activities include soliciting formal competitive bids and proposals, obtaining quotes, and participating in cooperative procurements with other governmental agencies. In addition, the Purchasing program assists City employees in complying with all legal and ethical requirements.

## Service Objectives

- Oversee and manage the procurement of goods and services by the City while ensuring compliance with applicable federal, state, and local laws, ordinances, rules, and regulations.
- Develop and implement strategic procurement planning, procurement policies and procedures, quality control, procurement training, electronic procurement systems, and procurement card administration.
- Provide professional support and contractual advice to all stakeholders involving contractual services, consultants, equipment, supplies, construction, capital improvements, and other applicable activities.
- Keep informed of current developments in the field of purchasing, prices, market conditions, and new products.

## Proposed Budget

It is recommended that City Council approve a budget of \$369,240 for the Purchasing program.

Procurement is a new program in FY 2022-23. The City's internal auditor, Moss Adams, conducted a Procurement Operational Review and recommended the City take steps toward greater centralization of procurement activities and elevate procurement to a strategic function. The City is requesting a Purchasing Manager position to:

- Manage the implementation plan for the Procurement Operational Review.
- Oversee and manage procurement operations to ensure compliance with laws, ordinances, rules, and regulations.

- Design and implement procurement policies and procedures and procurement training for City staff.

## Special Projects

The following table shows the special projects for the fiscal year.

Project	Appropriation	Revenue	Funding Source	Description
Federal Grants Consultant	\$100,000	\$100,000	General Fund	Consultant to help the City maximize Federal grant revenues
<b>Total</b>	<b>\$100,000</b>	<b>\$100,000</b>		

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Employee Compensation	\$ -	\$ -	\$ -	\$ 180,955
Employee Benefits	\$ -	\$ -	\$ -	\$ 84,996
Materials	\$ -	\$ -	\$ -	\$ 3,209
Special Projects	\$ -	\$ -	\$ -	\$ 100,000
Contingencies	\$ -	\$ -	\$ -	\$ 80
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 369,240</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 369,240</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
PURCHASING MANAGER	0	0	0	1.00
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.00</b>

The increase in staffing is due to a request for a Purchasing Manager.

# Budget

Budget Unit 100-41-426

General Fund - Finance - Budget

## Budget at a Glance

	<b>2023 Proposed Budget</b>
Total Revenues	\$ -
Total Expenditures	\$ 290,600
Fund Balance	\$ -
General Fund Costs	\$ 290,600
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

## Program Overview

The Budget program develops, delivers, and manages the annual operating budget. The Budget program also develops the twenty-year long-term financial forecast and updates revenue and expenditure projections. Additionally, the Budget program provides financial planning and fiscal analysis on City issues and complex business decisions.

## Service Objectives

- Develops the annual operating budget.
- Coordinates the preparation and publication of the operating budget document.
- Communicates the budget through the City's interactive financial transparency portal.
- Engages residents in the budgeting process.
- Develops the Twenty-Year General Fund Financial Forecast.
- Prepares and updates revenue and expenditure forecasts.
- Analyze budget performance during the year and prepare Quarterly Financial Reports.
- Provides departments with timely and accurate financial reports to assist them in their daily decision-making.
- Assists departments with any necessary budget amendments during the year.
- Advises the City in the areas of short and long-term financial planning and fiscal analysis.
- Advises the City in developing and implementing sound financial policies.

## Proposed Budget

It is recommended that City Council approve a budget of \$290,600 for the Budget program.

Budget is a new program for FY 2022-23. The City is requesting a Budget Manager to provide more resources to manage the City's budget process. Currently, the Finance Manager manages all financial operations, including accounting, business licensing, and budget.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Employee Compensation	\$ -	\$ -	\$ -	\$ 180,955
Employee Benefits	\$ -	\$ -	\$ -	\$ 84,996
Materials	\$ -	\$ -	\$ -	\$ 21,091
Contract Services	\$ -	\$ -	\$ -	\$ 2,957
Contingencies	\$ -	\$ -	\$ -	\$ 601
<b>Total Expenditures</b>	\$ -	\$ -	\$ -	\$ 290,600
<b>Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>General Fund Costs</b>	\$ -	\$ -	\$ -	\$ 290,600

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
BUDGET MANAGER	0	0	0	1.00
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.00</b>

The increase in staffing is due to a request for a Budget Manager.

# Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ 1,706,378
Total Expenditures	\$ 1,505,541
Fund Balance	\$ -
General Fund Costs	\$ (200,837)
% Funded by General Fund	-13.3%
Total Staffing	4.9 FTE

## Program Overview

The Human Resources Division is responsible for the administration of human resource, employee benefits, and labor relation programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee training and development, benefits, and retirement. In addition, Human Resources administers risk management, safety and wellness programs, and a self-insured workers' compensation program. Funding for retiree medical insurance is also covered in the Human Resources budget.

## Service Objectives

- Provide a working environment where respect for the individual is encouraged and safeguarded.
- Provide timely personnel services to departments and divisions in a fair, objective, and equitable manner.
- Enter into agreements with employee groups concerning terms and conditions of employment.
- Provide an employee development program addressing immediate and long-term training needs.
- Provide departments a listing of qualified persons for employment consideration within sixty days of an authorized vacant position.
- Ensure equal employment opportunities.
- Administer classification plan.
- Administer employee benefits.
- Provide personnel services consistent with the operational needs of the user department.

## Proposed Budget

It is recommended that City Council approve a budget of \$1,505,541 for the Human Resources program. This represents an increase of \$26,426 (1.8%) from the FY 2021-22 Adopted Budget.

This budget is relatively unchanged from last fiscal year. Contract Services are decreasing because a salary study and chief negotiator for labor negotiations were budgeted in FY 2021-22. Special projects are increasing due to the hybrid recruitment strategy and online marketing and branding.

## Special Projects

The following table shows the special projects for the fiscal year.

Project	Appropriation	Revenue	Funding Source	Description
Hybrid Recruitment Strategy	\$40,000	\$40,000	General Fund	Consultant fees for search portion of recruitments for Executive and Senior Management level positions, and other key positions as necessary
Online Marketing and Branding	\$50,000	\$50,000	General Fund	Consultant fees to develop a comprehensive Talent Attraction campaign for the City
<b>Total</b>	<b>\$90,000</b>	<b>\$90,000</b>		

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
Charges for Services	\$ 959,351	\$ 1,609,812	\$ 2,122,380	\$ 1,706,378
Miscellaneous Revenue	\$ -	\$ 22	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 959,351</b>	<b>\$ 1,609,834</b>	<b>\$ 2,122,380</b>	<b>\$ 1,706,378</b>
<b>Expenditures</b>				
Employee Compensation	\$ 623,303	\$ 635,667	\$ 683,904	\$ 711,571
Employee Benefits	\$ 321,161	\$ 281,792	\$ 327,828	\$ 320,794
Materials	\$ 84,975	\$ 58,330	\$ 97,443	\$ 113,063
Contract Services	\$ 463,988	\$ 568,564	\$ 358,540	\$ 260,767
Cost Allocation	\$ 42,307	\$ -	\$ -	\$ -
Special Projects	\$ -	\$ -	\$ -	\$ 90,000
Contingencies	\$ -	\$ -	\$ 11,400	\$ 9,346
<b>Total Expenditures</b>	<b>\$ 1,535,734</b>	<b>\$ 1,544,353</b>	<b>\$ 1,479,115</b>	<b>\$ 1,505,541</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund Costs</b>	<b>\$ 576,383</b>	<b>\$ (65,481)</b>	<b>\$ (643,265)</b>	<b>\$ (200,837)</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0.20	0.20	0.20	0.20
HUMAN RESOURCES ANALYST II	0.80	1.70	1.70	1.70
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	0.95	1.95	1.95	1.95
SENIOR MANAGEMENT ANALYST	0.90	0	0	0
<b>Total</b>	<b>3.85</b>	<b>4.85</b>	<b>4.85</b>	<b>4.85</b>

There are no changes to the current level of staffing.



# Retiree Benefits

Budget Unit 642-44-414

Retiree Medical - Human Resources - Retiree Benefits

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,388,276
Fund Balance	\$ (1,388,276)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

## Program Overview

The Retiree Benefits program administers the City's Other Post-Employment Benefits (OPEB).

## Service Objectives

Provide investment oversight and appropriate funding for the City's retiree medical liability. The City established a trust account with Public Agency Retirement Services (PARS) that will fund the future liability. Annual contributions from the City are deposited into the trust and invested in a portfolio of equity, bond, and money market funds.

## Proposed Budget

It is recommended that City Council approve a budget of \$1,388,276 for the Retiree Benefits program. This represents an increase of \$146,350 (11.8%) from the FY 2021-22 Adopted Budget.

The increase is due to an increase in the actuarially determined contribution's normal cost for the City's Other Post-Employment Benefits (OPEB) plan. Starting in FY 2022-23, the City plans to fund OPEB costs with the City's Section 115 OPEB Trust as the City's OPEB plan is over 100% funded. Funding OPEB costs with the OPEB Trust will eliminate the transfers from the General Fund to the Retiree Medical Fund.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Employee Benefits	\$ 1,142,793	\$ 1,220,074	\$ 1,227,045	\$ 1,373,494
Cost Allocation	\$ 6,262	\$ 10,982	\$ 14,881	\$ 14,782
<b>Total Expenditures</b>	<b>\$ 1,149,055</b>	<b>\$ 1,231,056</b>	<b>\$ 1,241,926</b>	<b>\$ 1,388,276</b>
<b>Fund Balance</b>	<b>\$ 1,242,945</b>	<b>\$ (1,185,056)</b>	<b>\$ (169,215)</b>	<b>\$ (1,388,276)</b>
<b>General Fund Costs</b>	<b>\$ 2,392,000</b>	<b>\$ 46,000</b>	<b>\$ 1,072,711</b>	<b>\$ -</b>

## Staffing

There is no staffing associated with this program.

# Insurance Administration

Budget Unit 100-44-417

General Fund - Human Resources - Insurance Administration

## Budget at a Glance

	<b>2023 Proposed Budget</b>
Total Revenues	\$ -
Total Expenditures	\$ 2,034,411
Fund Balance	\$ -
General Fund Costs	\$ 2,034,411
% Funded by General Fund	100.0%
Total Staffing	0.2 FTE

## Program Overview

The Insurance Administration program manages Risk Management safety programs and self-insured Workers' Compensation and General Liability programs.

## Service Objectives

- Satisfy statutory regulations regarding Workers' Compensation and employee safety.
- Promote work environment that emphasizes safe work practices.

## Proposed Budget

It is recommended that City Council approve a budget of \$2,034,411 for the Insurance Administration program. This represents an increase of \$1,069,059 (110.7%) from the FY 2021-22 Adopted Budget.

The increase is primarily due to the annual premium increase for Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA). The premium is increasing by approximately \$364,000, or 40%, compared to last year's actuals, and \$761,000, or 147%, compared to last year's budget.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
Charges for Services	\$ 959,351	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 959,351</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>				
Employee Compensation	\$ 18,312	\$ 16,053	\$ 19,005	\$ 19,953
Employee Benefits	\$ 8,734	\$ 6,943	\$ 8,730	\$ 9,000
Materials	\$ 2	\$ -	\$ -	\$ -
Contract Services	\$ 602,487	\$ 764,636	\$ 866,155	\$ 1,903,469
Cost Allocation	\$ 7,789	\$ 46,350	\$ 49,808	\$ 54,402
Contingencies	\$ -	\$ -	\$ 21,654	\$ 47,587
<b>Total Expenditures</b>	<b>\$ 637,324</b>	<b>\$ 833,982</b>	<b>\$ 965,352</b>	<b>\$ 2,034,411</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund Costs</b>	<b>\$ (322,027)</b>	<b>\$ 833,982</b>	<b>\$ 965,352</b>	<b>\$ 2,034,411</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
HUMAN RESOURCES ANALYST II	0.05	0.10	0.10	0.10
HUMAN RESOURCES TECH	0.05	0.05	0.05	0.05
SENIOR MANAGEMENT ANALYST	0.05	0	0	0
<b>Total</b>	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>

There are no changes to the current level of staffing.

# Workers Compensation Insurance

Budget Unit 620-44-418

Workers' Compensation - Human Resources - Workers Compensation Insurance

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ 436,145
Total Expenditures	\$ 516,946
Fund Balance	\$ (80,801)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.2 FTE

## Program Overview

This program provides oversight of the Workers' Compensation program, including claims, proactive Risk Management, return to work accommodations and excess workers compensation insurance.

## Service Objectives

- Manage employee personal injuries and illnesses and provide proactive risk management for disability avoidance.
- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.

## Proposed Budget

It is recommended that City Council approve a budget of \$516,946 for the Workers Compensation Insurance program. This represents an increase of \$82,106 (18.9%) from the FY 2021-22 Adopted Budget.

The increase is due to an increase in the premium for Excess Workers' Compensation (PRISM). Worker's Compensation premiums have increased due to increases in the pool rates and the City's estimated FY 2022-23 payroll.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
Charges for Services	\$ 237,706	\$ 246,381	\$ 356,839	\$ 436,145
<b>Total Revenues</b>	<b>\$ 237,706</b>	<b>\$ 246,381</b>	<b>\$ 356,839</b>	<b>\$ 436,145</b>
<b>Expenditures</b>				
Employee Compensation	\$ 28,962	\$ 28,358	\$ 28,601	\$ 29,045
Employee Benefits	\$ 16,712	\$ 10,057	\$ 12,312	\$ 12,483
Materials	\$ 6,471	\$ -	\$ -	\$ -
Contract Services	\$ 160,237	\$ 35,105	\$ 356,839	\$ 436,145
Cost Allocation	\$ 16,672	\$ 24,572	\$ 28,167	\$ 28,369
Contingencies	\$ -	\$ -	\$ 8,921	\$ 10,904
<b>Total Expenditures</b>	<b>\$ 229,054</b>	<b>\$ 98,092</b>	<b>\$ 434,840</b>	<b>\$ 516,946</b>
<b>Fund Balance</b>	<b>\$ 8,653</b>	<b>\$ 148,289</b>	<b>\$ (78,001)</b>	<b>\$ (80,801)</b>
<b>General Fund Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
HUMAN RESOURCES ANALYST II	0.15	0.20	0.20	0.20
SENIOR MANAGEMENT ANALYST	0.05	0	0	0
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>

There are no changes to the current level of staffing.

# Short Term and Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Short Term and Long Term Disability

## Budget at a Glance

	<b>2023 Proposed Budget</b>
Total Revenues	\$ -
Total Expenditures	\$ 98,523
Fund Balance	\$ (98,523)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

## Program Overview

This program oversees claims and premiums associated with Short Term and Long Term Disability.

## Service Objectives

- Obtain and manage insurance policies
- Negotiate rates
- Coordination of claims

## Proposed Budget

It is recommended that City Council approve a budget of \$98,523 for the Short Term and Long Term Disability program. This represents an increase of \$2,911 (3.0%) from the FY 2021-22 Adopted Budget.

This budget is relatively unchanged from last fiscal year.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Contract Services	\$ 167,319	\$ 121,910	\$ 90,000	\$ 93,420
Cost Allocation	\$ 1,634	\$ 2,712	\$ 3,362	\$ 2,767
Contingencies	\$ -	\$ -	\$ 2,250	\$ 2,336
<b>Total Expenditures</b>	<b>\$ 168,953</b>	<b>\$ 124,622</b>	<b>\$ 95,612</b>	<b>\$ 98,523</b>
<b>Fund Balance</b>	<b>\$ (168,953)</b>	<b>\$ (124,622)</b>	<b>\$ (95,612)</b>	<b>\$ (98,523)</b>
<b>General Fund Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Staffing

There is no staffing associated with this program.



# Compensated Absences

Budget Unit 641-44-420

Compensated Absence/LTD - Human Resources - Compensated Absences

## Budget at a Glance

	2023 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 646,650
Fund Balance	\$ 235,350
General Fund Costs	\$ 882,000
% Funded by General Fund	136.4%
Total Staffing	FTE

## Program Overview

This program provides for payment of liabilities associated with employees retiring or leaving service.

## Service Objectives

Properly account and disburse benefits as set forth in the employee contracts.

## Proposed Budget

It is recommended that City Council approve a budget of \$646,650 for the Compensated Absences program. This represents an increase of \$26,060 (4.2%) from the FY 2021-22 Adopted Budget.

This budget is relatively unchanged from last fiscal year. The budget is estimated based on 50% of hours eligible to be cashed out.

## Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Proposed Budget
<b>Revenues</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Contract Services	\$ 381,199	\$ 705,210	\$ 600,000	\$ 622,800
Cost Allocation	\$ 2,689	\$ 5,055	\$ 5,590	\$ 8,280
Contingencies	\$ -	\$ -	\$ 15,000	\$ 15,570
<b>Total Expenditures</b>	<b>\$ 383,888</b>	<b>\$ 710,265</b>	<b>\$ 620,590</b>	<b>\$ 646,650</b>
<b>Fund Balance</b>	<b>\$ 725,112</b>	<b>\$ (517,265)</b>	<b>\$ (599,020)</b>	<b>\$ 235,350</b>
<b>General Fund Costs</b>	<b>\$ 1,109,000</b>	<b>\$ 193,000</b>	<b>\$ 21,570</b>	<b>\$ 882,000</b>

## Staffing

There is no staffing associated with this program.