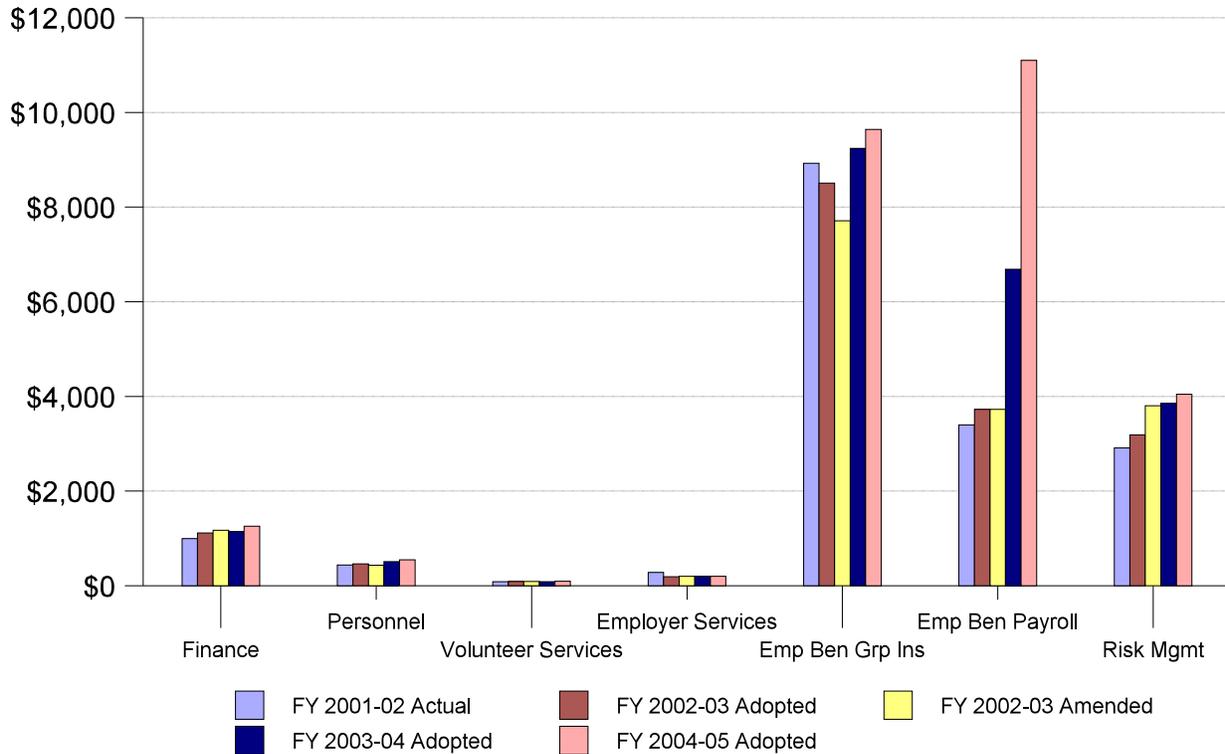


Administrative Services Department

Expenditure Comparisons

(In Thousands)



ADMINISTRATIVE SERVICES DEPARTMENT

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

Overview

The Administrative Services Department's adopted budget for fiscal year 2003-04 totals \$21,711,690, an increase of \$4,575,120 from the fiscal year 2002-03 amended budget. This increase is primarily due to increased costs in group health insurance, PERS Public Employee Retirement System contribution. The total is budgeted in the Employee Benefits Payroll division. The adopted budget for fiscal year 2004-05 totals \$26,887,748, an increase of \$5,176,050 from the fiscal year 2003-04 adopted budget. This increase is also due primarily to increases in group health insurance and PERS.

Division	FY 2001-02 Actual	FY 2002/03 Adopted	FY 2002-03 Amended	FY 2003-04 Adopted	Change	FY 2004-05 Adopted	Change
Finance	\$ 996,127	\$ 1,114,250	\$ 1,174,480	\$ 1,146,320	\$ (28,160)	\$ 1,256,490	\$ 110,170
Personnel	436,641	459,860	435,280	507,650	72,370	549,140	41,490
General Fund Subtotal	1,432,768	1,574,110	1,609,760	1,653,970	44,210	1,805,630	151,660
Volunteer Services	84,732	91,090	88,640	86,110	(2,530)	93,180	7,070
Employer Services	280,558	190,850	199,190	195,190	(4,000)	201,580	6,390
Employee Benefits Group Insurance	8,926,004	8,507,330	7,709,790	9,241,000	1,531,210	9,641,000	400,000
Employee Benefits Payroll	3,397,403	3,724,560	3,724,560	6,684,630	2,960,070	11,100,400	4,415,770
Risk Management	2,909,848	3,188,630	3,804,630	3,850,790	46,160	4,045,950	195,160
Internal Service Fund Subtotal	15,598,545	15,702,460	15,526,810	20,057,720	4,530,910	25,082,110	5,024,390
Totals	\$17,031,313	\$17,276,570	\$17,136,570	\$21,711,690	\$4,575,120	\$26,887,740	\$5,176,050

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

The following table displays how the Department's budget is broken down between the major expenditure groups.

Division		Personnel	Materials, Supplies, & Services	Capital Outlay	Debt Service	Total
Finance and Accounting	FY 2004-05 Adopted	\$ 961,370	\$ 295,120	\$ 0	\$ 0	\$ 1,256,490
	FY 2003-04 Adopted	\$ 861,330	\$ 284,990	\$ 0	\$ 0	\$ 1,146,320
	FY 2002-03 Amended	\$ 783,600	\$ 390,880	\$ 0	\$ 0	\$ 1,174,480
Personnel	FY 2004-05 Adopted	371,820	177,320	0	0	549,140
	FY 2003-04 Adopted	336,290	171,360	0	0	507,650
	FY 2002-03 Amended	310,160	125,120	0	0	435,280
Volunteer Services	FY 2004-05 Adopted	69,610	18,570	5,000	0	93,180
	FY 2003-04 Adopted	62,950	18,160	5,000	0	86,110
	FY 2002-03 Amended	61,170	22,470	5,000	0	88,640
Employer Services	FY 2004-05 Adopted	66,130	135,450	0	0	201,580
	FY 2003-04 Adopted	59,740	135,450	0	0	195,190
	FY 2002-03 Amended	55,400	143,790	0	0	199,190
Employee Benefits - Group Insurance	FY 2004-05 Adopted	75,000	9,566,000	0	0	9,641,000
	FY 2003-04 Adopted	75,000	9,166,000	0	0	9,241,000
	FY 2002-03 Amended	69,830	7,639,960	0	0	7,709,790
Employee Benefits - Payroll	FY 2004-05 Adopted	0	11,100,400	0	0	11,100,400
	FY 2003-04 Adopted	0	6,684,630	0	0	6,684,630
	FY 2002-03 Amended	0	3,724,560	0	0	3,724,560
Risk Management	FY 2004-05 Adopted	281,740	3,764,210	0	0	4,045,950
	FY 2003-04 Adopted	254,820	3,595,970	0	0	3,850,790
	FY 2002-03 Amended	244,250	3,560,380	0	0	3,804,630
Total	FY 2004-05 Adopted	\$ 1,825,670	\$ 25,057,070	\$ 5,000	\$ 0	\$26,887,740
	FY 2003-04 Adopted	\$ 1,650,130	\$ 20,056,560	\$ 5,000	\$ 0	\$21,711,690
	FY 2002-03 Amended	\$ 1,524,410	\$ 15,607,160	\$ 5,000	\$ 0	\$17,136,570

Capital Outlay

There are not any significant capital improvements contemplated.

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

Personnel

There are not any new positions included in this budget. The budget does recognize a cost-neutral reorganization of the Personnel and Risk Management divisions in which the Risk Manager position has been eliminated. The Personnel Manager now directly manages the Risk Management Division which has allowed the hiring of one additional support position that will allow for an improved training program without increasing overall costs.

The following chart gives a breakdown of personnel in the various divisions of the Administrative Services Department which have employees:

Division	F/T P/T	FY 2001- 02 Actual	FY 2002- 03 Adopted	FY 2002- 03 Amended	FY 2003- 04 Adopted	Change	FY 2004- 05 Adopted	Change
Finance and Accounting	F/T	16.00	14.00	15.00	15.00	0.00	15.00	0.00
	P/T	<u>1.23</u>	<u>1.23</u>	<u>1.71</u>	<u>1.71</u>	<u>0.00</u>	<u>1.71</u>	<u>0.00</u>
		15.23	15.23	16.71	15.23	0.00	16.71	0.00
Personnel	F/T	8.00	8.00	8.00	8.00	0.00	8.00	0.00
	P/T	<u>0.48</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.00</u>	<u>0.75</u>	<u>0.00</u>
		8.48	8.75	8.75	8.75	0.00	8.75	0.00
Volunteer Services	F/T	1.00	1.00	1.00	1.00	0.00	1.00	0.00
	P/T	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
		1.00	1.00	1.00	1.00	0.00	1.00	0.00
Risk Management	F/T	3.00	3.00	3.00	3.00	0.00	3.00	0.00
	P/T	<u>0.00</u>	<u>0.96</u>	<u>0.75</u>	<u>0.75</u>	<u>0.00</u>	<u>0.75</u>	<u>0.00</u>
		3.00	3.96	3.75	3.96	0.00	3.75	0.00
Total	F/T	26.00	26.00	27.00	27.00	0.00	27.00	0.00
	P/T	<u>1.78</u>	<u>2.94</u>	<u>3.21</u>	<u>3.21</u>	<u>0.00</u>	<u>3.21</u>	<u>0.00</u>
		27.19	28.94	30.21	30.21	0.00	30.21	0.00

Status of 1999-00 and 2000-01 Goals and Objectives

Finance

Goal

Provide relevant financial information to operating departments, the City Manager, the City Council, and the public in a timely fashion and in an understandable format.

Accomplishments

Assisted City Manager's Office in preparing a simplified City of Redding 2001-03 Biennial Budget. Worked with City Manager on preparing and presenting the City's two year budget. Developed process for mid-budget adjustments.

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

Received the "Distinguished Budget Presentation Award" from the Government Finance Officers Association and the "Excellence in Operational Budgeting Award" from the California Society of Municipal Finance Officers for the 1999-2001 budget..

Completed the Comprehensive Annual Financial Report (CAFR) by December 31 of each year. The completed CAFR and management letter were accepted by City Council in January of each year. The CAFR for 1998-99 received the "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association and we anticipate that the FYE CAFR for 1999-00 will also receive the "Certificate of Achievement for Excellence in Financial Reporting"..

Goal

Process all accounting transactions in a timely and accurate manner.

Accomplishments

Processed over 95% of accounts payable checks within seven days of completed request.

Transmitted all biweekly payrolls by noon on Tuesday of the payroll week.

All information for processing monthly financial reports was provided to Information Systems by the 8th of each month. Monthly financial reports were distributed within one business day of receiving reports from Information Systems.

Goal

Implement new procedures and technologies to improve operational efficiency.

Accomplishments

Crossed trained several employees in various accounting areas.

Implemented new payroll procedures for processing SHASCOM bi-weekly payroll and processed SHASCOM bi-weekly payroll since October 1999. Completed monthly and annual payroll reporting for SHASCOM

Increased the number of successful grant applications by assisting departments with grant application and administration.

Improved procedures in various finance functions that helped improve operational efficiencies in the Finance Division. Improved use of computers to generate work papers for the audit.

Reorganized the workload assignments in the Finance Division resulting in a more efficient operations within the Division.

Personnel

Goal

Hire a new Human Resources Manager to take over day-to-day management of the Personnel Division and to assist with labor relations and employee relations issues.

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

Accomplishments

1. Obtained approval in the 1999-00 budget to backfill the vacant Human Resources Manager position. We have subsequently changed the title back to Personnel Manager.
2. Conducted a thorough statewide recruitment to find the best candidate and made an appointment on September 1, 1999.

Goal

Undertake a comprehensive review and update of Personnel Policies.

Accomplishments

1. The City implemented an Employee Wellness Program Policy as a one-year pilot program. A new discipline policy is nearing completion, as is a new equal employment opportunity policy. The comprehensive review and update of Personnel Policies will continue into the 2001-02 fiscal year.
2. The City negotiated changes, as necessary, with employee bargaining groups and obtained City Manager and/or City Council approval.

Goal

Prepare for and successfully complete contract bargaining with applicable represented employee groups.

Accomplishments

1. Established City Council goals and strategies for all contract negotiations.
2. Successfully negotiated new contracts with IBEW Maintenance Unit, IBEW Electric Unit, and RPOA Miscellaneous Unit. Staff is in the process of negotiating with the SEIU Supervisory/Confidential Unit, the SEIU CTP Unit, IAFF, and RPOA.

Workload Indicators and Performance Measures

Finance

<i>Workload Indicators</i>	<i>1999-00 Actual</i>	<i>2000-01 Estimate d</i>	<i>2001-02 Projecte d</i>	<i>2004-05 Projected</i>
Accounts Payable Transactions	10,157	11,500	11,000	11,000
Payroll Transactions	24,318	24,500	24,500	24,500
General Accounts Receivable	8,669	8,800	8,900	8,900
Audit Field Work Completed	11/16/99	11/07/00	11/15/01	11/15/02
Budget presented to Council	-	6/12	-	6/03

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

Personnel

<i>Workload Indicators</i>	<i>1999-00 Actual</i>	<i>2000-01 Estimated</i>	<i>2001-02 Projecte d</i>	<i>2004-05 Projecte d</i>
Recruitments conducted	60	60	60	60
Employment applications processed	2,755	2,700	2,700	2,700
Employment interest cards processed	2,500	2,600	2,500	2,500
Orientations conducted	199	200	200	200
Employee training sessions conducted by Personnel	23	29	25	25
Labor contracts negotiated	2	4	3	1
Personnel transactions	498	500	500	500
Retirements processed	16	24	20	20
Labor/management meetings outside negotiation process	36	40	40	40

Risk Management

<i>Workload Indicators</i>	<i>1999-00 Actual</i>	<i>2000-01 Estimated</i>	<i>2001-02 Projecte d</i>	<i>2004-05 Projecte d</i>
Workers' compensation indemnity claims opened	63	48	50	50
Workers' compensation medical only claims opened	87	52	54	54
Liability claims opened	156	155	155	155
Liability claims closed without payment	45%	58%	59%	59%

2003-04 and 2004-05 Goals and Objectives

Finance

Goal

Provide relevant financial information to operating departments, the City Manager, the City Council, and the public in a timely fashion and in an understandable format.

Objective

1. Produce an understandable annual financial report that conforms to generally accepted accounting principles by December 31, of each year. Qualify for the "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association.
2. Implement Governmental Accounting Standards Board Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments".
3. Produce a two-year budget document that is easy to read and understand for the City Council's consideration by June 30, 2003. The two-year budget will qualify for the "Distinguished Budget

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

Presentation Award" from the Government Finance Officers Association and the "Excellence in Operational Budgeting Award" from the California Society of Municipal Finance Officers.

3. Produce monthly financial reports that are easy to read and understand.

Goal

Process all accounting transactions in a timely and accurate manner.

Objectives

1. Transmit the biweekly payroll by noon on Tuesday of payroll week.
2. Issue 95 percent of all accounts payable checks within seven days of completed request.
3. Have all information for processing monthly financial reports to Information Systems no later than the 8th of each month. Distribute monthly financial reports within one business day of receiving reports from Information Systems.
4. Insure staff is cross-trained to back up other staff members when necessary to avoid backlogs or delays.
5. Develop standard procedure manuals for various areas of responsibilities.

Goal

Implement new procedures and technologies to improve operational efficiency in the Finance Division.

Objectives

1. Improve the City's fixed asset procedures. Implement the Government Finance Officers Association recommendations for establishing the appropriate thresholds for capitalizing fixed assets.
2. Improve organizational functions, assignments and procedures to help the Division be more efficient in processing information.
3. Improve computer use of preparing audit work papers.

Goal

Assist other departments with their financial needs.

Objectives

1. Meet with departments on an individual basis to inform them of grant opportunities.
2. Assist departments with grant application and administration to insure the City is successful in the grant application process.
3. Offer training course to other divisions on the available City financial information.

Personnel

Goal

Continue to improve the efficiency and responsiveness of the Personnel Division.

Objectives

1. Fill remaining Personnel Technician position.
2. Continue ongoing workstation training and cross-training program to fully implement the realignment of Personnel, Risk Management and Volunteer Services functions.

Goal

Continue the comprehensive review and update of Personnel Policies.

Objectives

1. In conjunction with the City Attorney's Office review one major Personnel Policy every two months.
2. Update Personnel Policies that are either out of date or need improvement.
3. Negotiate changes, as necessary, with employee bargaining groups and obtain City Manager and/or City Council approval.

Goal

Reduce or contain the spiraling health and welfare benefits costs to the City.

Objectives

1. Monitor and improve the pilot Employee Wellness Program to include physical fitness program, wellness newsletter, and general wellness education.
2. Supervise and monitor the re-energizing of the work safety program in accordance with SB 198 to include specified job safety training lectures and record keeping.

Risk Management

Goal

Continue to improve the efficiency and responsiveness of the Risk Management Division.

Objectives

1. Maintain regular contact with claims administrator and injured worker while off from work.
2. Insure that all paperwork involving Workers' Compensation Claims, Liability Claims, Insurance Certificates, etc., are handled expeditiously.

CITY OF REDDING BIENNIAL BUDGET
FISCAL YEARS ENDING JUNE 30, 2004 AND 2005

Goal

Reduce or contain Workers' Compensation and Liability claims involving City employees.

Objectives

1. Continue the re-energizing of the work safety program in accordance with SB 198 to include job safety training and record keeping.
2. Utilize the Employee Wellness Program to provide strength, cardio vascular and mobility training.
3. Provide training and a system of accountability as dictated by nature of liability claims (i.e., backing accidents or other types of vehicle accidents).

Goal

Take action to insure that the appropriate City staff are competent in the fast changing regulations and laws regarding Workers' Compensation processes and procedures.

Objectives

1. Schedule Risk Management Division staff to attend formal conferences and workshops as appropriate to be fully proficient in administering all changes in Workers' Compensation regulations and laws.
2. Implement training sessions with appropriate departmental personnel to insure compliance with procedural changes, and an understanding of their general responsibilities.

Notes