

Administrative Services

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Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
Administrative Services		\$ 386,090
100-40-400	Administrative Services Administration	\$ 386,090
Finance		\$ 3,238,538
100-41-405	Accounting	\$ 1,915,780
100-41-406	Business Licenses	\$ 325,067
100-41-425	Purchasing	\$ 424,809
100-41-426	Budget	\$ 572,882
Human Resources		\$ 6,931,002
100-44-412	Human Resources	\$ 1,467,527
642-44-414	Retiree Benefits	\$ 1,609,045
100-44-417	Insurance Administration	\$ 2,444,954
620-44-418	Workers Compensation Insurance	\$ 571,410
641-44-419	Long Term Disability	\$ 110,329
641-44-420	Compensated Absences	\$ 727,737
Total		\$ 10,555,630

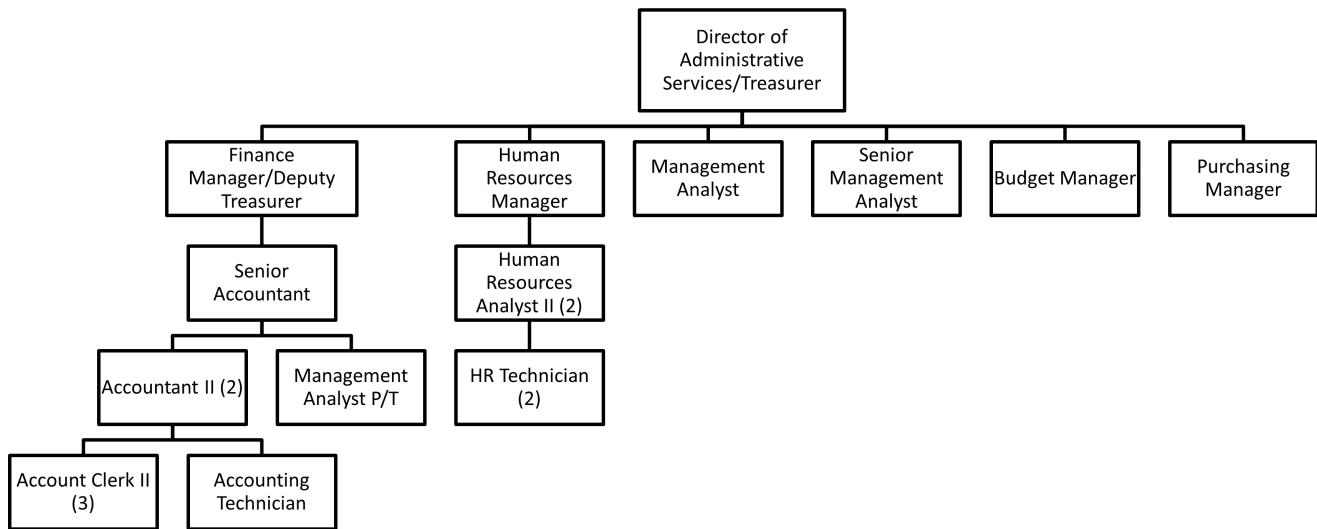
Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 5,572,466
Total Expenditures	\$ 10,555,630
Fund Balance	\$ (366,139)
General Fund Costs	\$ 4,617,025
% Funded by General Fund	43.7%
Total Staffing	17.9 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 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
General Fund committed, assigned, and unassigned fund balance as a % of budgeted appropriations	86%	122%	97%	35%
Credit Rating	AA+	AA+	AA+	AA+
Actual revenue vs. budget (% below budget)	24%	17%	28%	10%
Actual expenditures (% below budget)	9%	14%	24%	5%
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	52%	58%	72%	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.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
# of Worker's Compensation Cases	11	4	1	0
Total recordable Injury Rate YTD	4.3%	1.4%	0.3%	0%
% absenteeism (% of total annual work hours)	2%	3%	3%	2%
% turnover rate	9%	9%	3%	1%
% Employee participation in wellness activities	48%	38%	39%	75%
Average # of applications received per recruitment	49	45	49	50
Recruitment timeline - # days from hiring request to offer letter	88	105	53	60

Workload Indicators

Finance Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
# of vendor checks processed	4,993	5,130	2,199
# of payroll checks processed	8,119	9,176	4,758
# of business license applications	884	969	515
# of business license renewals	1,521	2,176	1,005
# of journal entries posted	3,635	3,695	1,743
# of purchase orders approved	563	543	307
# of receipts processed	9,353	11,275	4,885

Human Resources Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
# of regular recruitments	33	29	11
# of regular new hires	38	31	9
# of temporary new hires	77	70	14
# of personnel payroll changes	787	773	331
# of full-time employee exits processed	24	22	12
# of mandated training classes offered*	20	19	21
# of employees participating in the wellness program	104	161	99

* 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 \$10,555,630 for the Administrative Services department. This represents an increase of \$531,401 (5.3%) from the FY 2023-24 Adopted Budget.

The increase is mainly due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

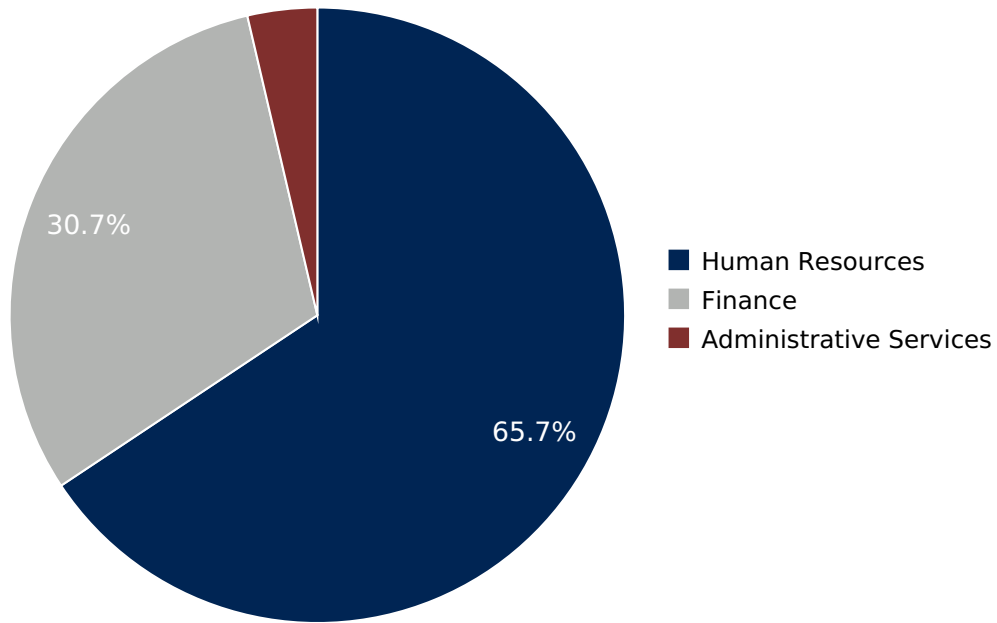
The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Reduce Unemployment Insurance	\$(64,148)	New costs are reflective of post-COVID estimates
Operations and Maintenance	Reduce Budget for Internal Audit	\$(40,000)	Reduction in the number of internal audit projects. Audits would occur on a less frequent basis.
Operations and Maintenance	Shift credit card fees to customers	\$(39,000)	Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.
Total		\$(139,148)	

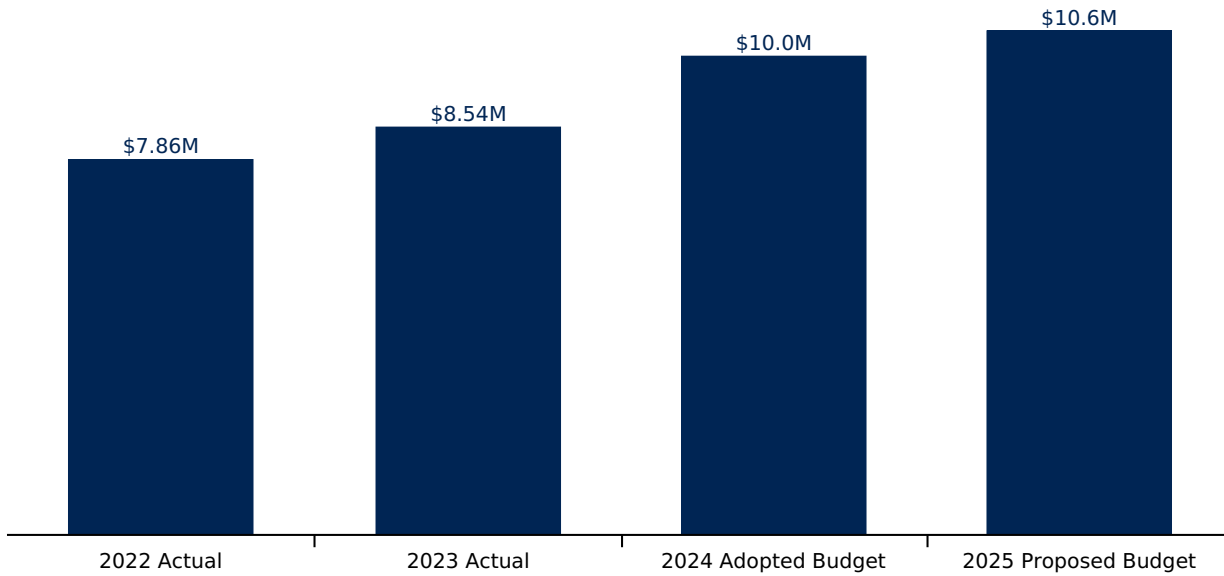
The table below shows unfunded needs for the department.

Project	Description	Estimated Cost	One-time or Ongoing	Funding Status
Training Investment	California Association of Public Procurement Officials (CAPPO) 2025 Conference - in Person	\$1,500	One-time	Unfunded
Training Investment	Successful Scope of Work Development (5 @ \$195/ea) National Institute of Governmental Purchasing, Inc (NIGP)	\$1,000	One-time	Unfunded
Analytic Support	Student Intern for support with Presentation Development, Handout Materials, Policy comparison	\$5,000	One-time	Unfunded
Professional Purchasing Support	Professional Consultant to Research and develop bid and quote documents	\$15,000	One-time	Unfunded
Professional Purchasing Support	Consultant to draft training presentations for citywide staff including contract development, contract negotiations, Request For Proposal use	\$20,000	Ongoing	Unfunded
Professional Purchasing Support	Consultant to develop template for documenting and achieving the Achievement of Excellence in Procurement (AEP) Award	\$15,000	One-time	Unfunded
Citywide Analyst Classification Study	Consultant study of citywide analyst classifications	\$10,000	One-time	Unfunded
Succession Planning	Hire consultant to assist with developing a succession plan for the city	\$20,000	One-time	Unfunded
Human Resources Support	Part-time staff support for recommended centralized citywide training model	\$52,360	Ongoing	Unfunded
Total		\$139,860		

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 4,484,822	\$ 3,974,879	\$ 4,159,392	\$ 5,103,482
Miscellaneous Revenue	\$ 44,002	\$ 43,832	\$ -	\$ -
Other Financing Sources	\$ 356,830	\$ 436,462	\$ -	\$ 468,984
Transfers In	\$ 332,112	\$ -	\$ -	\$ -
Total Revenues	\$ 5,217,766	\$ 4,455,173	\$ 4,159,392	\$ 5,572,466
Expenditures				
Employee Compensation	\$ 2,240,233	\$ 2,445,716	\$ 2,808,263	\$ 2,766,469
Employee Benefits	\$ 2,401,776	\$ 2,376,202	\$ 2,735,256	\$ 2,889,460
Materials	\$ 136,581	\$ 127,195	\$ 108,808	\$ 111,160
Contract Services	\$ 2,740,443	\$ 3,236,527	\$ 4,020,746	\$ 4,232,614
Cost Allocation	\$ 341,693	\$ 349,530	\$ 308,962	\$ 511,081
Special Projects	\$ -	\$ 4,200	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 42,194	\$ 44,846
Total Expenditures	\$ 7,860,726	\$ 8,539,370	\$ 10,024,229	\$ 10,555,630
Fund Balance	\$ (735,233)	\$ (1,244,606)	\$ (2,450,237)	\$ (366,139)
General Fund Costs	\$ 1,907,727	\$ 2,839,589	\$ 3,414,600	\$ 4,617,025

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ACCOUNTANT II	2.00	2.00	2.00	2.00
ACCOUNT CLERK II	3.00	3.00	3.00	3.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.95	0.95	0	0
BUDGET MANAGER	0	1.00	1.00	1.00
DIRECTOR OF ADMIN SERVICES	1.00	1.00	1.00	1.00
FINANCE MANAGER	0.95	0.95	0.95	0.95
HUMAN RESOURCES ANALYST II	2.00	2.00	2.00	2.00
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	2.00	2.00	2.00	2.00
MANAGEMENT ANALYST	0	0	0.95	0.95
PURCHASING MANAGER	0	1.00	1.00	1.00
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	2.00	2.00	1.00	1.00
Total	16.90	18.90	17.90	17.90

Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 35,714
Total Expenditures	\$ 386,090
Fund Balance	\$ -
General Fund Costs	\$ 350,376
% Funded by General Fund	90.7%
Total Staffing	1.4 FTE

Program Overview

The Administrative Services Administration program oversees and coordinates Human Resources/Risk Management, Finance, Purchasing, Budget, and Treasury. In Fall 2022, City Council adopted the City's Fraud, Waste, and Abuse (FWA) Program which is administered by the City's Internal Auditor. The Internal Auditor monitors the hotline, triages complaints received, recommends action to the appropriate City personnel, and conducts investigations, as appropriate. Costs associated with supporting the FWA hotline are expensed in this program. Additionally, staff support from this program is provided to the Audit Committee.

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 contract for the City's Fraud, Waste, Abuse Program.
- Provide staff support to Audit Committee.

Proposed Budget

It is recommended that City Council approve a budget of \$386,090 for the Administrative Services Administration program. This represents an increase of \$18,397 (5.0%) from the FY 2023-24 Adopted Budget.

The increase is primarily due to increases in Cost Allocation Plan (CAP) expenses. Matrix Consulting Group updated the CAP based on a study performed in 2023. This is offset by a reduction in overall material expenses.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 183,169	\$ 156,003	\$ 154,333	\$ 35,714
Miscellaneous Revenue	\$ 36,300	\$ 11	\$ -	\$ -
Total Revenues	\$ 219,469	\$ 156,014	\$ 154,333	\$ 35,714
Expenditures				
Employee Compensation	\$ 562,571	\$ 540,819	\$ 240,749	\$ 239,790
Employee Benefits	\$ 242,833	\$ 220,816	\$ 103,522	\$ 105,249
Materials	\$ 47,865	\$ 17,917	\$ 17,628	\$ 12,199
Contract Services	\$ -	\$ -	\$ 5,505	\$ 5,505
Cost Allocation	\$ -	\$ -	\$ -	\$ 23,126
Contingencies	\$ -	\$ -	\$ 289	\$ 221
Total Expenditures	\$ 853,269	\$ 779,552	\$ 367,693	\$ 386,090
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 633,800	\$ 623,538	\$ 213,360	\$ 350,376

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0.95	0	0
DIRECTOR OF ADMIN SERVICES	0.80	0.80	0.20	0.20
MANAGEMENT ANALYST	0	0	0.20	0.20
SENIOR MANAGEMENT ANALYST	2.00	2.00	1.00	1.00
Total	3.75	3.75	1.40	1.40

There are no changes to the current level of staffing.

Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,626,339
Total Expenditures	\$ 1,915,780
Fund Balance	\$ -
General Fund Costs	\$ 289,441
% Funded by General Fund	15.1%
Total Staffing	7.1 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 three investment policies, 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 \$1,915,780 for the Accounting program. This represents an increase of \$97,531 (5.4%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Budget for Internal Audit	\$(40,000)	Reduction in the number of internal audit projects. Audits would occur on a less frequent basis.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 2,179,273	\$ 2,112,498	\$ 2,120,939	\$ 1,626,339
Miscellaneous Revenue	\$ 7,702	\$ 39,662	\$ -	\$ -
Transfers In	\$ 150,000	\$ -	\$ -	\$ -
Total Revenues	\$ 2,336,975	\$ 2,152,160	\$ 2,120,939	\$ 1,626,339
Expenditures				
Employee Compensation	\$ 813,499	\$ 803,440	\$ 1,017,729	\$ 960,073
Employee Benefits	\$ 371,524	\$ 308,804	\$ 470,843	\$ 471,799
Materials	\$ 13,248	\$ 14,576	\$ 14,987	\$ 16,323
Contract Services	\$ 337,405	\$ 348,778	\$ 310,620	\$ 346,595
Cost Allocation	\$ -	\$ -	\$ -	\$ 116,454
Special Projects	\$ -	\$ 4,200	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,070	\$ 4,536
Total Expenditures	\$ 1,535,676	\$ 1,479,798	\$ 1,818,249	\$ 1,915,780
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (801,299)	\$ (672,362)	\$ (302,690)	\$ 289,441

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ACCOUNTANT II	1.90	1.90	1.90	1.90
ACCOUNT CLERK II	2.00	2.00	2.00	2.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
DIRECTOR OF ADMIN SERVICES	0	0	0.20	0.20
FINANCE MANAGER	0.95	0.95	0.95	0.95
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
Total	6.85	6.85	7.05	7.05

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

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 325,067
Fund Balance	\$ -
General Fund Costs	\$ 325,067
% 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 \$325,067 for the Business Licenses program. This represents a decrease of \$98,463 (-23.2%) from the FY 2023-24 Adopted Budget.

The decrease is due to a shift of credit card fees to customers. The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Shift credit card fees to customers	\$(39,000)	Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 103,915	\$ 114,293	\$ 110,981	\$ 109,333
Employee Benefits	\$ 57,777	\$ 57,200	\$ 64,549	\$ 58,740
Materials	\$ 173	\$ 204	\$ -	\$ -
Contract Services	\$ 38,832	\$ 18,753	\$ 39,000	\$ -
Cost Allocation	\$ 239,885	\$ 240,930	\$ 208,512	\$ 156,994
Contingencies	\$ -	\$ -	\$ 488	\$ -
Total Expenditures	\$ 440,582	\$ 431,380	\$ 423,530	\$ 325,067
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 440,581	\$ 431,379	\$ 423,530	\$ 325,067

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ACCOUNTANT II	0.10	0.10	0.10	0.10
ACCOUNT CLERK II	1.00	1.00	1.00	1.00
Total	1.10	1.10	1.10	1.10

There are no changes to the current level of staffing.

Purchasing

Budget Unit 100-41-425

General Fund - Finance - Purchasing

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 321,408
Total Expenditures	\$ 424,809
Fund Balance	\$ -
General Fund Costs	\$ 103,401
% Funded by General Fund	24.3%
Total Staffing	1.2 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 providing review, guidance, and standardization for soliciting formal and informal competitive bids and proposals, obtaining quotes, and participating in cooperative procurements lead by 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 \$424,809 for the Purchasing program. This represents an increase of \$55,332 (15.0%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The following table shows unfunded needs for the program.

Service	Description	Estimated Cost	Funding Status
Training Investment	California Association of Public Procurement Officials (CAPPO) 2025 Conference - in Person	\$1,500	Unfunded
Training Investment	Successful Scope of Work Development (5 @ \$195/ea) National Institute of Governmental Purchasing, Inc (NIGP)	\$1,000	Unfunded
Analytic Support	Student Intern for support with Presentation Development, Handout Materials, Policy comparison	\$5,000	Unfunded
Professional Purchasing Support	Professional Consultant to Research and develop bid and quote documents	\$15,000	Unfunded
Professional Purchasing Support	Consultant to draft training presentations for citywide staff including contract development, contract negotiations, RFP use	\$20,000	Unfunded
Professional Purchasing Support	Consultant to develop template for documenting and achieving the Achievement of Excellence in Procurement (AEP) Award	\$15,000	Unfunded
Total		\$57,500	

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 321,408
Total Revenues	\$ -	\$ -	\$ -	\$ 321,408
Expenditures				
Employee Compensation	\$ -	\$ 35,897	\$ 255,899	\$ 272,068
Employee Benefits	\$ -	\$ (3,149)	\$ 111,804	\$ 131,492
Materials	\$ -	\$ 1,546	\$ 1,752	\$ 1,409
Contract Services	\$ -	\$ 200	\$ -	\$ -
Cost Allocation	\$ -	\$ -	\$ -	\$ 19,822
Contingencies	\$ -	\$ -	\$ 22	\$ 18
Total Expenditures	\$ -	\$ 34,494	\$ 369,477	\$ 424,809
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 34,494	\$ 369,477	\$ 103,401

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0	0	0.20	0.20
PURCHASING MANAGER	0	1.00	1.00	1.00
Total	0	1.00	1.20	1.20

There are no changes to the current level of staffing.

Budget

Budget Unit 100-41-426

General Fund - Finance - Budget

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 507,316
Total Expenditures	\$ 572,882
Fund Balance	\$ -
General Fund Costs	\$ 65,566
% Funded by General Fund	11.4%
Total Staffing	2.0 FTE

Program Overview

The Budget program manages the budget-to-actual activities for both the operating budget and capital budgets. The program also develops, delivers, and updates the annual operating budget, twenty-year long-term financial forecast, and 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 \$572,882 for the Budget program. This represents an increase of \$50,742 (9.7%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 507,316
Total Revenues	\$ -	\$ -	\$ -	\$ 507,316
Expenditures				
Employee Compensation	\$ -	\$ 130,237	\$ 352,271	\$ 366,895
Employee Benefits	\$ -	\$ 26,849	\$ 152,448	\$ 155,599
Materials	\$ -	\$ 7,168	\$ 14,249	\$ 17,953
Contract Services	\$ -	\$ 4,280	\$ 2,957	\$ -
Cost Allocation	\$ -	\$ -	\$ -	\$ 32,211
Contingencies	\$ -	\$ -	\$ 215	\$ 224
Total Expenditures	\$ -	\$ 168,534	\$ 522,140	\$ 572,882
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 168,534	\$ 522,140	\$ 65,566

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
BUDGET MANAGER	0	1.00	1.00	1.00
DIRECTOR OF ADMIN SERVICES	0	0	0.20	0.20
MANAGEMENT ANALYST	0	0	0.75	0.75
Total	0	1.00	1.95	1.95

There are no changes to the current level of staffing.

Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,000,511
Total Expenditures	\$ 1,467,527
Fund Balance	\$ -
General Fund Costs	\$ 467,016
% Funded by General Fund	31.8%
Total Staffing	4.9 FTE

Program Overview

The Human Resources Division is responsible for the administration of human resources programs, employee benefits, and labor relation programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee training and development, benefits, HRIS and retirement. The Human Resources Administration Division budget covers contracts and materials associated with supporting these internal services functions.

In addition, Human Resources administers risk management, safety and wellness programs, a self-insured workers' compensation program, and retiree medical insurance. Funding for these internal services is reflected in subsequent Human Resources program budgets.

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 \$1,467,527 for the Human Resources program. This represents an increase of \$72,061 (5.2%) from the FY 2023-24 Adopted Budget.

The overall increase is due to increases in Cost Allocation Plan (CAP) expenses. Matrix Consulting Group updated the CAP based on a study performed in 2023. This increase is offset by decreases in executive recruitment, tuition reimbursement and employee assistance program premium expenses.

The table below shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Succession Planning	Hire consultant to assist with developing a succession plan for the city	\$20,000	Unfunded
Citywide Analyst Classification Study	Consultant study of citywide analyst classifications	\$15,000	Unfunded
Total		\$35,000	

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 2,122,380	\$ 1,706,378	\$ 1,884,120	\$ 1,000,511
Miscellaneous Revenue	\$ -	\$ 2,470	\$ -	\$ -
Transfers In	\$ 182,112	\$ -	\$ -	\$ -
Total Revenues	\$ 2,304,492	\$ 1,708,848	\$ 1,884,120	\$ 1,000,511
Expenditures				
Employee Compensation	\$ 709,499	\$ 767,855	\$ 777,118	\$ 765,589
Employee Benefits	\$ 370,729	\$ 367,391	\$ 336,685	\$ 351,256
Materials	\$ 75,295	\$ 85,784	\$ 60,192	\$ 63,276
Contract Services	\$ 360,707	\$ 300,638	\$ 217,994	\$ 204,445
Cost Allocation	\$ -	\$ -	\$ -	\$ 80,114
Contingencies	\$ -	\$ -	\$ 3,477	\$ 2,847
Total Expenditures	\$ 1,516,230	\$ 1,521,668	\$ 1,395,466	\$ 1,467,527
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (788,262)	\$ (187,181)	\$ (488,654)	\$ 467,016

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0.20	0.20	0.20	0.20
HUMAN RESOURCES ANALYST II	1.70	1.70	1.70	1.70
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	1.95	1.95	1.95	1.95
Total	4.85	4.85	4.85	4.85

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

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,609,045
Fund Balance	\$ (16,647)
General Fund Costs	\$ 1,592,398
% Funded by General Fund	99.0%
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 \$1,609,045 for the Retiree Benefits program. This represents an increase of \$122,057 (8.2%) from the FY 2023-24 Adopted Budget.

This increase is based on the City's most current OPEB actuarial report.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Benefits	\$ 1,342,158	\$ 1,380,875	\$ 1,473,000	\$ 1,592,398
Cost Allocation	\$ 14,881	\$ 14,782	\$ 13,988	\$ 16,647
Total Expenditures	\$ 1,357,039	\$ 1,395,657	\$ 1,486,988	\$ 1,609,045
Fund Balance	\$ (135,835)	\$ (1,395,657)	\$ (1,486,988)	\$ (16,647)
General Fund Costs	\$ 1,221,204	\$ -	\$ -	\$ 1,592,398

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

	2025 Proposed Budget
Total Revenues	\$ 1,612,194
Total Expenditures	\$ 2,444,954
Fund Balance	\$ -
General Fund Costs	\$ 832,760
% Funded by General Fund	34.1%
Total Staffing	0.2 FTE

Program Overview

The Insurance Administration General Liability and Property programs and Employment Practices Law insurance.

Service Objectives

- Provide the City with General Liability and Property Insurance
- Provide the City with Employment Practices Law Insurance

Proposed Budget

It is recommended that City Council approve a budget of \$2,444,954 for the Insurance Administration program. This represents an increase of \$147,517 (6.4%) from the FY 2023-24 Adopted Budget.

This increase is due to an increase in annual premiums for General Liability and Property insurance offset by a decrease in estimated litigated claims expenses.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 1,612,194
Miscellaneous Revenue	\$ -	\$ 1,689	\$ -	\$ -
Total Revenues	\$ -	\$ 1,689	\$ -	\$ 1,612,194
Expenditures				
Employee Compensation	\$ 19,680	\$ 21,635	\$ 21,793	\$ 21,469
Employee Benefits	\$ 8,689	\$ 7,960	\$ 9,403	\$ 9,761
Contract Services	\$ 1,101,955	\$ 1,476,879	\$ 2,188,193	\$ 2,381,478
Cost Allocation	\$ 49,808	\$ 54,402	\$ 50,696	\$ 2,478
Contingencies	\$ -	\$ -	\$ 27,352	\$ 29,768
Total Expenditures	\$ 1,180,132	\$ 1,560,876	\$ 2,297,437	\$ 2,444,954
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,180,133	\$ 1,559,187	\$ 2,297,437	\$ 832,760

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
HUMAN RESOURCES ANALYST II	0.10	0.10	0.10	0.10
HUMAN RESOURCES TECH	0.05	0.05	0.05	0.05
Total	0.15	0.15	0.15	0.15

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

	2025 Proposed Budget
Total Revenues	\$ 468,984
Total Expenditures	\$ 571,410
Fund Balance	\$ (102,426)
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. Additionally, this program is responsible for the administration of the City's self-insured unemployment insurance benefit account.

Service Objectives

- Manage employee industrial injury and/or illness and provide proactive risk management programs to ensure employee safety in the workplace.
- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.
- Manage and administer the City's unemployment insurance benefit account with the State of CA.

Proposed Budget

It is recommended that City Council approve a budget of \$571,410 for the Workers Compensation Insurance program. This represents a decrease of \$11,368 (-2.0%) from the FY 2023-24 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Reduce Unemployment Insurance	\$(64,148)	New costs are reflective of post-COVID estimates

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Other Financing Sources	\$ 356,830	\$ 436,462	\$ -	\$ 468,984
Total Revenues	\$ 356,830	\$ 436,462	\$ -	\$ 468,984
Expenditures				
Employee Compensation	\$ 31,069	\$ 31,540	\$ 31,723	\$ 31,252
Employee Benefits	\$ 8,066	\$ 9,456	\$ 13,002	\$ 13,166
Contract Services	\$ 476,344	\$ 470,630	\$ 502,477	\$ 470,591
Cost Allocation	\$ 28,167	\$ 28,369	\$ 29,295	\$ 50,519
Contingencies	\$ -	\$ -	\$ 6,281	\$ 5,882
Total Expenditures	\$ 543,646	\$ 539,995	\$ 582,778	\$ 571,410
Fund Balance	\$ (186,816)	\$ (103,533)	\$ (582,778)	\$ (102,426)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
HUMAN RESOURCES ANALYST II	0.20	0.20	0.20	0.20
Total	0.20	0.20	0.20	0.20

There are no changes to the current level of staffing.

Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Long Term Disability

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 110,329
Fund Balance	\$ (110,329)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

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

Service Objectives

- Obtain and manage insurance policies
- Negotiate rates
- Coordinate claims

Proposed Budget

It is recommended that City Council approve a budget of \$110,329 for the Long Term Disability program. This represents an increase of \$7,948 (7.8%) from the FY 2023-24 Adopted Budget.

This increase is due to a monthly premium expense associated with providing a contracted benefit for full time employees.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 92,612	\$ 97,976	\$ 100,000	\$ 108,000
Cost Allocation	\$ 3,362	\$ 2,767	\$ 2,381	\$ 979
Contingencies	\$ -	\$ -	\$ -	\$ 1,350
Total Expenditures	\$ 95,974	\$ 100,743	\$ 102,381	\$ 110,329
Fund Balance	\$ (95,974)	\$ (100,743)	\$ (102,381)	\$ (110,329)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

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

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 727,737
Fund Balance	\$ (136,737)
General Fund Costs	\$ 591,000
% Funded by General Fund	81.2%
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 \$727,737 for the Compensated Absences program. This represents an increase of \$69,647 (10.6%) from the FY 2023-24 Adopted Budget.

This increase is reflective of the estimated number of employees eligible to cash out leave balances due to constructive receipts, retirements, resignations, and other types of separation from the City. Under Internal Revenue Service ("IRS") Regulations, the IRS considers income to be received for tax purposes if the individual actually receives it or has an option to receive it during the tax year. This is known as the constructive receipt doctrine.

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	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 332,588	\$ 518,393	\$ 654,000	\$ 716,000
Cost Allocation	\$ 5,590	\$ 8,280	\$ 4,090	\$ 11,737
Total Expenditures	\$ 338,178	\$ 526,673	\$ 658,090	\$ 727,737
Fund Balance	\$ (316,608)	\$ 355,327	\$ (278,090)	\$ (136,737)
General Fund Costs	\$ 21,570	\$ 882,000	\$ 380,000	\$ 591,000

Staffing

There is no staffing associated with this program.

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