

Administrative Services

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Department Overview

Budget Units

Budget Unit	Program	2024 Proposed Budget
Administrative Services		\$ 369,022
100-40-400	Administrative Services Administration	\$ 369,022
Finance		\$ 3,142,703
100-41-405	Accounting	\$ 1,823,581
100-41-406	Business Licenses	\$ 424,145
100-41-425	Purchasing	\$ 370,890
100-41-426	Budget	\$ 524,087
Human Resources		\$ 6,527,737
100-44-412	Human Resources	\$ 1,399,766
642-44-414	Retiree Benefits	\$ 1,486,988
100-44-417	Insurance Administration	\$ 2,297,558
620-44-418	Workers Compensation Insurance	\$ 582,954
641-44-419	Long Term Disability	\$ 102,381
641-44-420	Compensated Absences	\$ 658,090
Total		\$ 10,039,462

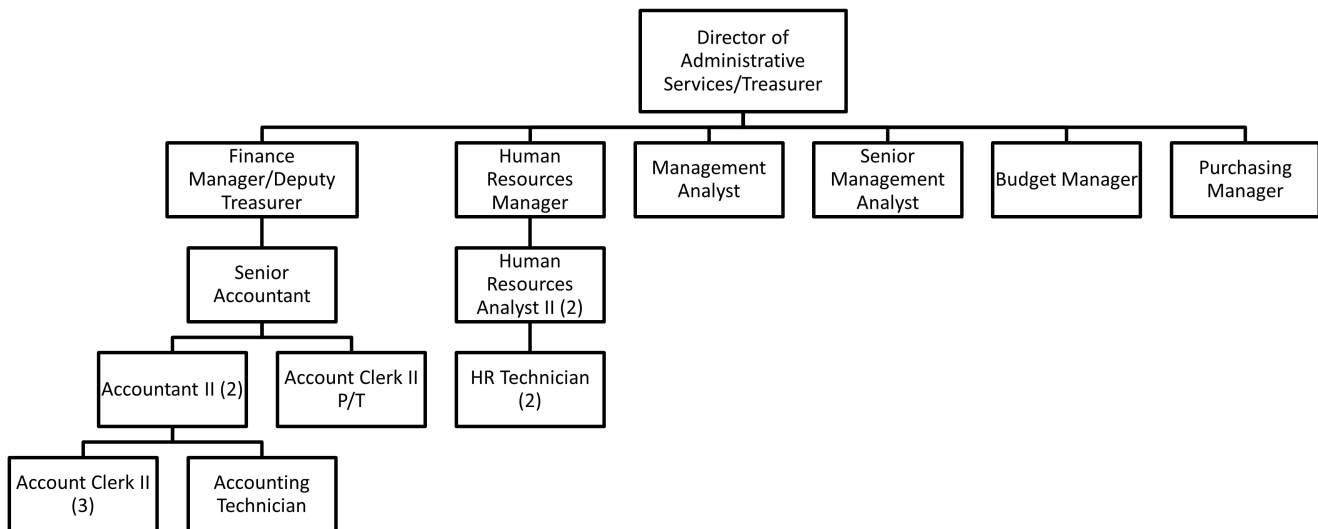
Budget at a Glance

2024 Proposed Budget

Total Revenues	\$ 4,159,392
Total Expenditures	\$ 10,039,462
Fund Balance	\$ (2,450,413)
General Fund Costs	\$ 3,429,657
% Funded by General Fund	34.2%
Total Staffing	17.9 FTE

Organization

Kristina Alfaro, Director of Administrative Services



As part of an expenditure reduction strategy, the vacant Administrative Assistant position is being removed from the budget.

Performance Measures

Finance Division

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

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

Performance Measure	FY 2021 July-June	FY 2022 July-June	FY 2023 July-Dec	Ongoing Target
General Fund fund balance as a % of budgeted appropriations	103%	104%	96%	35%
Credit Rating	AA+	AA+	AA+	AA+
Actual revenue vs. budget (% below budget)	19%	24%	34%	10%
Actual expenditures (% below budget)	15%	9%	30%	5%
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	53%	52%	66%	63%

Human Resources Division

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

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

Performance Measure	FY 2021 July-June	FY 2022 July-June	FY 2023 July-Dec	Ongoing Target
# of Worker's Compensation Cases	10	11	3	0
Total recordable Injury Rate YTD	N/A	4.3%	1.0%	0%
% absenteeism (% of total annual work hours)	2%	2%	3%	2%
% turnover rate	5%	9%	5%	1%
% Employee participation in wellness activities	43%	48%	37%	75%
Average # of applications received per recruitment	70	49	38	50
Recruitment timeline - # days from hiring request to offer letter	78	88	70	60

Workload Indicators

Finance Division

Workload Indicator	FY 2021 July-June	FY 2022 July-June	FY 2023 July-Dec
# of vendor checks processed	4,457	4,993	2,509
# of payroll checks processed	7,816	8,119	4,936
# of business license applications	1,061	884	444
# of business license renewals	2,467	1,521	854
# of journal entries posted	3,915	3,635	1,772
# of purchase orders approved	534	563	315
# of receipts processed	10,367	9,353	4,460

Human Resources Division

Workload Indicator	FY 2021 July-June	FY 2022 July-June	FY 2023 July-Dec
# of regular recruitments	24	33	16
# of regular new hires	22	38	10
# of temporary new hires	18	77	13
# of personnel payroll changes	834	787	378
# of full-time employee exits processed	30	24	14
# of mandated training classes offered*	18	20	20
# of employees participating in the wellness program	90	104	74

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

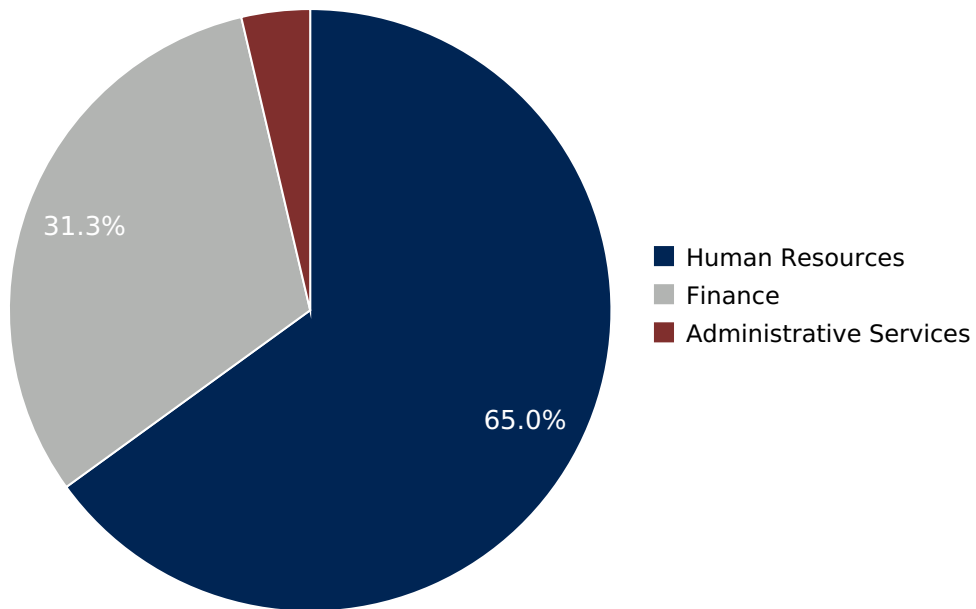
Proposed Budget

It is recommended that City Council approve a budget of \$10,039,462 for the Administrative Services department. This represents an increase of \$2,998 (0.0%) from the FY 2022-23 Adopted Budget.

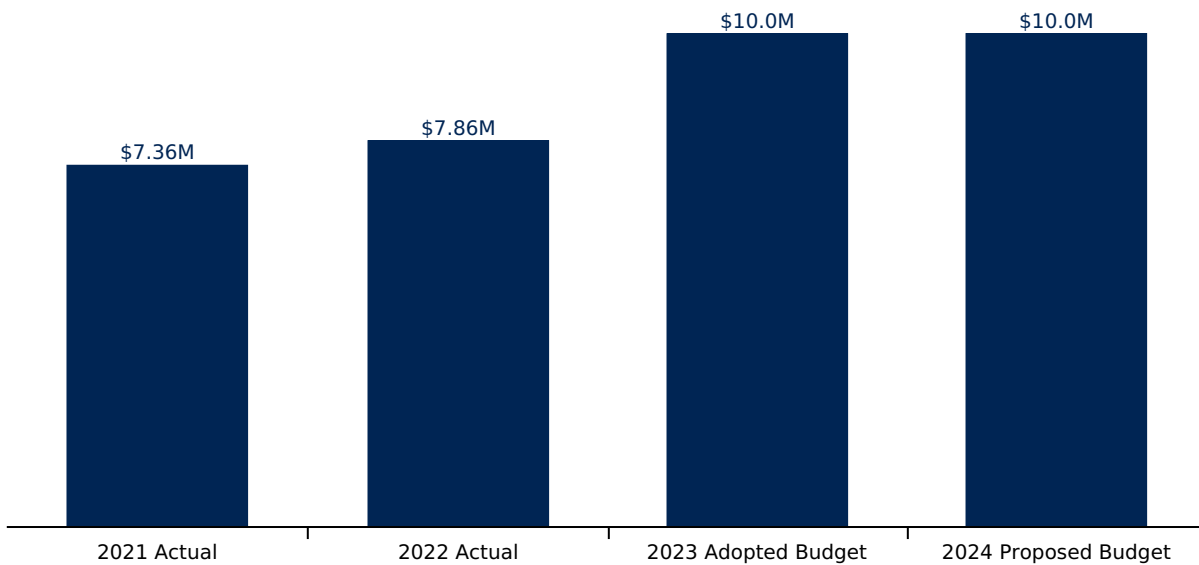
The table below illustrates the reductions made to the original FY 2023-24 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable.

Service	FY 2023-24 Original Budget	FY 2023-24 Reduced Budget	Reduction	Service Impact
Materials	\$186,223	\$108,808	\$77,415	Reduced conference attendance, office and general supplies, recruitment advertisements, printing, citywide coffee and tea and reduced citywide employee events.
Contract Services	\$4,152,414	\$4,020,746	\$131,668	Reduced citywide trainings, reduced executive recruitments and reduced consultant costs.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Charges for Services	\$ 3,910,403	\$ 4,484,822	\$ 3,967,516	\$ 4,159,392
Miscellaneous Revenue	\$ 8,775	\$ 44,002	\$ -	\$ -
Other Financing Sources	\$ 246,381	\$ 356,830	\$ 436,145	\$ -
Transfers In	\$ -	\$ 332,112	\$ -	\$ -
Total Revenues	\$ 4,165,559	\$ 5,217,766	\$ 4,403,661	\$ 4,159,392
Expenditures				
Employee Compensation	\$ 2,229,343	\$ 2,240,233	\$ 2,688,101	\$ 2,808,263
Employee Benefits	\$ 2,191,476	\$ 2,401,776	\$ 2,660,698	\$ 2,750,489
Materials	\$ 83,977	\$ 136,581	\$ 191,213	\$ 108,808
Contract Services	\$ 2,513,838	\$ 2,740,443	\$ 3,719,161	\$ 4,020,746
Cost Allocation	\$ 341,705	\$ 341,693	\$ 349,530	\$ 308,962
Special Projects	\$ -	\$ -	\$ 330,000	\$ -
Contingencies	\$ -	\$ -	\$ 97,761	\$ 42,194
Total Expenditures	\$ 7,360,339	\$ 7,860,726	\$ 10,036,464	\$ 10,039,462
Fund Balance	\$ (1,678,654)	\$ (735,233)	\$ (1,332,250)	\$ (2,450,413)
General Fund Costs	\$ 1,516,125	\$ 1,907,727	\$ 4,300,553	\$ 3,429,657

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
ACCOUNTANT II	1.00	2.00	2.00	2.00
ACCOUNT CLERK II	3.00	3.00	3.00	3.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.95	0.95	0.95	0
BUDGET MANAGER	0	0	1.00	1.00
DIRECTOR OF ADMIN SERVICES	1.00	1.00	1.00	1.00
FINANCE MANAGER	0.95	0.95	0.95	0.95
HUMAN RESOURCES ANALYST II	2.00	2.00	2.00	2.00
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	2.00	2.00	2.00	2.00
MANAGEMENT ANALYST	0	0	0	0.95
PURCHASING MANAGER	0	0	1.00	1.00
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	2.00	2.00	2.00	1.00
Total	15.90	16.90	18.90	17.90

Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ 154,333
Total Expenditures	\$ 369,022
Fund Balance	\$ -
General Fund Costs	\$ 214,689
% Funded by General Fund	58.2%
Total Staffing	1.4 FTE

Program Overview

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

Service Objectives

- Manage the City's investment portfolio to obtain safety of funds, liquidity, and a reasonable rate of return.
- Perform special projects for the City Manager.
- Manage contract for the City's Fraud, Waste, Abuse Program.
- Provide staff support to Fiscal Strategic and Audit Committees.

Proposed Budget

It is recommended that City Council approve a budget of \$369,022 for the Administrative Services Administration program. This represents a decrease of \$532,858 (-59.1%) from the FY 2022-23 Adopted Budget.

The decrease is primarily due to the reduction of one Administrative Assistant position and the reallocation of the Director of Administrative Services position among the department's budgets. The work associated with the Administrative Assistant will be re-evaluated and then redistributed among existing staff.

The table below illustrates the reductions made to the original FY 2023-24 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable.

Service	FY 2023-24 Original Budget	FY 2023-24 Reduced Budget	Reduction	Service Impact
Materials	\$32,241	\$17,628	\$14,613	Reduced conference attendance, trainings, meeting expenses, and general and office supplies.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Charges for Services	\$ 185,799	\$ 183,169	\$ 156,003	\$ 154,333
Miscellaneous Revenue	\$ (2,800)	\$ 36,300	\$ -	\$ -
Total Revenues	\$ 182,999	\$ 219,469	\$ 156,003	\$ 154,333
Expenditures				
Employee Compensation	\$ 593,523	\$ 562,571	\$ 588,164	\$ 240,749
Employee Benefits	\$ 249,510	\$ 242,833	\$ 282,451	\$ 104,851
Materials	\$ 17,077	\$ 47,865	\$ 29,841	\$ 17,628
Contract Services	\$ 8,323	\$ -	\$ 661	\$ 5,505
Contingencies	\$ -	\$ -	\$ 763	\$ 289
Total Expenditures	\$ 868,433	\$ 853,269	\$ 901,880	\$ 369,022
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 685,434	\$ 633,800	\$ 745,877	\$ 214,689

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0.95	0.95	0
DIRECTOR OF ADMIN SERVICES	0.80	0.80	0.80	0.20
MANAGEMENT ANALYST	0	0	0	0.20
SENIOR MANAGEMENT ANALYST	2.00	2.00	2.00	1.00
Total	3.75	3.75	3.75	1.40

There is a reduction of .95 FTE of an Administrative Assistant position to meet position elimination targets as part of the City's budget-balancing strategies. In addition, the Director of Administrative Services has been reallocated among the department's budgets.

Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ 2,120,939
Total Expenditures	\$ 1,823,581
Fund Balance	\$ -
General Fund Costs	\$ (297,358)
% Funded by General Fund	-16.3%
Total Staffing	7.1 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$1,823,581 for the Accounting program. This represents an increase of \$77,629 (4.4%) from the FY 2022-23 Adopted Budget.

The increase is primarily due to the reallocation of the Director of Administrative Services to this budget to better reflect actual time spent in this program.

The table below illustrates the reductions made to the original FY 2023-24 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable.

Service	FY 2023-24 Original Budget	FY 2023-24 Reduced Budget	Reduction	Service Impact
Materials	\$25,942	\$14,987	\$10,955	Reduced conference attendance, trainings and printing costs.
Contracts Services	\$378,942	\$310,620	\$68,322	Reduced tax consultant contracts.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Charges for Services	\$ 2,114,792	\$ 2,179,273	\$ 2,105,135	\$ 2,120,939
Miscellaneous Revenue	\$ 11,553	\$ 7,702	\$ -	\$ -
Transfers In	\$ -	\$ 150,000	\$ -	\$ -
Total Revenues	\$ 2,126,345	\$ 2,336,975	\$ 2,105,135	\$ 2,120,939
Expenditures				
Employee Compensation	\$ 858,215	\$ 813,499	\$ 875,847	\$ 1,017,729
Employee Benefits	\$ 370,373	\$ 371,524	\$ 428,205	\$ 476,175
Materials	\$ 8,487	\$ 13,248	\$ 24,009	\$ 14,987
Contract Services	\$ 248,303	\$ 337,405	\$ 333,942	\$ 310,620
Special Projects	\$ -	\$ -	\$ 75,000	\$ -
Contingencies	\$ -	\$ -	\$ 8,949	\$ 4,070
Total Expenditures	\$ 1,485,378	\$ 1,535,676	\$ 1,745,952	\$ 1,823,581
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (640,967)	\$ (801,299)	\$ (359,183)	\$ (297,358)

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
ACCOUNTANT II	1.00	1.90	1.90	1.90
ACCOUNT CLERK II	2.00	2.00	2.00	2.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
DIRECTOR OF ADMIN SERVICES	0	0	0	0.20
FINANCE MANAGER	0.95	0.95	0.95	0.95
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
Total	5.95	6.85	6.85	7.05

A portion of the Director of Administrative Services has been allocated to this budget to better reflect actual time spent in this program.

Business Licenses

Budget Unit 100-41-406

General Fund - Finance - Business Licenses

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 424,145
Fund Balance	\$ -
General Fund Costs	\$ 424,145
% Funded by General Fund	100.0%
Total Staffing	1.1 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$424,145 for the Business Licenses program. This represents a decrease of \$49,300 (-10.4%) from the FY 2022-23 Adopted Budget.

There is an increase in employee compensation and benefits, which reflect the cost-of-living adjustments approved by the City Council in August 2022.

The table below illustrates the reductions made to the original FY 2023-24 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable.

Service	FY 2023-24 Original Budget	FY 2023-24 Reduced Budget	Reduction	Service Impact
Contract Services	\$65,000	\$39,000	\$26,000	Reduced bank charges related to business licenses to reflect prior year costs. Funding will be evaluated as part of the fee study.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 97,527	\$ 103,915	\$ 101,611	\$ 110,981
Employee Benefits	\$ 52,727	\$ 57,777	\$ 64,279	\$ 65,164
Materials	\$ 83	\$ 173	\$ -	\$ -
Contract Services	\$ 61,787	\$ 38,832	\$ 65,000	\$ 39,000
Cost Allocation	\$ 252,034	\$ 239,885	\$ 240,930	\$ 208,512
Contingencies	\$ -	\$ -	\$ 1,625	\$ 488
Total Expenditures	\$ 464,158	\$ 440,582	\$ 473,445	\$ 424,145
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 464,157	\$ 440,581	\$ 473,445	\$ 424,145

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
ACCOUNTANT II	0	0.10	0.10	0.10
ACCOUNT CLERK II	1.00	1.00	1.00	1.00
Total	1.00	1.10	1.10	1.10

There are no changes to the current level of staffing.

Purchasing

Budget Unit 100-41-425

General Fund - Finance - Purchasing

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 370,890
Fund Balance	\$ -
General Fund Costs	\$ 370,890
% Funded by General Fund	100.0%
Total Staffing	1.2 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$370,890 for the Purchasing program. This represents an increase of \$1,650 (0.4%) from the FY 2022-23 Adopted Budget.

There is an increase in employee compensation and benefits, which reflect the cost-of-living adjustments approved by the City Council in August 2022.

The table below illustrates the reductions made to the original FY 2023-24 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable.

Service	FY 2023-24 Original Budget	FY 2023-24 Reduced Budget	Reduction	Service Impact
Materials	\$3,401	\$1,752	\$1,649	Reduced conferences, trainings, and memberships.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 180,955	\$ 255,899
Employee Benefits	\$ -	\$ -	\$ 84,996	\$ 113,217
Materials	\$ -	\$ -	\$ 3,209	\$ 1,752
Special Projects	\$ -	\$ -	\$ 100,000	\$ -
Contingencies	\$ -	\$ -	\$ 80	\$ 22
Total Expenditures	\$ -	\$ -	\$ 369,240	\$ 370,890
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ 369,240	\$ 370,890

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0	0	0	0.20
PURCHASING MANAGER	0	0	1.00	1.00
Total	0	0	1.00	1.20

A portion of the Director of Administrative Services has been allocated to this budget to better reflect actual time spent in this program.

Budget

Budget Unit 100-41-426

General Fund - Finance - Budget

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 524,087
Fund Balance	\$ -
General Fund Costs	\$ 524,087
% Funded by General Fund	100.0%
Total Staffing	2.0 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$524,087 for the Budget program. This represents an increase of \$183,487 (53.9%) from the FY 2022-23 Adopted Budget.

The increase is primarily due to the reallocation of the Director of Administrative Services to this budget to better reflect actual time spent in this program.

The table below illustrates the reductions made to the original FY 2023-24 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable.

Service	FY 2023-24 Original Budget	FY 2023-24 Reduced Budget	Reduction	Service Impact
Materials	\$24,318	\$14,249	\$10,069	Reduced printing costs for the Budget Book and Budget at a Glance.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 180,955	\$ 352,271
Employee Benefits	\$ -	\$ -	\$ 84,996	\$ 154,395
Materials	\$ -	\$ -	\$ 21,091	\$ 14,249
Contract Services	\$ -	\$ -	\$ 2,957	\$ 2,957
Special Projects	\$ -	\$ -	\$ 50,000	\$ -
Contingencies	\$ -	\$ -	\$ 601	\$ 215
Total Expenditures	\$ -	\$ -	\$ 340,600	\$ 524,087
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ 340,600	\$ 524,087

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
BUDGET MANAGER	0	0	1.00	1.00
DIRECTOR OF ADMIN SERVICES	0	0	0	0.20
MANAGEMENT ANALYST	0	0	0	0.75
Total	0	0	1.00	1.95

A portion of the Director of Administrative Services has been allocated to this budget to better reflect actual time spent in this program.

Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ 1,884,120
Total Expenditures	\$ 1,399,766
Fund Balance	\$ -
General Fund Costs	\$ (484,354)
% Funded by General Fund	-34.6%
Total Staffing	4.9 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$1,399,766 for the Human Resources program. This represents a decrease of \$120,775 (-7.9%) from the FY 2022-23 Adopted Budget.

There is an increase in employee compensation and benefits, which reflect the cost-of-living adjustments approved by the City Council in August 2022.

The table below illustrates the reductions made to the original FY 2023-24 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable.

Service	FY 2023-24 Original Budget	FY 2023-24 Reduced Budget	Reduction	Service Impact
Materials	\$100,321	\$60,192	\$40,129	Reduced citywide coffee and tea, recruitment advertising, and conference attendance. Combines years of service BBQ and Holiday Party into one event.
Contract Services	\$272,493	\$217,944	\$54,499	Reduced citywide training opportunities and reduced base executive recruitment from two annually to one.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Charges for Services	\$ 1,609,812	\$ 2,122,380	\$ 1,706,378	\$ 1,884,120
Miscellaneous Revenue	\$ 22	\$ -	\$ -	\$ -
Transfers In	\$ -	\$ 182,112	\$ -	\$ -
Total Revenues	\$ 1,609,834	\$ 2,304,492	\$ 1,706,378	\$ 1,884,120
Expenditures				
Employee Compensation	\$ 635,667	\$ 709,499	\$ 711,571	\$ 777,118
Employee Benefits	\$ 281,792	\$ 370,729	\$ 320,794	\$ 340,985
Materials	\$ 58,330	\$ 75,295	\$ 113,063	\$ 60,192
Contract Services	\$ 568,564	\$ 360,707	\$ 260,767	\$ 217,994
Special Projects	\$ -	\$ -	\$ 105,000	\$ -
Contingencies	\$ -	\$ -	\$ 9,346	\$ 3,477
Total Expenditures	\$ 1,544,353	\$ 1,516,230	\$ 1,520,541	\$ 1,399,766
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (65,481)	\$ (788,262)	\$ (185,837)	\$ (484,354)

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0.20	0.20	0.20	0.20
HUMAN RESOURCES ANALYST II	1.70	1.70	1.70	1.70
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	1.95	1.95	1.95	1.95
Total	4.85	4.85	4.85	4.85

There are no changes to the current level of staffing.

Retiree Benefits

Budget Unit 642-44-414

Retiree Medical - Human Resources - Retiree Benefits

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,486,988
Fund Balance	\$ (1,486,988)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$1,486,988 for the Retiree Benefits program. This represents an increase of \$98,712 (7.1%) from the FY 2022-23 Adopted Budget.

The increase is primarily due to increased costs based on the actuarial valuation for this benefit. Cost related to retiree benefits also known as Other Post Employment Benefits (OPEB) are being funded by the 115 OPEB Trust instead of a transfer in from the General fund as had been done prior years. This funding change began in Fiscal Year 2022-23.

The budget for this program is exempt from reductions as it provides required services that cannot be reduced.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Benefits	\$ 1,220,074	\$ 1,342,158	\$ 1,373,494	\$ 1,473,000
Cost Allocation	\$ 10,982	\$ 14,881	\$ 14,782	\$ 13,988
Total Expenditures	\$ 1,231,056	\$ 1,357,039	\$ 1,388,276	\$ 1,486,988
Fund Balance	\$ (1,185,056)	\$ (135,835)	\$ (1,388,276)	\$ (1,486,988)
General Fund Costs	\$ 46,000	\$ 1,221,204	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Insurance Administration

Budget Unit 100-44-417

General Fund - Human Resources - Insurance Administration

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 2,297,558
Fund Balance	\$ -
General Fund Costs	\$ 2,297,558
% Funded by General Fund	100.0%
Total Staffing	0.2 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$2,297,558 for the Insurance Administration program. This represents an increase of \$263,147 (12.9%) from the FY 2022-23 Adopted Budget.

The increase is primarily driven by increases in premiums and claim costs for general liability and property insurance. Providing general liability and property insurance is required and no reductions can be made in this budget.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 16,053	\$ 19,680	\$ 19,953	\$ 21,793
Employee Benefits	\$ 6,943	\$ 8,689	\$ 9,000	\$ 9,524
Contract Services	\$ 764,636	\$ 1,101,955	\$ 1,903,469	\$ 2,188,193
Cost Allocation	\$ 46,350	\$ 49,808	\$ 54,402	\$ 50,696
Contingencies	\$ -	\$ -	\$ 47,587	\$ 27,352
Total Expenditures	\$ 833,982	\$ 1,180,132	\$ 2,034,411	\$ 2,297,558
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 833,982	\$ 1,180,133	\$ 2,034,411	\$ 2,297,558

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
HUMAN RESOURCES ANALYST II	0.10	0.10	0.10	0.10
HUMAN RESOURCES TECH	0.05	0.05	0.05	0.05
Total	0.15	0.15	0.15	0.15

There are no changes to the current level of staffing.

Workers Compensation Insurance

Budget Unit 620-44-418

Workers' Compensation - Human Resources - Workers Compensation Insurance

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 582,954
Fund Balance	\$ (582,954)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.2 FTE

Program Overview

This program provides oversight of the Workers’ Compensation program, including claims, proactive Risk Management, return to work accommodations and excess workers compensation insurance. Additionally, this program is responsible for the administration of the City's self-insured unemployment insurance benefit account.

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$582,954 for the Workers Compensation Insurance program. This represents an increase of \$66,008 (12.8%) from the FY 2022-23 Adopted Budget.

The increase is primarily driven by increased workers compensation and excess workers compensation premiums and claims costs. Providing workers' compensation benefits is required and no reductions can be made in this budget.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Other Financing Sources	\$ 246,381	\$ 356,830	\$ 436,145	\$ -
Total Revenues	\$ 246,381	\$ 356,830	\$ 436,145	\$ -
Expenditures				
Employee Compensation	\$ 28,358	\$ 31,069	\$ 29,045	\$ 31,723
Employee Benefits	\$ 10,057	\$ 8,066	\$ 12,483	\$ 13,178
Contract Services	\$ 35,105	\$ 476,344	\$ 436,145	\$ 502,477
Cost Allocation	\$ 24,572	\$ 28,167	\$ 28,369	\$ 29,295
Contingencies	\$ -	\$ -	\$ 10,904	\$ 6,281
Total Expenditures	\$ 98,092	\$ 543,646	\$ 516,946	\$ 582,954
Fund Balance	\$ 148,289	\$ (186,816)	\$ (80,801)	\$ (582,954)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

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

Position Title	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
HUMAN RESOURCES ANALYST II	0.20	0.20	0.20	0.20
Total	0.20	0.20	0.20	0.20

There are no changes to the current level of staffing.

Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Long Term Disability

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 102,381
Fund Balance	\$ (102,381)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$102,381 for the Long Term Disability program. This represents an increase of \$3,858 (3.9%) from the FY 2022-23 Adopted Budget.

This budget is relatively unchanged from the prior year. Providing long-term disability benefits is required and no reductions can be made in this budget.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 121,910	\$ 92,612	\$ 93,420	\$ 100,000
Cost Allocation	\$ 2,712	\$ 3,362	\$ 2,767	\$ 2,381
Contingencies	\$ -	\$ -	\$ 2,336	\$ -
Total Expenditures	\$ 124,622	\$ 95,974	\$ 98,523	\$ 102,381
Fund Balance	\$ (124,622)	\$ (95,974)	\$ (98,523)	\$ (102,381)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Compensated Absences

Budget Unit 641-44-420

Compensated Absence/LTD - Human Resources - Compensated Absences

Budget at a Glance

	2024 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 658,090
Fund Balance	\$ (278,090)
General Fund Costs	\$ 380,000
% Funded by General Fund	57.7%
Total Staffing	FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$658,090 for the Compensated Absences program. This represents an increase of \$11,440 (1.8%) from the FY 2022-23 Adopted Budget.

This budget is relatively unchanged from last year. The Compensated Absences program is responsible for paying out earned benefits to employees and cannot be reduced.

Revenues and Expenditures

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

Category	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 705,210	\$ 332,588	\$ 622,800	\$ 654,000
Cost Allocation	\$ 5,055	\$ 5,590	\$ 8,280	\$ 4,090
Contingencies	\$ -	\$ -	\$ 15,570	\$ -
Total Expenditures	\$ 710,265	\$ 338,178	\$ 646,650	\$ 658,090
Fund Balance	\$ (517,265)	\$ (316,608)	\$ 235,350	\$ (278,090)
General Fund Costs	\$ 193,000	\$ 21,570	\$ 882,000	\$ 380,000

Staffing

There is no staffing associated with this program.

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