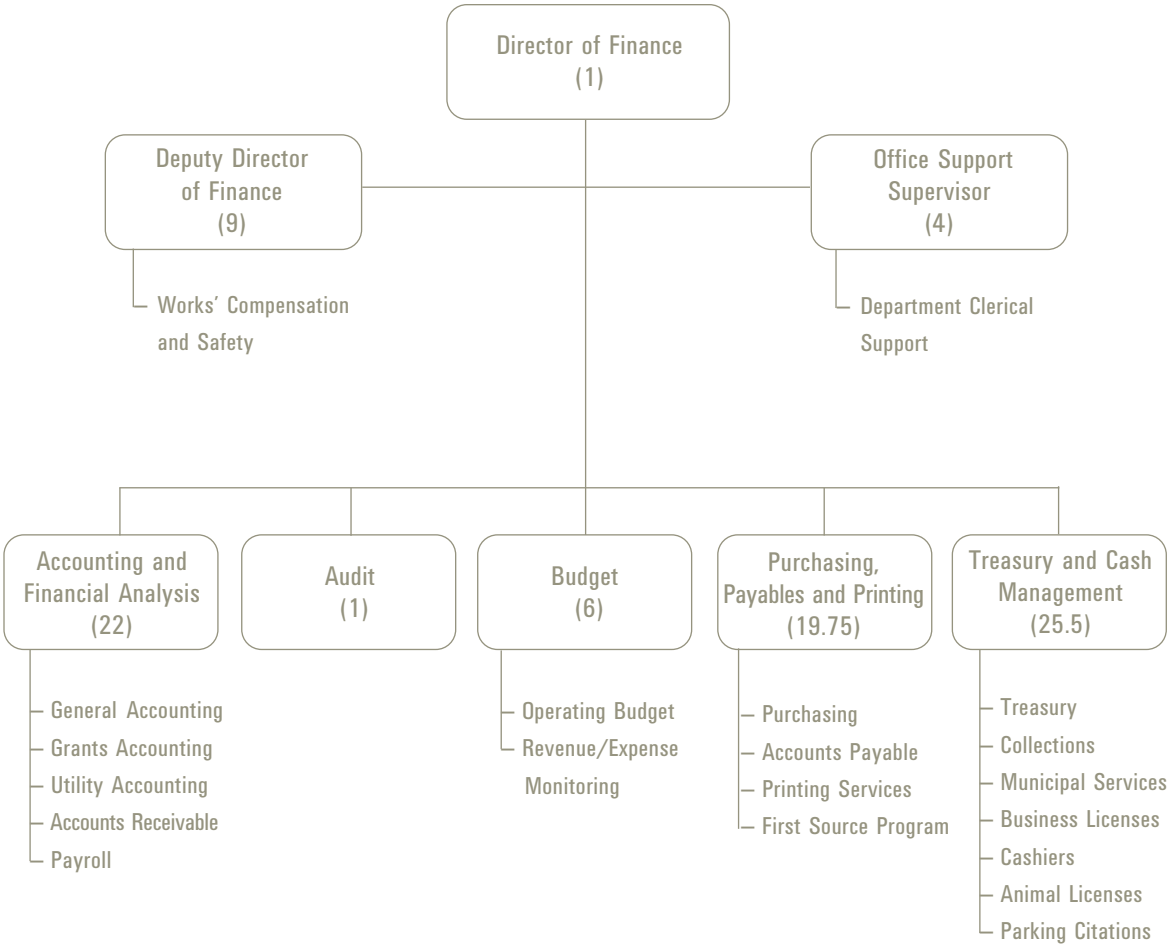
FINANCE

Lake Avenue Station

ADOPTED OPERATING BUDGET FISCAL YEAR 2011

CITY OF PASADENA
FINANCE



PASADENA

DEPARTMENT SUMMARY
FINANCE

Mission Statement

To develop and monitor fiscal policies and procedures that ensure a financially strong and effective city government which maintains 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 effective programs for workers' compensation, safety, and printing.

Program Description

The Finance Department plays a key role in every financial transaction of the City ranging from cash handling to debt management and from financial forecasting to budgetary controls. Specific 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.

Departmental Relationship to City Council Goals:

- Support and Promote the Quality of Life and the Local Economy
  The Finance Department 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 and works closely with the Pasadena Center Operating Company and the Rose Bowl Operating Company to develop financing plans for major improvements.
- Maintain Fiscal Responsibility and Stability
  The Finance Department continually searches for ways to improve city services while reducing costs. The Department's financial system provides timely and complete financial information directly to city 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 unnecessary paperwork and processes and allows vendors to receive more timely payments. 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 2010, the City 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, 2009. 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 2010 Operating Budget and an award for Excellence in Public Communications for the fiscal year 2010 Budget in Brief. The Department exceeded the targeted goal of collecting bad debt in the amount of $1.5 million owed to the City. The City continues to hold a current General Obligation Bond rating of AAA which is the highest rating given by Standard and Poor's.

Summary of Appropriations and Revenues	FY 2008 Actual	FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2011 Adopted
FTEs	98.250	99.250	93.250	93.250	86.250
Appropriations	11,766,071	12,079,066	12,207,637	12,255,895	11,691,823
Sources by Fund					
General Fund	9,353,511	9,558,319	9,473,083	9,521,341	8,882,741
Worker's Compensation Fund	1,309,770	1,326,607	1,353,325	1,353,325	1,346,913
Printing Services Fund	1,102,790	1,194,140	1,381,229	1,381,229	1,462,169
Total Sources	11,766,071	12,079,066	12,207,637	12,255,895	11,691,823

Performance Measures	FY 2009 Actual	FY 2010 Target	FY 2010 Mid-Year	FY 2011 Target
WORKERS COMPENSATION AND SAFETY DIVISION				
Council Goal: Maintain fiscal responsibility and stability.				
Objective A. Ensure effective Workers Compensation and Safety programs.				
1. Number of Workers Compensation claims filed – Safety	212	<200	310	<200
2. Number of Workers Compensation claims filed – Non-Safety	277	<200	275	<200
3. Number of Workers Compensation claims closed/closing ratio – Safety	222/100%	200/100%	200/100%	200/100%
4. Number of Workers Compensation claims closed/closing ratio – Non-Safety	333/100%	300/100%	200/100%	200/100%
5. Percent of claims reviewed every 45 days by claims examiners	70%	100%	100%	100%
6. Average cost of a Workers Compensation claim – Safety	$11,095	$12,000	$13,000	$14,000
7. Average cost of a Workers Compensation claim – Non-Safety	$6,936	$6,500	$7,500	$8,500
8. Initial facility inspections conducted	123	189	47	189
9. Number of facility inspection summaries completed	123	189	47	189

Note: A.8 City of Pasadena has 189 facilities listed on the annual facility inspection calendar.

Performance Measures	FY 2009 Actual	FY 2010 Target	FY 2010 Mid-Year	FY 2011 Target
BUDGET DIVISION				
Council Goal: Maintain fiscal responsibility and stability.				
Objective A. City Leaders are well informed to make sound financial decisions.				
1. Percentage that the quarterly monitoring report is completed within 20 days after quarter end.	100%	100%	50%	100%
2. Receive the GFOA distinguished Budget Presentation Award.	Yes	Yes	Yes	Yes
3. Receive the CSMFO Excellence in Budgeting Award.	Yes	Yes	Yes	Yes
PURCHASING, PAYABLES, AND PRINTING				
Council Goal: Support and promote the Quality of Life and the local economy.				
Objective A. Continue to improve "Pasadena First" Program that will give Pasadena businesses and residents first priority for City business opportunities; evaluate similar existing City programs to strengthen them.				
1. Local business referrals for small Business certification.	N/A	N/A	N/A	120
2. Local Procurement or Contracting Opportunity Matches identified and acted upon	N/A	N/A	N/A	120
3. Local Hiring Matches	N/A	N/A	N/A	240
4. Number of local businesses interviewed by departments, and strategic partners through one local business matching effort workshop; and number of residents interviewed for construction jobs through one local hiring outreach effort workshop.	N/A	N/A	N/A	225
Note: The overarching theme is to facilitate increased awareness and participation while forming partnerships between the city and the local business community. The goal is to increase local involvement in City contracting, procurement and hiring opportunities. This is a new program for fiscal year 2011 hence, no prior data.				
Objective B. Promote procurement policy education.				
1. Number of internal/external training classes conducted.	N/A	N/A	N/A	4
2. Average number of attendees at each training class.	N/A	N/A	N/A	20
Note: Measures A.1 and A.2 are new for fiscal year 2011.				
Objective C. Ensure effective procurement operations.				
1. Average number of transactions processed weekly.	1,435	1,458	1,287	1,479
2. Percent of "paperless" transactions.	2%	10%	4%	20%

Performance Measures	FY 2009 Actual	FY 2010 Target	FY 2010 Mid-Year	FY 2011 Target
TREASURY DIVISION				
Council Goal: Maintain fiscal responsibility and stability.				
Objective A. Maximize investment returns in accordance with GAAP and GASB guidelines.				
1. Average rate of return	3.23%	2.00%	2.75%	2.00%
2. Average rate of return of investment benchmarks	2.18%	TBD	0.75%	TBD
3. Average duration of investments compared to best practice recommendation of 2 years.	1.56 years	2 years	2 years	2 years
Note: A.2. Future market rate and interest rate cannot be determined at this time.				
MUNICIPAL SERVICES DIVISION				
Council Goal: Maintain fiscal responsibility and stability.				
Objective A. Maximize effectiveness of customer service in cashiering functions.				
1. Average percentage of survey results for overall customer service ranked "Good" or better.	95%	100%	95%	100%
2. Average time for resolution of complaints.	1 business day	1 business day	1 business day	1 business day
3. Average time for response to customer who left message.	1 business day	1 business day	1 business day	1 business day
4. Average wait time for counter customer service.	4 minutes	3 minutes	3 minutes	2 minutes
5. Average wait time for telephone customers	2 minutes	2 minutes	2 minutes	1 minute
6. Average response time for customers who submit payments by mail	1 business day	1 business day	1 business day	1 business day
Objective B. Maximize effectiveness of customer service in Parking Citation functions.				
1. Average percentage of survey results for overall customer service ranked "Good" or better	95%	100%	95%	100%
2. Average time for resolution of complaints (contested citations)	4-6 weeks	4-6 weeks	4-6 weeks	3-5 weeks
3. Average time for response to customer who left message.	1 business day	1 business day	1 business day	1 business day
4. Average wait time for counter customer service.	2 minutes	3 minutes	3 minutes	2 minutes
5. Average wait time for telephone customers	4 minutes	4 minutes	5 minutes	4 minutes
6. Average response time for customers who submit correspondence (payments) by mail	1 business day	1 business day	1 business day	1 business day

Performance Measures	FY 2009 Actual	FY 2010 Target	FY 2010 Mid-Year	FY 2011 Target
MUNICIPAL SERVICES DIVISION				
Council Goal: Maintain fiscal responsibility and stability. (Con't)				
Objective C. Maximize effectiveness of customer service in Business Licensing function.				
1. Average percentage of survey results for overall customer service ranked "Good" or better	95%	100%	95%	100%
2. Average time for resolution of complaints	3 business days	3 business days	3 business days	3 business days
3. Average time for response to customer who left message	1 business day	1 business day	1 business day	1 business day
4. Average wait time for counter customer service.	5 minutes	4 minutes	5 minutes	4 minutes
5. Average wait time for telephone customers	5 minutes	4 minutes	5 minutes	4 minutes
6. Average response time for customers who submit correspondence (applications) by mail	3 weeks	3 weeks	3 weeks	2 weeks
7. Average response time for customers who mail in payment (renewals)	3-5 days	3-5 days	2 days	2 days

Note: Differences (example: 2 minutes versus 5 minutes) between wait time for cashiering functions, parking citation functions, and business licensing functions are due to the extensive nature of the questions which require more time spent with each customer.

ACCOUNTING DIVISION				
Council Goal: Maintain fiscal responsibility and stability.				
Objective A. Financial information is accurate and completed timely.				
1. Percentage that monthly financial reports are completed by the 12th business day after the end of the month	N/A	100%	N/A	100%
2. Number of payroll input errors identified and corrected	30	0	11	0
3. Number of grants administered	58	58	58	58
4. Average age of accounts receivable	84 days	82 days	92 days	80 days
5. Percent of accounts receivable that go to collections	12.82%	13.22%	14.00%	14.00%

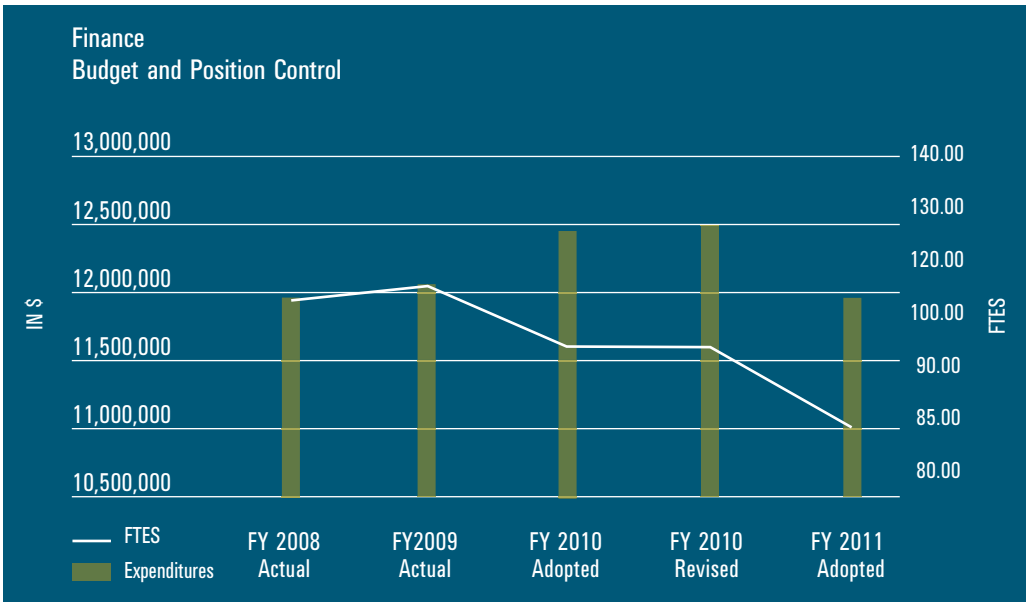
Note: Measure A.1 is a new indicator established in the second half of fiscal year 2010.

Changes From Prior Year

- Cost Changes: The net decrease from the fiscal year 2010 revised budget is $564,071 primarily attributable to the following:
  - The Personnel budget decreased by $648,483 due to the transfer of 4.0 FTEs to DoIT department, eliminating 5.0 vacant FTEs, and a $421,933 reduction of personnel costs to meet cost reduction targets offset by the addition of 2.0 FTES (one transferred from the Library and one transferred from the Human Services' First Source program) and the removal of the vacancy estimate.
  - The Services and Supplies budget decreased by $299,821 primarily as a result of a reduction to discretionary spending totaling $260,000 to meet proposed departmental cost controls and a decrease of $52,000 includes one-time reappropriations from fiscal year 2009 adopted budget to fiscal year 2010 revised budget. Reappropriations from fiscal year 2010 adopted budget have not been determined yet. Decrease in Services and Supplies is offset by a $12,500 shift from Internal Services for City Vision maintenance fee.
  - The Internal Service Charges budget decreased $12,500 as a result of $12,500 shifting to Services and Supplies for City Vision maintenance fee.
  - An Operating Transfer Out in the amount of $400,000 was budgeted in accordance with the personnel transfers to DoIT.
- FTE Changes: There was a net decrease of 7.00 FTEs from the fiscal year 2010 revised budget due to 4.0 FTEs transferring to DoIT and eliminating 5.0 FTEs, 1.0 FTE transferred from the Library to Printing Services and 1.0 FTE transferred from Human Services to Purchasing for the First Source Program.

Future Outlook

The Finance Department is proactively working with departments as new projects emerge throughout the City, as well as working with the Pasadena Center Operating Company and the Rose Bowl Operating Company 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 intensify. Strong fiscal leadership and excellent customer service are two key areas of focus in the Finance Department. Department employees will continue to attend employee training e.g. supervisory and will strive to develop paperless processes for providing services.



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 the public, the City Council, and executive management. This Division also provides staff support to the City Council Finance Committee. 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 Division 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 four other divisions within the Department which include the functions of Budget, Purchasing, Payables and Printing, Treasury and Cash Management, Accounting and Financial Analysis. The Deferred Compensation Program and Workers' Compensation and Safety are also monitored through the Administration Division. Together these sections of the division comprise a core informational resource within the Department and the City.

Major Accomplishments

Provided support to the Finance Committee and to the City Council, City Manager and City departments on new issues.

Summary of Appropriations and Revenues	FY 2008 Actual	FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2011 Adopted
FTEs	24.000	25.000	19.000	19.000	15.000
Appropriations	4,503,837	4,508,954	4,066,002	4,101,001	3,365,505
Sources by Fund					
General Fund	3,175,263	3,156,395	2,672,196	2,707,195	2,018,592
Workers' Compensation Fund	1,328,574	1,352,559	1,393,806	1,393,806	1,346,913
Total Sources	4,503,837	4,508,954	4,066,002	4,101,001	3,365,505
WC Payments (Memo)*	7,825,842	10,172,657	9,500,000	9,500,000	9,690,000

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

Changes From Prior Year

- Cost Changes: The decrease from the fiscal year 2010 revised budget is $735,496 primarily attributable to the following:
  - The Personnel budget decreased $840,495 as a result of transferring 4.0 FTEs to the DoIT department and a $421,933 reduction in order to meet cost reduction targets.
  - The Services and Supplies budget decreased $295,001 due to a $260,000 reduction as a result of proposed departmental cost reductions and a decrease of $35,000 includes one-time reappropriations from fiscal year 2009 adopted budget to fiscal year 2010 revised budget.
  - An Operating Transfer Out in the amount of $400,000 was budgeted in accordance with the personnel transfers to DoIT.
- FTE Changes: 4.0 FTEs transferred from Information Services to DoIT department.

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 2011 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 Council, the City Manager, and City 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 fiscal monitoring needs of each City department. Analysis of expenditures and revenues is essential in both preparing and monitoring the budgets. The Budget Division updates and monitors the General Fund five-year financial plan to support the City Council goal of "maintaining fiscal responsibility and stability". 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 being responsible for the annual budget development process and financial monitoring and forecasting, the Budget Division provides City departments with analytical support for special studies, including: policy and process review for efficiency, revenue analysis for proposed new fees and funding sources, and annual updates to the General Fee Schedule.

Major Accomplishments

A major accomplishment of the Budget Division was the adoption of the fiscal year 2010 budget, balanced and on time, along with the timely completion of Quarterly Monitoring Reports. The City received the Distinguished Budget Presentation Award for fiscal year 2010 from the Government Finance Officers Association (GFOA). The City also received the Award for Excellence in Budgeting from the California Society of Municipal Finance Officers (CSMFO) for the fiscal year 2010 as well as an award for Excellence in Public Communications for the fiscal year 2010 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 2008 Actual	FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2011 Adopted
FTEs	6.000	6.000	6.000	6.000	6.000
Appropriations	746,107	862,585	848,294	848,294	836,378
General Fund	746,107	862,585	848,294	848,294	836,378

Changes From Prior Year

- Cost Changes: The decrease from fiscal year 2010 revised budget is due to an $11,916 decrease in the Personnel budget as a result of adjusting budgeted salaries to reflect actuals.
- FTE Changes: None.

Future Outlook

The Budget Division will continue to support City operations through the development and monitoring of the budgets. During fiscal year 2011 the Budget Division will continue to closely monitor the City's fiscal performance, recommend corrective actions to ensure expenditures are in line with revenues, update the City's cost allocation methodology, and implement additional features of the new budgeting software. In addition, the Division will continue to provide regular fiscal reports, monitor costs and revenues, and provide technical assistance to ensure that the City Council, City Manager and all City departments have the support necessary to manage during these challenging economic times.

DIVISION SUMMARY
PURCHASING, PAYABLES AND PRINTING

Mission Statement

To coordinate the acquisition and payment for labor, materials, supplies and services; to promote the local economy by identifying local purchasing, contracting and hiring opportunities; to encourage local business enterprises to make bids and proposals for city contracts; to promote the local hiring of Pasadena residents; and to provide cost effective reprographic services of the highest quality in a timely and professional manner in support of City operations.

Program Description

The Purchasing, Payables and Printing Division is responsible for all procurement, accounts payable, and printing services activities 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, energy efficient lighting and janitorial supplies that are free of toxins. The Division also maintains the City's vendor list and serves as a resource for bid notifications and outreach for all City departments including outreach for viable local economic opportunities. The Purchasing staff is responsible for all procurement, 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 Pasadena Chamber of Commerce. The Pasadena First: Local hiring program has facilitated more than $920,000 in local hiring on four construction projects, and over 7,000 referrals since its inception. The Division also modified the City's purchasing card policies and procedures to meet and exceed revised audit requirements. Accounts Payable continues to reduce the number of printed checks and increase efficiencies by expanding e-payable solutions. Card shuffler has been added as a complement to the E-payables program and has helped capture more payments electronically. Also, AP has implemented Paymode® which allows AP to process ACH direct deposit payment to vendors. Currently, AP offers this form of payment to Section 8 housing providers and will soon expand the program and offer it to all vendors. Printing Services developed a new web page to allow easier and broader access to printing services. The Purchasing, Payables and Printing Division is committed to sustaining superior customer service and satisfaction while maintaining the highest level of professional and ethical standards.

Summary of Appropriations and Revenues	FY 2008 Actual	FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2011 Adopted
FTEs	18.750	17.750	17.750	17.750	19.750
Appropriations	2,156,905	2,281,824	2,441,742	2,483,751	2,699,627
Sources by Fund					
General Fund	1,054,115	1,087,683	1,060,513	1,102,522	1,237,458
Printing Services Fund	1,102,790	1,194,141	1,381,229	1,381,229	1,462,169
Total Sources	2,156,905	2,281,824	2,441,742	2,483,751	2,699,627

Changes From Prior Year

- Cost Changes: The increase from fiscal year 2010 revised budget is due to the Personnel budget increasing $218,763 due to the transfer in of 2.0 FTEs.
- FTE Changes: The Division transferred 1.0 Program Manager in from Human Services for the First Source Program to Purchasing and transferred 1.0 Operations Assistant in from the Library to Printing Services.

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. Accounts Payable (AP) will implement a payment option called CashPay. The CashPay system will allow payments to be made to individuals via debit card. This system will allow AP to make timely payments and will also reduce the amount of paper checks that are produced while providing an efficient and effective payment system for certain types of AP transactions. Accounts Payable will also launch a new invoice automation process that will allow invoices to be routed between external departments and AP electronically and thus drastically reducing the amount of paper and time for routing an invoice. Additionally, the Division will serve as a nexus between the local business community, City departments, technical assistance providers, and contract and procurement partners to increase the readiness and awareness of economic opportunities for Pasadena businesses and residents. Pasadena First Buy Local program will serve as an economic tool to promote the local economy by identifying purchasing, contracting, and hiring opportunities for businesses and residents; encouraging local business enterprises to make bids and proposals for city contracts, and promote the local hiring of Pasadena residents. Through the use of strategic partnerships, this effort will also provide technical assistance referrals for businesses in need of increasing their business capacity to do business with the City of Pasadena.

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 Division 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 $556 million as of March 31, 2010. 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 approximately $1 billion and current outstanding bonds of $768 million, with reserve funds of $44 million as of March 31, 2010. In addition to these services, the Division 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 Division 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 Division provides Citywide cashiering services, processing of utility payments, the monitoring, billing, renewing, collecting, processing, investigating and issuance of over 16,000 business licenses with annual revenue of $4.6 million, and the processing of over 150,000 parking tickets annually. This Division provides essential customer service and plays an integral role in the City's overall cash management strategy.

The Collections Division 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, non-sufficient-fund returned checks and other miscellaneous accounts. This Division has over 6,000 active accounts and anticipates collecting over $1 million in delinquent revenues.

Major Accomplishments

The Treasury and Cash Management Division accomplished the following during fiscal year 2010: Achieved competitive returns on the City's investment portfolios; executed the issuance of the Electric Revenue Refunding Bonds, Series 2009; completed the implementation of the home based business audit program by sharing data with the State Franchise Tax Board; implemented AB990 Business License Tax audit program with the State Board of Equalization; completed and reported all arbitrage rebate analyses on outstanding bond issues; exceeded the targeted goal of collecting bad debt owed to the City; secured and finalized the financing of the police helicopter; negotiated and executed a $135 million Letter of Credit related to the 2008A Certificates of Participation (Conference Center Bonds); finalized and closed the financing of the Annandale Special Assessment District Bonds; successfully reported all required continuing disclosure reports to the investment community and information disseminating agents.

Summary of Appropriations and Revenues	FY 2008 Actual	FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2011 Adopted
FTEs	30.000	31.000	28.500	28.500	23.500
Appropriations	2,904,872	2,889,485	2,775,596	2,718,844	2,649,536
Sources by Fund					
General Fund	2,768,765	2,600,376	2,431,536	2,374,784	2,354,742
Building Services Fund	59,116	126,719	131,787	131,787	67,212
Old Pasadena Parking Meter Fund	55,579	57,525	70,673	70,673	72,086
Civic Center Parking Meter Fund	21,412	22,162	23,048	23,048	34,573
South Lake Parking Operating Fund	_	_	10,847	10,847	11,064
Playhouse Parking Fund	_	_	10,847	10,847	11,064
South Lake Parking Meter Zone Fund	_	20,600	32,271	32,271	32,916
Power Fund		62,103	64,587	64,587	65,879
Total Sources	2,904,872	2,889,485	2,775,596	2,718,844	2,649,536

Changes From Prior Year

- Cost Changes: The decrease from the fiscal year 2010 revised budget is $69,308 primarily attributable to the following:
  - The decrease from fiscal year 2010 revised budget is due to the Personnel budget decreasing $52,308 due to eliminating 5.0 FTEs in order to meet cost reduction targets.
  - The Services and Supplies budget decrease of $17,000 includes one-time reappropriations from fiscal year 2009 adopted budget to fiscal year 2010 revised budget
  - FTE Changes: The Division eliminated 4.0 Staff Assistants in Business Licenses Division and 1.0 Technical Specialist in Cashiers Division in order to meet cost reduction targets.

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. The Division will also continue automation of services to improve customer convenience.

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), and Pasadena Community Development Commission. The Accounts Receivable Section of this division performs billing and receivables management for false alarms, utility users' tax, franchise tax, transient occupancy tax, zoning parking contracts, occupancy inspections, grants, housing, benefits, and property damage. The Payroll Section of this division produces the biweekly distribution of payroll and manages all payroll activities.

This Division coordinates the external audit of City financial statements and prepares the City's Comprehensive Annual Financial Report, develops and prepares periodic financial reports for management, conducts all grants-related fiscal monitoring, coordinates audits by federal and state granting agencies, and prepares other required governmental reports.

Major Accomplishments

The City expects to be 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, 2009. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

In coordination with the Fire Department, the Paramedic billing operation was outsourced and now utilizes ruggedized tablet computers for recording of patient care records and automatic data submission to data center for billing. The vendor billing operation provides comprehensive customer service.

Summary of Appropriations and Revenues	FY 2008 Actual	FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2011 Adopted
FTEs	19.500	19.500	22.000	22.000	22.000
Appropriations	1,454,349	1,536,219	2,076,003	2,104,003	2,140,777
Sources by Fund					
General Fund	1,454,349	1,536,219	2,076,003	2,104,003	2,140,777
Grants (memo)*	0	0	607,446	607,446	595,280
Total Sources	1,454,349	1,536,219	2,076,003	2,104,003	2,140,777

* For information only, amount not included in total.

Changes From Prior Year

- Cost Changes: The increase from fiscal year 2010 revised budget is due to Personnel budget increasing $37,474 due to the elimination of the vacancy estimate.

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 applicable statements issued by the GASB are Statement No. 55 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards. In fiscal year 2010 the City is implementing Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments", Statement No. 51 "Accounting and Financial Reporting for Intangible Assets", and Statement No. 45 "Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions."

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