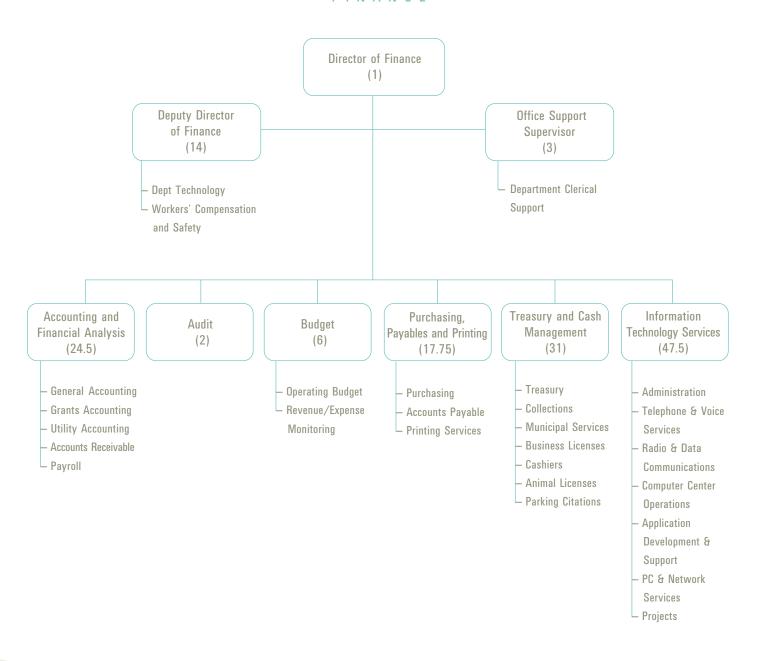
## **FINANCE**



ADOPTED OPERATING BUDGET FISCAL YEAR

2009



## DEPARTMENT SUMMARY FINANCE

#### **Mission Statement**

To develop fiscal policies that ensure a financially strong and effective city government. Implement financial policies and procedures that are consistently monitored and reviewed in order to maintain the financial integrity of the City and its related agencies. Being responsible for the overall financial and accounting management of the City, the Finance Department ensures that generally accepted accounting standards are followed and appropriate internal controls are in place to safeguard City assets. The Finance Department also provides and maintains a secure and reliable technological infrastructure.

#### **Program Description**

The Department of Finance plays a key role in every financial transaction of the City, ranging from cash handling to debt management; from financial forecasting to budgetary controls. Services provided by the Department include: fiscal oversight, accounting and analysis, debt management, investments, purchasing, budgeting, cash management, cashiering, collections, accounts receivable, accounts payable, payroll, Workers' Compensation, safety, printing, management analysis and internal auditing. In addition, the Department also manages the City's Information Technology Services. The Information Technology Services Division (ITSD) provides services to City departments covering a wide spectrum of technology and systems.

#### Departmental Relationship to City Council Goals

#### Foster Economic Prosperity

The Department of Finance works closely with all departments to provide financial and economic data related to the City.

The Department analyzes proposals and assists in the preparation of economic development agreements, works with the City's Business Improvement Districts to ensure the proper collection of their annual assessments, and serves as a resource to the general Pasadena business community on issues as needed. The Department participates in developing financing plans for major City projects. Finance also works closely with the Pasadena Center Operating Company and the Rose Bowl Operating Company to develop financing plans for major improvements.

#### • Operate an Effective and Cost Efficient Government

Finance continually searches for ways to improve City services while reducing costs. The Department's financial system provides timely and complete financial information directly to departments. The business license system streamlines the processing of business license accounts and enhances customer service. The Purchasing Card Program allows departments to make faster purchases without a lot of unnecessary paperwork and processes, and vendors receive payment more timely. The Department has developed numerous financial plans for major City funds to provide the City Council with a long-range financial picture regarding the fiscal solvency of these funds. These documents are refined on a quarterly basis to serve as an important planning tool as monetary decisions are made. Additionally, purchasing policies have been implemented to achieve urban sustainability as promoted by the United Nations Green Cities Declaration and Urban Environmental Accords, beginning with the purchase of alternative fuel vehicles, paper with higher content recycled matter, green light bulbs and janitorial supplies that are free of toxins.

#### Major Accomplishments

During fiscal year 2008, the City, for the first time, received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. The City once again was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. The City received the Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO) for the City's fiscal year 2008 Operating Budget and an award for Excellence in Public Communications for the fiscal year 2008 Budget in Brief. The Department completed

the issuance of \$135 million in refinancing for the renovation of the Pasadena Conference Center. The Department continued the implementation of a web-based time entry system in order to further streamline the payroll process. In addition to maintaining the City's technology infrastructure the ITSD also successfully coordinated and implemented the Fire Department migration to Interagency Communications Interoperability System (ICIS), which is a digital radio system that allows intercity and interagency radio communication between member cities and meets future Federal requirements. The City's current General Obligation Bond rating was upgraded from AA to AAA which is the highest rating given by Standard and Poor's. Electric revenue bonds in the amount of \$58.5 million were also issued this year.

# C I T Y O F P A S A D E N A F I N A N C E

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs					
Finance	77.150	77.150	77.650	77.650	78.650
Workers' Comp & Safety	9.000	9.000	8.000	8.000	8.000
General Liability	2.000	0.000	0.000	0.000	0.000
Printing Services	7.000	7.000	7.000	7.000	7.000
Information Technology	44.000	45.000	48.000	48.000	47.500
Grants FTEs (memo only)	5.600	5.600	5.600	5.600	5.600
Total FTEs	144.750	143.750	146.250	146.250	146.750
Appropriations					
Finance	8,765,460	8,817,083	9,850,182	9,850,182	10,105,373
Workers' Comp & Safety	1,333,696	946,148	1,371,515	1,371,515	1,367,418
General Liability	205,527	0	0	0	0
Printing Services	1,058,740	1,131,472	1,700,103	1,700,103	1,389,007
Information Technology	7,762,652	7,938,698	9,694,159	9,694,159	9,832,015
Grants (memo only)*	0	0	599,132	599,132	615,211
Total Appropriations	19,126,075	18,833,401	22,615,959	22,615,959	22,693,813
Sources by Fund					
General Fund	8,765,460	8,817,083	9,850,182	9,850,182	10,105,373
Worker's Compensation Fund	1,333,696	946,148	1,371,515	1,371,515	1,367,418
General Liability	205,527	0	0	0	0
Printing Services Fund	1,058,740	1,131,472	1,700,103	1,700,103	1,389,007
Information Technology Funds	7,762,652	7,938,698	9,694,159	9,694,159	9,832,015
Total Sources	19,126,075	18,833,401	22,615,959	22,615,959	22,693,813

<sup>\*</sup> For information only, amount not included in total.

# C I T Y O F P A S A D E N A F I N A N C E

Departn	nental Results Statements	Actual	FY 2007 Target	% Target	FY 2008 Target	FY 2009 Target
RESUL	T 1: CITY LEADERS ARE WELL INFORMED TO MAK	E SOUND FINA	NCIAL DECISIONS	3.		
Me	asure 1.1 Provide revenue and expenditure inform	ation to all de	partments in a tin	nely manner		
Α.	With the exception of the 1st and 4th quarters, revenue and expenditure information will be available online (nVision) to all departments within 5 business days after month-end close	100%	100%	100%	100%	100%
Me	asure 1.2 Update and present the Five-Year Finan	cial Plan				
A.	Five Year Financial Plan will be presented to the Finance Committee within 30 days after quarter-end for the 2nd and 3rd quarters and within 75 days after 1st and 4th quarters	100%	100%	100%	100%	100%
RESUL	T 2: EMPLOYEES WILL BE ACCURATELY COMPENS	ATED WITH PF	ROPER ACCOUNTII	NG FOR BENEFITS		
Me	asure 2.1 Prepare accurate payroll checks					
A.	100% of all employees are accurately compensated the 1st time	99.9%	100%	99.9%	100%	100%
RESULT	3: MEANINGFUL AND TIMELY FINANCIAL INFORM ASSIST IN THE MANAGING OF BUDGETS.	ATION IS PRO	VIDED TO DEPART	TMENTAL AND OU	TSIDE CUSTOMER	S IN ORDER TO
Me	asure 3.1 Timely capture and analyze agenda rep journal vouchers	orts that appro	ve budget amendr	ments and prepare	and input related	budget
A.	95% of budget journal vouchers will be captured and prepared before closing of each respective month for which the budget amendment was approved	95%	95%	100%	95%	95%
Me	asure 3.2 Timely summarize the Utility Users' Ta	(UUT)				
Α.	All utility tax payments will be summarized by the end of each month	100%	100%	100%	100%	100%
В.	The general ledger accounting cycle will be closed by October 15th for months July through September	100%	100%	100%	100%	100%
Me	asure 3.3 Close the general ledger in a timely fas	hion each mon	th in order to faci	ilitate the access 1	to financial inform	ation
Α.	The general ledger accounting cycle will be closed within 7 working days after month-end for months October through May	92%	100%	92%	100%	100%
В.	The general ledger accounting cycle will be closed by October 15th for months July through September	10/11/06	10/15/06	100%	100%	100%

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	nentai Kesu	lts Statements	Actual	FY 2007 Target	% Target	FY 2008 Target	FY 2009 Target
RESULT		NGFUL AND TIMELY FINANCIAL INFO T IN THE MANAGING OF BUDGETS. (		OVIDED TO DEPART	MENTAL AND OU	TSIDE CUSTOMER	S IN ORDER TO
Me	asure 3.4	Close the year-end general ledger a year-end financial information	ccounting cycle i	n a timely fashion in	n order to facilitat	e the access to	
A.		nd general ledger accounting cycle will within 75 days after year-end	2.5	2.5	100%	2.5	2.5
Me	asure 3.5	Prepare financial reports for Water	and Power Depa	rtment in a timely n	nanner		
Α.		eports will be prepared for the Water Department within 4 working days after close	1.5	4	100%	N/A	N/A
A.		eports will be prepared for the Water Department within 3 working days after close		New target begi	nning in FY 2008	3	3
DECLII	T /I. OLIALI	EV TUE CITVIC COMIDDEUENICIME ANIM	MITAL EINLANICIAL	DEDODTO END THE	COVEDNIMENT EI	MANCE DEFICEDS	ACCOCIATION
	(GFOA easure 4.1	FY THE CITY'S COMPREHENSIVE AND OF THE UNITED STATES AND CANARCE Receive top recognition for the City will submit and receive the GFOA	ADA AWARD.			NANCE OFFICERS	ASSOCIATION
Me	(GFOA easure 4.1 The City w Certificate	) OF THE UNITED STATES AND CANA Receive top recognition for the City	ADA AWARD.			NANCE OFFICERS 12/31/2007	ASSOCIATION 12/31/2008
Me A.	(GFOA easure 4.1 The City w Certificate Financial R	OF THE UNITED STATES AND CANA Receive top recognition for the City will submit and receive the GFOA of Achievement for Excellence in	ADA AWARD.  ''s comprehensive  12/6/2006  ANCE THAT PRO	Annual Financial R 12/31/2006 PER INTERNAL CON	eport from GFOA 100%	12/31/2007	12/31/2008
Me A. RESUL	(GFOA easure 4.1 The City w Certificate Financial R	Receive top recognition for the City rill submit and receive the GFOA of Achievement for Excellence in deporting by the December 31 deadline	ADA AWARD.  ''s comprehensive  12/6/2006  ANCE THAT PRO	Annual Financial R 12/31/2006 PER INTERNAL CON	eport from GFOA 100%	12/31/2007	12/31/2008
Me A. RESUL	(GFOA easure 4.1 The City w Certificate Financial R T 5: PROVII AND A easure 5.1 All petty ca	Receive top recognition for the City rill submit and receive the GFOA of Achievement for Excellence in deporting by the December 31 deadline  DE A REASONABLE LEVEL OF ASSUR RE FOLLOWED FOR HIGH RISK CASH	ADA AWARD.  ''s comprehensive  12/6/2006  ANCE THAT PRO	Annual Financial R 12/31/2006 PER INTERNAL CON	eport from GFOA 100%	12/31/2007	12/31/2008
Me A. RESUL Me A.	(GFOA easure 4.1 The City w Certificate Financial R T 5: PROVII AND A easure 5.1 All petty ca	Receive top recognition for the City rill submit and receive the GFOA of Achievement for Excellence in deporting by the December 31 deadline  DE A REASONABLE LEVEL OF ASSUR RE FOLLOWED FOR HIGH RISK CASH Audit petty cash locations ash handling locations in the City will be	ADA AWARD.  's comprehensive  12/6/2006  ANCE THAT PRO I HANDLING CYCL  100%	Annual Financial R  12/31/2006  PER INTERNAL CON LES.  100%	eport from GFOA  100%  TROL POLICIES AI	12/31/2007 ND PROCEDURES	12/31/2008 ARE IN PLACE
Me A. RESUL Me A.	T 5: PROVII AND A All petty ca audited by asure 5.2	Receive top recognition for the City will submit and receive the GFOA of Achievement for Excellence in Reporting by the December 31 deadline  DE A REASONABLE LEVEL OF ASSUR RE FOLLOWED FOR HIGH RISK CASH Audit petty cash locations ash handling locations in the City will be August 31st of each year  Perform operational audits of departional audits will be conducted	ADA AWARD.  's comprehensive  12/6/2006  ANCE THAT PRO I HANDLING CYCL  100%	Annual Financial R  12/31/2006  PER INTERNAL CON LES.  100%	eport from GFOA  100%  TROL POLICIES AI	12/31/2007 ND PROCEDURES	12/31/2008 ARE IN PLACE
Me A.  RESUL  Me A.  Me a	T 5: PROVII AND A asure 5.1 All petty ca audited by asure 5.2 Two opera	Receive top recognition for the City will submit and receive the GFOA of Achievement for Excellence in Reporting by the December 31 deadline  DE A REASONABLE LEVEL OF ASSUR RE FOLLOWED FOR HIGH RISK CASH Audit petty cash locations ash handling locations in the City will be August 31st of each year  Perform operational audits of departional audits will be conducted	ADA AWARD.  's comprehensive  12/6/2006  ANCE THAT PRO I HANDLING CYCI  100%  tmental activities  8	PER INTERNAL CONLES.	eport from GFOA  100%  TROL POLICIES AI	12/31/2007 ND PROCEDURES 100%	12/31/2008  ARE IN PLACE  100%

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Departmental Results Statements	Actual	FY 2007 Target	% Target	FY 2008 Target	FY 2009 Target
RESULT 6: CUSTOMER SERVICE IN CASHIERING, BU	SINESS LICENSES A	ND PARKING CITA	TIONS IS EFFICIEN	TLY AND EFFECTIV	ELY PROVIDED.
Measure 6.1 Customers are satisfied with serv	vices provided				
A. A 95% overall customer satisfaction rating will b achieved based on random surveys conducted each quarter	e 97%	95%	100%	95%	95%
Measure 6.2 Customers are served in a timely	fashion				
A. A wait-in-line time of 3 minutes or less will be achieved 90% of the time based on physical observation and viewing of security camera tape:	94% s	90%	100%	90%	90%
Measure 6.3 Customers experience an efficien	t transaction with (	City cashiers			
A. Cashier transaction time will be reduced to less than one minute 90% of the time based on data from the cashier software system	96%	90%	100%	90%	90%
RESULT 7: CREATE A SAFE WORKFORCE.					
Measure 7.1 Employees will receive safety tra	ining				
A. 100% of field employees in Police, Fire, Water & Power, and Public Works will attend training eac year covering safe work practices		100%	100%	100%	100%
Measure 7.2 Accident reduction baselines and	goals will be repor	ted to City depart	ments		
A. 100% of City departments will receive reported accident reduction goals and actuals on a semi-annual basis	100%	100%	100%	100%	100%
Measure 7.3 City facilities will be inspected	for safety				
A. 100% of City facilities will be inspected for compliance with safety regulations on an annual basis	100%	100%	100%	100%	100%
Measure 7.4 Return to Work Program will be	offered to employed	es .			
A. A return to work program will be developed and implemented		New target for	FY 2008	100%	100%

Departmental Results Statements		FY 2007			FY 2009				
	Actual	Target	% Target	Target	Target				
RESULT 8: PROVIDE, ESTABLISH AND MAINTAIN A SECURE AND RELIABLE TECHNOLOGICAL INFRASTRUCTURE.									
Measure 8.1 The infrastructure will be available	to all users								
A. 98% of the time, the Network will be available	100%	98%	100%	98%	98%				
B. 98% of the time, the main telephone switch will be available	100%	98%	100%	98%	98%				
C. 98% of the time, voicemail will be available	100%	98%	100%	98%	98%				

#### **Changes From Prior Year**

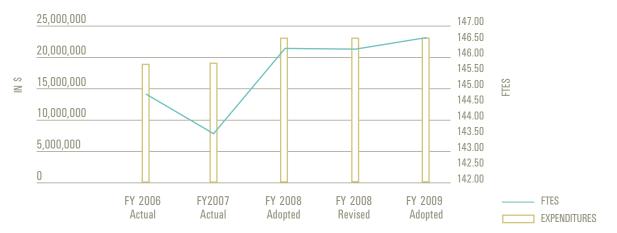
- Cost Changes: The change from the fiscal year 2008 revised budget is \$77,854 primarily attributable to the following:
  - The Personnel budget increased by \$493,784 due to anticipated salary and benefit rate changes and the addition of one Staff Assistant III for Treasury/Cash Management.
  - 2. The Services and Supplies budget decreased by (\$12,573) due to a decrease in Services and Supplies for ITSD offset by an increase in postal rates in 2008.
  - 3. The Equipment budget decreased (\$399,771) due to the elimination of one-time funding for printing equipment offset by an increase in Depreciation.
  - The Internal Service Charges budget decreased (\$3,586) for citywide cost adjustments in various internal service charges, vehicle maintenance and replacement, and fuel costs.
  - FTE Changes: There was a net increase of .50 FTE from the fiscal year 2008 revised budget. One Staff Assistant III (Cashier) position was added to Treasury/Cash Management and (.50 FTE) Management Analyst II was eliminated from ITSD.

#### Future Outlook

The Department of Finance is proactively working with departments as new projects emerge throughout the City, as well as working with the two Operating Companies with respect to major initiatives being undertaken by both. The Department is also actively involved in legislation as it impacts local government revenue and finances. As new reporting requirements are introduced by the Governmental Accounting Standards Board (GASB), State laws change, revenues become more unstable and expenses continue to grow; the need for constant monitoring of the City's financial affairs will only intensify. Strong fiscal leadership and excellent customer service are the two key areas of focus in the Department of Finance.

# C I T Y O F P A S A D E N A F I N A N C E

Finance Budget and Position Control



## DIVISION SUMMARY FINANCE ADMINISTRATION

#### Mission Statement

To provide leadership within the Department, as well as fiscal and financial leadership to City officials and departmental operations. To ensure that the fiscal integrity of the City is maintained at the highest standards.

#### **Program Description**

The Administration Division is responsible for monitoring and reporting on the fiscal well-being of the City to executive management, the City Council and the public. This Division also provides staff support to the City Council Finance Committee. The Division is also responsible for technological support to the Department and users of the financial systems. The Division directs and implements all aspects of the City's financial policies. It also coordinates its long range financial planning, and debt administration. The Internal Audit section performs financial and other audits

as necessary to maintain adequate systems of internal control, safeguard assets and ensure the preparation of accurate financial reports. In addition, the Division coordinates the activities of five other divisions within the Department: Budget, Purchasing, Payables and Printing, Treasury and Cash Management, Accounting and Financial Analysis, and the Information Technology Services Division. The Deferred Compensation Program, Workers' Compensation and Safety, and Payroll are also monitored through the Administration Division. Together the sections of this division comprise a core informational resource within the Department and the City.

#### **Major Accomplishments**

During fiscal year 2008 the Division completed a \$135 million refinancing bond issue to support capital improvements at the Pasadena Conference Center. Continued to provide support to the Finance Committee and to the City Council, City Manager and City departments on new issues.

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs	28.500	25.500	24.000	24.000	25.000
Appropriations	4,680,698	4,075,182	4,733,969	4,733,969	4,929,931
WC Payments (Memo)*	7,324,773	10,528,269	9,500,000	9,500,000	9,500,000
Sources by Fund					
General Fund	3,123,921	3,110,778	3,343,650	3,343,650	3,543,709
Workers' Compensation Fund - Transfer	17,554	18,256	18,804	18,804	18,804
Workers' Compensation Fund	1,333,696	946,148	1,371,515	1,371,515	1,367,418
WC (Memo)*	7,324,773	10,528,269	9,500,000	9,500,000	9,500,000
General Liability	205,527	0	0	0	0
Total Sources	4,680,698	4,075,182	4,733,969	4,733,969	4,929,931

<sup>\*</sup>For information only, the amount (which includes employee benefit contributions) is not included in the total.

#### **Changes From Prior Year**

- Cost Changes: The Personnel budget increased \$201,008 due to the transfer in of 1.0 FTE and for anticipated salary and benefit rate changes. Internal Service Charges decreased (\$5,046) for various citywide cost adjustments.
- FTE Changes: One Management Analyst II position was transferred in from Accounts Payable. This is an administrative issue and has no impact on the overall budget.

#### **Future Outlook**

Pursuing opportunities that place the City in a stronger fiscal position is the vision of the Administration Division. The Division continues to strive to recommend ways to improve services provided to both internal and external customers through effective, efficient service delivery. Key priorities for fiscal year 2009 include reestablishing an effective internal audit function; implementing a return to work program for employees on limited duty due to work related injury, and supporting the City Manager's effort to undertake a zero-based budget analysis.

### DIVISION SUMMARY BUDGET

#### Mission Statement

To provide ongoing financial and analytical support to the City Manager, the City Council and departments in the preparation and monitoring of the City's budget.

## **Program Description**

The Budget Division is responsible for the preparation and oversight of the City's Operating Budget. The budget staff is accountable for managing a budget process that meets the changing needs of the City's fiscal situation, as well as meeting the unique needs of the departments that make up the City. Analysis of expenditures and revenues is essential in both preparing and monitoring the Operating Budget. The Division updates and monitors the General Fund five year financial plan to support the City Council goal of "operating an effective and cost efficient government". As the City continues its era of results-oriented budgeting, the Budget Division provides guidance, resources and monitoring to ensure that this initiative is successfully maintained. In addition to budgeting services, this

section also provides departments with analytical support for special studies, including: policy and process review for efficiency, and revenue analysis for proposed new fees and funding sources.

#### **Major Accomplishments**

A major accomplishment of the Budget Division was the adoption of the fiscal year 2008 Operating Budget, balanced and on time, along with the timely completion of Quarterly Monitoring Reports. The City has received the Distinguished Budget Presentation Award for fiscal year 2008 from the Government Finance Officers Association (GFOA). This is the first time the City has received this prestigious award. The City also received an Award for Excellence in Budgeting from the California Society of Municipal Finance Officers (CSMFO) for the fiscal year 2008 as well as an award for Excellence in Public Communications for the fiscal year 2008 Budget in Brief. The Division continued to provide detailed financial information and support for union negotiations, and provided direct assistance to departmental administration for special fiscal-related projects. In addition, the Division completed the annual cost of service analysis and recommended changes to the General Fee Schedule.

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs	6.000	6.000	6.000	6.000	6.000
Appropriations	784,268	685,118	814,299	814,299	823,883
General Fund	784,268	685,118	814,299	814,299	823,883

### **Changes From Prior Year**

 Cost Changes: Personnel budget increased \$20,525 as the result of anticipated salary and benefit rate changes and Internal Services decreased (\$10,941) for various citywide cost adjustments in internal service charges.

#### **Future Outlook**

The Budget Division will continue to support City operations through the development and monitoring of the Operating Budget. During fiscal year 2009 the Budget Division will implement new budgeting software to replace the current antiquated system.

## DIVISION SUMMARY PURCHASING, PAYABLES AND PRINTING

#### **Mission Statement**

To coordinate the acquisition and payment for labor, materials, supplies and services; and provide cost effective reprographic services of the highest quality in a timely and professional manner in support of City operations which adds value and maximizes taxpayer dollars.

#### **Program Description**

The Purchasing, Payables and Printing Division is responsible for all procurement activities, accounts payable activities, and printing services within the City. As part of the City's action plan to achieve urban sustainability as promoted by the United Nations Green Cities Declaration and Urban Environmental Accords the Division is implementing green purchasing policies for City purchases beginning with the purchase of alternative fuel vehicles, paper with higher content recycled matter, green light bulbs and janitorial supplies that are free of toxins. The Division also maintains

the City's vendor list and serves as a resource to other City departments. The purchasing staff is responsible for all procurement activities and to this end assists departments in preparing bid specifications and requests for proposals as well as negotiating contract terms. Purchasing administers the Competitive Bidding and Purchasing, Living Wage, and Salvage Ordinances. Purchasing also processes all City Purchase Orders and manages the City's Purchasing Card Program.

#### **Major Accomplishments**

The Division continued to expand the use of e-commerce to maximize efficiency, and planned, coordinated and hosted a business-to-business contracting event in association with the Chamber of Commerce as well as a "Green Purchasing Open House" all the while maintaining a high level of customer service and satisfaction. To comply with enhanced environmental requirements, the Division also purchased new digital printing equipment which uses less energy, produces less heat, consumes less toner and eliminates the use of toxic fuser oil.

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs	17.750	18.750	18.750	18.750	17.750
Appropriations	1,966,426	2,147,285	2,832,992	2,832,992	2,445,140
Sources by Fund					
General Fund	907,686	1,015,813	1,132,889	1,132,889	1,056,133
Printing Services Fund	1,058,740	1,131,472	1,700,103	1,700,103	1,389,007
Total Sources	1,966,426	2,147,285	2,832,992	2,832,992	2,445,140

#### **Changes From Prior Year**

- Cost Changes: Personnel budget decreased (\$49,647) due to
  the transfer out of one Management Analyst II position offset
  by an increase in anticipated salary and benefit rates. Equipment
  decreased (\$460,000) due to the elimination of a one-time
  purchase of printing equipment in fiscal year 2008 as well as
  a \$60,229 increase in Depreciation expense. Internal Services
  increased \$61,566 for various citywide cost adjustments in
  internal service charges.
- FTE Changes: One Management Analyst II position was transferred from Accounts Payable to Administration during fiscal year 2008. This is an administrative issue and has no impact on the overall budget.

#### **Future Outlook**

The Purchasing, Payables and Printing Division will continue to support City operations through the timely and efficient acquisition of labor, materials, supplies and services. The Purchasing Section will play a lead role as the City moves towards the procurement of more environmentally friendly goods and materials. The Printing Section will continue to provide cost effective, environmentally sensitive, timely and professional reprographic services of the highest quality.

## DIVISION SUMMARY TREASURY AND CASH MANAGEMENT

#### Mission Statement

To prudently manage the City's cash, portfolio of investments, and bond issues in accordance with the City's investment policy, the State Government Code, and bond indentures, as well as obtain a reasonable competitive rate of return on investments, and provide excellent customer service to external and internal clients.

#### **Program Description**

The Treasury Section provides prudent investment management of the City's pooled portfolio, Capital Endowment Portfolio, Stranded Investment Reserve Fund, Pasadena Community Development Commission (PCDC), and segregated smaller portfolios, as well as investments held with trustees for a total of \$657 million. The Treasury Division manages the bonded indebtedness for the General Fund, Water and Power Department, and PCDC for a total of 30 financing issues with original face amounts of about \$1 billion and current outstanding bonds of \$822 million, with reserve funds of \$47 million as of March 31, 2008. In addition to these services, the section participates in issuing municipal bonds, provides financial analysis and planning, actuarial analysis and cash flows relating to the funding of the Fire and Police Retirement System and SB481. This section also provides financial management services to PCDC such as financing of various redevelopment projects, financial reporting, monitoring tax increment revenues and lease revenues.

The Cash Management unit provides Citywide cashiering services, processing of utility payments, the monitoring, billing, renewing, collecting, processing, and investigating of approximately 16,000 business license accounts with annual revenue of \$5.3 million, and the processing of over 130,000 parking tickets annually. This

section provides essential customer service and plays an integral role in the City's overall cash management strategy.

The Collections unit is responsible for collecting and administering delinquent accounts for the City including civil citations, paramedic accounts, utility accounts, code enforcement, special taxes, district assessment fees, not sufficient fund returned checks and other miscellaneous accounts. This unit has over 5,000 active accounts and anticipates collecting \$1.5 million in delinquent revenues.

#### Major Accomplishments

The Treasury and Cash Management Division accomplished the following during fiscal year 2008: 1) completed the electronic dissemination of annual bond disclosure reports, 2) achieved competitive returns on the City's investment portfolios, 3) restructured the Power Reserve Portfolio to comply with the debt defeasance plan for the Power Fund, 4) completed the Bizlink system enhancement, the City's business license software, to improve system processing, 5) completed all arbitrage rebate analyses on outstanding bond issues, 6) exceeded the targeted goal of collecting bad debt in the amount of \$1.5 million owed to the City, and 7) worked with the IRS in an audit of the 2003 Certificates of Participation, City Hall Project which resulted in no qualifications, 8) completed the issuance of the City of Pasadena Water Revenue Bonds, 2007 Series, in the amount of \$21,550,000 and structured the investment of the bond proceeds, 9) completed the issuance of the City of Pasadena Electric Revenue Bonds, 2008 Series, in the amount of \$58,555,000 and structured the investment of the bond proceeds, 10) completed the issuance of 2008A Refunding Certificates of Participation in the amount of \$134,720,000 to restructure the 2006 Conference Center COP, Auction Rate Bonds 11) completed the 2008B Refunding Certificates of Participation in the amount of \$29,100,000 in order to restructure the 2004 Series A & B Auction Rate Bonds.

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs	29.000	29.000	30.000	30.000	31.000
Appropriations	2,449,773	2,585,302	2,952,857	2,952,857	3,043,227
Sources by Fund					
General Fund	2,322,713	2,453,160	2,816,750	2,816,750	2,842,320
Building Services Fund - Transfer	55,186	57,393	59,116	59,116	123,916
Parking Meter - Old Pasadena - Tra	nsfer 51,885	53,960	55,579	55,579	55,579
Parking Meter - Civic Center - Trans	fer 19,989	20,789	21,412	21,412	21,412
Total Sources	2,449,773	2,585,302	2,952,857	2,952,857	3,043,227

#### **Changes From Prior Year**

- Cost Changes: Personnel budget increased \$137,421 due to the addition of one Staff Assistant III and an increase in anticipated salary and benefit rates. Postage increased by \$12,000 due to the increase in postal rates. Internal Services decreased (\$59,051) for various citywide cost adjustments in internal service charges.
- FTE Changes: One Staff Assistant III (Cashier) was added for fiscal year 2009.

#### **Future Outlook**

The Treasury and Cash Management Division will continue to pursue opportunities that place the City in a stronger financial position. With sound investment strategies and careful administration of all areas of cash management, the goal will be to maintain a fiscally healthy City.

## DIVISION SUMMARY ACCOUNTING AND FINANCIAL ANALYSIS

#### Mission Statement

To ensure that timely and accurate financial information is provided to the City Council, City staff, residents, credit providers, and grant providers.

#### **Program Description**

The Accounting and Financial Analysis Division is responsible for collecting, analyzing, recording, and reporting all financial transactions of the City in accordance with all applicable accounting, City and other governmental requirements, standards and/or guidelines. This Division is also responsible for billing and collecting grants as well as other miscellaneous City revenues.

Specific areas of accounting and financial reporting responsibilities include General City, Utilities, Grants (Federal, State and Local), Pasadena Community Development Commission, and Parking Operations.

The Accounts Receivable Section of this division performs billing and receivables management for paramedic services, false alarms, utility users' tax, franchise tax, transient occupancy tax, zoning parking contracts, occupancy inspections, and property damage.

This Division prepares the City's Comprehensive Annual Financial Report, develops and prepares periodic financial reports for management, conducts all grants-related fiscal monitoring, and prepares other governmental reports.

#### **Major Accomplishments**

The City expects to be awarded the Certificate of Achievement for Excellence in Financial reporting by the Government Finance Officers Association for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs	13.900	13.900	13.900	13.900	13.900
Grants FTEs	5.600	5.600	5.600	5.600	5.600
Total FTEs	19.500	19.500	19.500	19.500	19.500
Appropriations	1,482,258	1,401,816	1,587,683	1,587,683	1,619,617
Sources by Fund					
General Fund	1,482,258	1,401,816	1,587,683	1,587,683	1,619,617
Grants (memo)*	0	0	599,132	599,132	615,211
Total Sources	1,482,258	1,401,816	1,587,683	1,587,683	1,619,617

<sup>\*</sup> For information only, amount not included in total.

#### **Changes From Prior Year**

 Cost Changes: Personnel budget increased \$74,355 as the result of anticipated salary and benefit rate changes and Internal Services decreased (\$42,421) for various citywide cost adjustments in internal service charges.

#### **Future Outlook**

The future outlook for the Accounting and Financial Analysis
Division remains challenging. The Governmental Accounting
Standards Board (GASB) has increased the complexity and details
required for public sector financial reporting. The most recent
statements issued by the GASB are Statement No. 44, "Economic
Condition Reporting: The Statistical Section," Statement No. 45,

"Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." Statement No. 46, "Net Assets Restricted by Enabling Legislation," Statement No. 47, "Accounting for Termination Benefits," Statement No. 48, "Sales and Pledges of Receivable and Future Revenues and Intra-Equity Transfer of Assets and Future Revenues," Statement No. 50, "Pension Disclosures-an amendment of GASB Statements No. 25 and No. 27."

The Division is committed to facing such challenges and to continue providing timely, accurate financial information to City management and the City Council.

## DIVISION SUMMARY INFORMATION TECHNOLOGY SERVICES DIVISION

#### Mission Statement

To provide the municipal organization reliable, cost effective, high quality technology-based business solutions, and achieve these solutions with trained, self-motivated and capable professionals working together, and in partnership with its customers, in an empowering environment.

#### **Program Description**

The Information Technology Services Division (ITSD) provides customer-driven services to City departments in areas utilizing networks, desktops, application development, radio/telephone, and voice services. These services are of the highest quality possible and are consistent with customers' needs, schedules, and budgets.

#### Major Accomplishments

Information Technology Services Division continued to provide quality services to its customers. Information Services Technology Services has successfully implemented the following customer projects in fiscal year 2008: provided follow-up City Hall move back services including moving and reconnecting of voice, data, network and cable TV services; implemented a citywide SPAM solution; coordinated and implemented Fire Department migration to Interagency Communications Interoperability System (ICIS), which is a digital radio system that allows inter-city and interagency radio communication between member cities and

meets future Federal requirements. This included programming of 360 radios, creation of training materials for use in training 225 Fire personnel, Verdugo dispatch staff, and "train the trainer" sessions at Fire departments in ten other cities; completed work on the CAD/RMS server implementation for the Police network; installed a cellular wireless broadband network for use by City departments to access City applications; installed a Permit Center queuing system for Planning & Development; issued an on-line customer service survey to all departments; installed the IT Communicator for the Fire Department; developed a Request for Proposal for data conversion as part of the GIS Phase II project for Water & Power; completed Citywide Microsoft training program; and completed various departmental office rearrangement and move projects.

Information Technology Services Division internal projects completed in fiscal year 2008 include: replaced iMAP, the internal GIS mapping system; installed a new tape library; upgraded web-based City telephone directory to provide on-line access to all employees; replaced the Storage Area Network (SAN) and Information Lifecycle Management (ILM) systems; completed the Backup Phase II project; continued work on expanding the Citrix system citywide; reviewed the feasibility of utilizing Virtual Machine (VM) Ware; completed Life Cycle Replacements for servers and network equipment; and renewed the City's fiber license agreement with Raytheon, Jet Propulsion Laboratory and the California Institute of Technology.

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs	44.000	45.000	48.000	48.000	47.500
Appropriations	7,762,652	7,938,698	9,694,159	9,694,159	9,832,015
Sources by Fund					
General Fund	121,551	127,628	134,010	134,010	0
Computing and Communication Fund	7,303,575	7,586,783	9,089,701	9,089,701	9,260,692
Telecommunications Fund	337,526	224,287	470,448	470,448	571,323
Total Sources	7,762,652	7,938,698	9,694,159	9,694,159	9,832,015

<sup>\*</sup> For information only, amount not included in total.

#### **Changes From Prior Year**

- Cost Changes: Personnel budget increased \$110,122 as the result of anticipated salary and benefit rate changes offset by a (.50 FTE) decrease in ITSD Projects Division. Services and Supplies budget decreased (\$24,573) and Internal Services increased \$52,307 due to various citywide cost adjustments in internal service charges.
- FTE Changes: There was a decrease of (.50 FTE) from the fiscal year 2008 budget. A Management Analyst II position for limited term support of projects was reduced from 1.0 FTE to .50 FTE.
- Organization/Program Changes: .50 FTE Limited Term
   Management Analyst II in the amount of \$39,550 was approved
   in fiscal year 2009 using telecommunications fund. ITSD had
   1.0 FTE Limited Term Management Analyst II approved in
   fiscal year 2008, but that position expired. The net change in
   headcount is (.50 FTE). (ITSD had 1.0 FTE Limited Term
   Management Analyst II approved for fiscal year 2008. Since
   that position expired in fiscal year 2008, the .50 FTE
   Management Analyst II enhancement request in fiscal year
   2009 was intended to extend this position for only half a year).

 Funding/Revenue Change: The anticipated general fund revenue associated with the fiber network leases and wireless licenses will not be transferred to the Telecommunication Fund in fiscal year 2009. The Department will review telecommunication fund in fiscal year 2010 for possible transfer of Franchise Fees.

#### **Future Outlook**

Technology is a critical tool for change and key to the provision of improved and cost-effective services to the community. With insight into the requirements of the City and expertise in communications and information technologies, ITSD is the leader in support of the City's use of technology. In fiscal year 2009, ITSD has the following major projects planned: complete the enhancement of the City's radio system by migrating the Police, Water & Power, Transportation and Public Works departments to ICIS, which will allow interoperability with other cities and meet future Federal requirements; complete the upgrade to the Emergency Medical Services (EMS) billing System for the Fire Department; monitor the performance of the City's cellular wireless broadband network for assessment of City department's

increasing need for wireless connectivity; expand VM Ware infrastructure; install/implement new Interactive Voice Response (IVR); complete expansion of Citrix citywide; install/implement lifecycle updates for the telephones and Call Center (ACD) Systems; implement a fiber records management software to administer fiber engineering and design operations; install new telecommunications infrastructure for the new Water & Power Building at the City Yards including technology for a new Emergency Operations Center, and providing telecommunication services at a temporary site during construction; ongoing

implementation of Information Technology Infrastructure Library (ITIL) to streamline and improve service delivery to customers; implement eGov transaction based applications, like CLASS and eConnect (eApply and ePay); and continue to replace outdated telephone sets with the newer model that was deployed at City Hall during the move-back. Powered by projects like these, ITSD will continue to make improvements in service and effectiveness and recognize the increased potential for technological growth in the City.