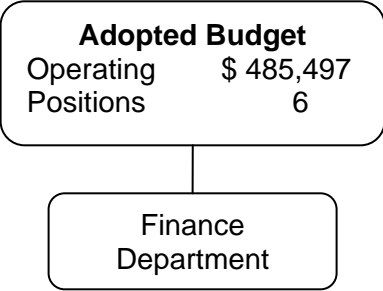
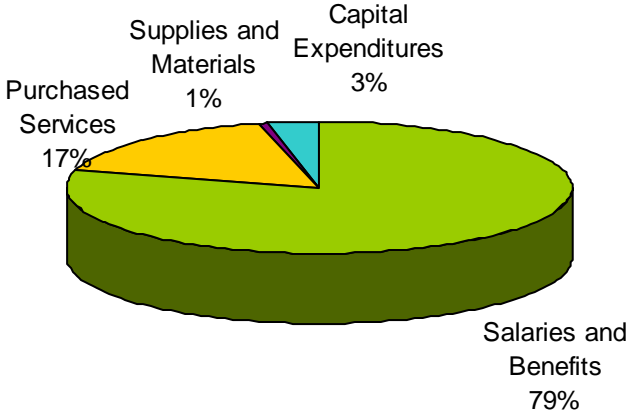


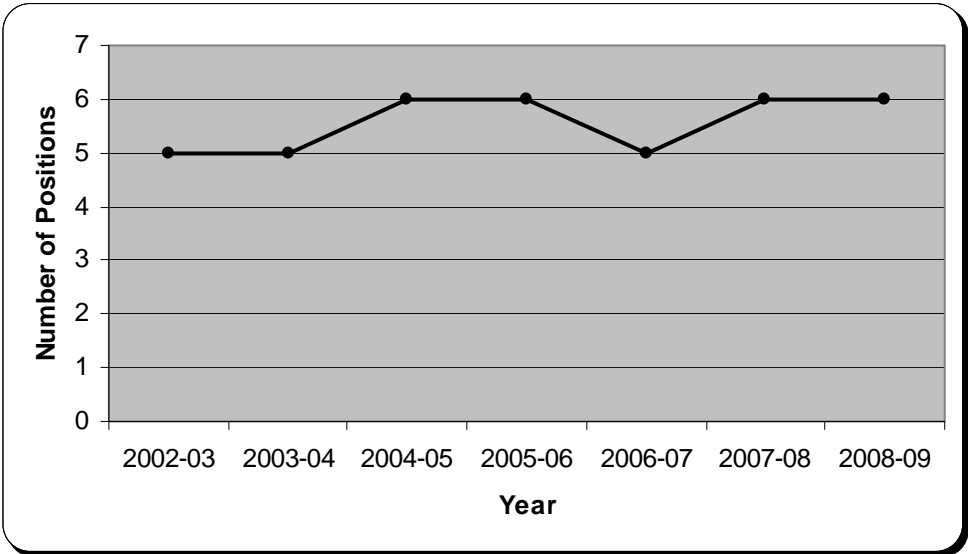
FINANCE DEPARTMENT



CHARACTER OF EXPENDITURES



AUTHORIZED STRENGTH



FINANCE DEPARTMENT

Department Summary

SOURCE

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
Special Revenue Funds	469	487	500	500	530
Enterprise Funds	6,068	1,948	2,100	2,100	2,150
*Overhead Allocation	251,865	261,051	431,283	398,317	443,708
TOTAL	258,402	263,486	433,883	400,917	446,388

EXPENDITURES BY DEPARTMENT

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
Finance Department	455,615	520,317	833,165	792,820	931,885
TOTAL	455,615	520,317	833,165	792,820	931,885

CHARACTER OF EXPENDITURES

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	366,775	420,865	642,715	521,910	738,105
Subtotal	366,775	420,865	642,715	521,910	738,105
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	82,384	92,312	183,700	265,400	158,580
Supplies and Materials	2,133	2,815	4,250	3,850	5,200
Other Expenditures	0	0	0	0	0
Capital Expenditures	4,323	4,325	2,500	1,660	30,000
Subtotal	88,840	99,452	190,450	270,910	193,780
TOTAL	455,615	520,317	833,165	792,820	931,885
NET GENERAL FUND CONTRIBUTION	197,213	256,831	399,282	391,903	485,497

* OVERHEAD ALLOCATION

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
Gas Tax Fund	5,000	5,021	7,686	7,895	8,719
Measure A / Sales Tax	5,000	5,021	7,686	7,895	8,719
NPDES	5,000	5,021	7,686	7,895	8,719
Rent Stabilization Program	10,000	10,000	10,000	10,000	10,000
Lighting Services	0	15,063	23,057	7,895	8,719
Drainage Services	0	0	0	3,947	4,359
Water Services	25,000	10,042	15,371	7,895	8,719
Garbage Services	10,000	10,042	15,371	7,895	0
Grant	0	0	37,000	21,200	37,000
RDA Fund	191,865	200,841	307,426	315,800	348,754
TOTAL OVERHEAD ALLOCATION	251,865	261,051	431,283	398,317	443,708

FINANCE DEPARTMENT

Department Summary cont.

AUTHORIZED STRENGTH

Position Summary

Finance Department

TOTAL

FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
6	5	6	6	6
6	5	6	6	6

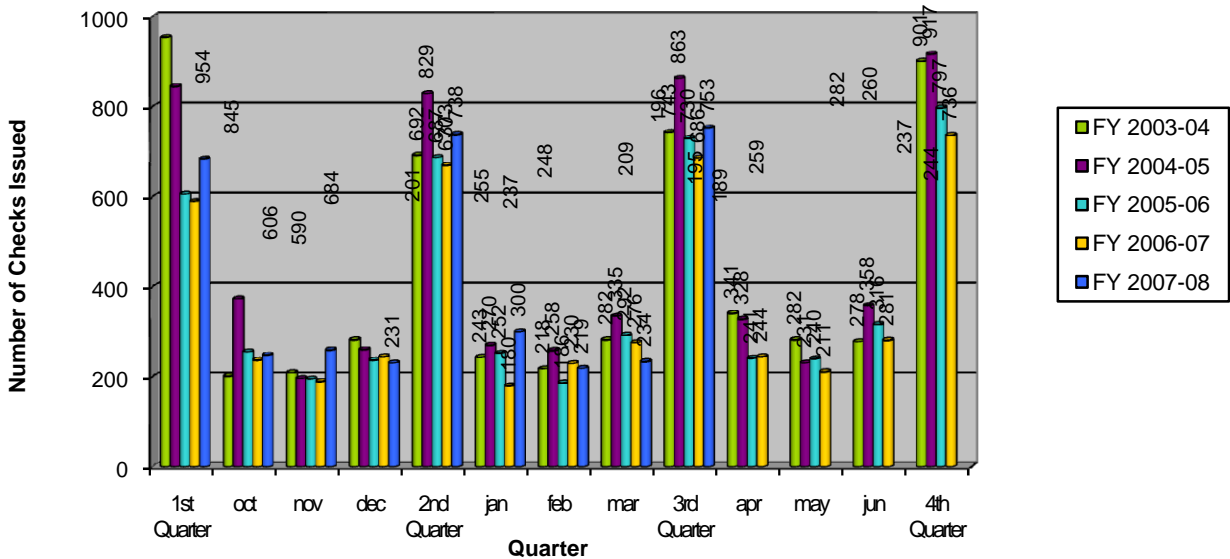
Position Detail

Accountant I
 Accountant I -RES
 Accountant II
 Accounting Technician
 Finance Director
 Fiscal Analyst
 Financial Services Manager
 Senior Financial Services Manager

TOTAL

FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
0	0	1	1	1
1	1	0	0	0
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	0	1	1	1
1	1	1	0	0
0	0	0	1	1
6	5	6	6	6

Accounts Payable Checks Issued by Fiscal Year and Quarter



FINANCE DEPARTMENT

Department Summary

MISSION STATEMENT

Maintain the financial integrity of the City and Redevelopment Agency by providing fiscal management and oversight. Perform financial, compliance and operational audits that provide independent and objective analysis of City departments; provide accurate, complete and timely financial records operations, maintain and enhance City's financial reporting systems, control, and disbursements.

BUDGET ORGANIZATION AND THE STRATEGIC PRIORITIES

The functions of the Finance Department are: Administration, Accounting, Accounts Payable, Grants Reporting, and Payroll. The Department has a staffing level of 6 positions.

The emphasis of the Fiscal Year 2008-2009 budget is delivery of the City and Redevelopment Agency's basic financial management services, focusing on accurate, timely, and understandable financial reports; and, continuing efforts to assure improvement of the City's overall fiscal condition. The Department will provide support to the City's Capital Program by providing financial consulting services to the Public Works Department, assuring thorough review and successful financing of projects.

Within each of the basic services provided, the Finance Department will undertake projects that specifically address:

- Providing clear, concise and timely financial information;
- Providing funding support for City and Agency projects through debt financing and grant funding;
- Upgrading employee skills through internal classes, seminars and reference materials;
- Recommending alternative revenue and expense strategies;
- Researching investment options, including portfolio management, to improve investment returns within the parameters of the City's Investment Policy;
- Working with operating departments to assure accurate grant reporting.

SIGNIFICANT CHANGES

FY 2007-2008 Adopted to FY 2007-2008 Amended:

The Fiscal Year 2007-2008 Amended Budget Net General Fund Contribution of \$391,903 is a decrease of \$7,379 from the Fiscal Year 2007-2008 Adopted Budget of \$399,282. Overall, this 1.8% decrease is not considered a significant increase. However, there is a significant shift from the Personnel category to the Purchased Services category as a result of acquiring professional accounting services due to critical vacancies within the department.

FINANCE DEPARTMENT

Department Summary cont.

FY 2007-2008 Amended to FY 2008-2009 Adopted:

The Fiscal Year 2008-2009 Adopted Budget Net General Fund Contribution of \$485,497 is an increase of \$93,594 from the Fiscal Year 2007-2008 Amended Budget Net General Fund Contribution of \$391,903. This 23.9% increase reflects the full-year costs associated with having the Senior Financial Services Manager and the Fiscal Analyst positions filled. The Purchased Services category reflects the elimination of professional accounting services as the full-time positions are now filled. In addition, the proposed budget recommends the need to establish a records management system to ensure security and retention compliance of City's financial records.

FINANCE DEPARTMENT

FY 2007-2008 ACCOMPLISHMENTS

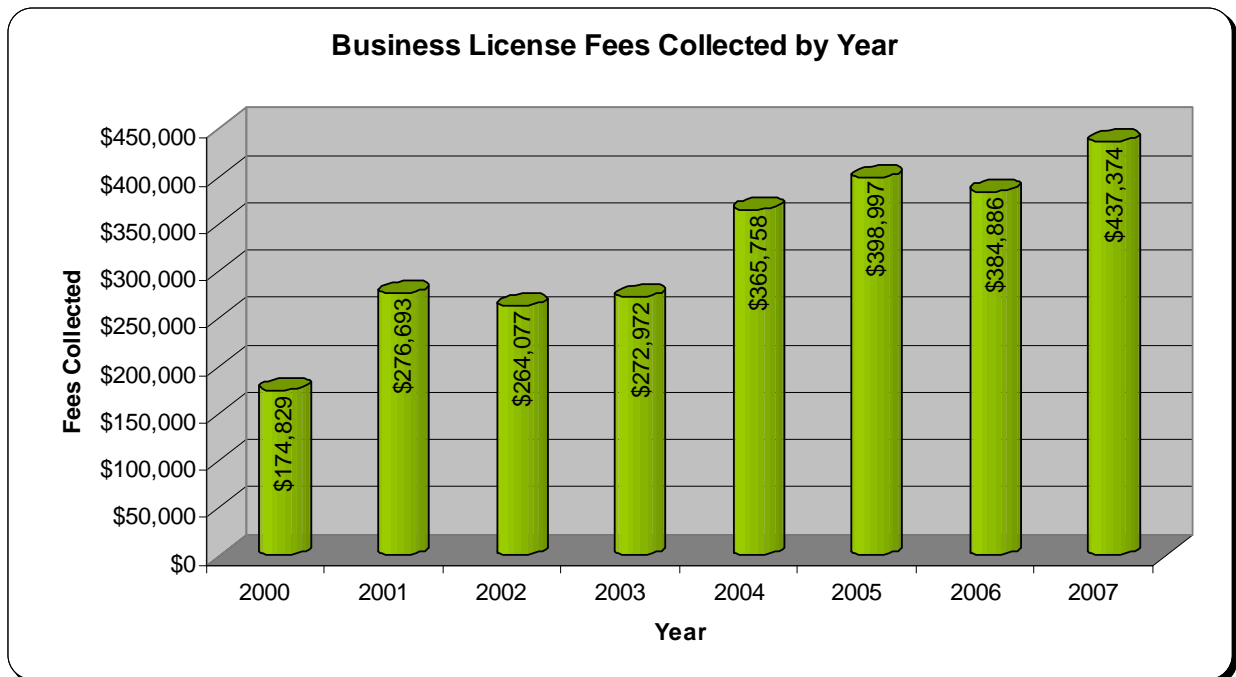
OBJECTIVE	RESULT
1 To hire a Fiscal Analyst to support the Public Works Department to closely monitor the City's capital projects, as well as timely reporting of grant funded projects.	Accomplished. Appointment was made April 21, 2008.
2 To identify recruitment strategies to attract qualified applicants to apply for the vacant Financial Services Manager position.	Accomplished. Hired a Senior Financial Services Manager in May 2008.
3 To begin the implementation for Comprehensive Annual Financial Reporting (CAFR) format for Fiscal Year 2007-2008 by June 2008.	Not accomplished due to lack of staff. This objective will be accomplished in the next fiscal year.
4 To expand employee skills and job knowledge through internal training, seminars and reference materials by sending employees to various trainings related to payroll functions, accounts payable and financial grants.	Accomplished and ongoing: all employees within the department have attended at least one training session so far.
5 To work with the City Manager's Office to develop a consistent financial reporting system which is compatible with the operating budget	Not accomplished due to not having full compliment of permanent staff during the fiscal year.
6 To work with the City Attorney and City Manager's Office to implement and collect East Palo Alto's Measure C (parcel tax) by December 2007.	Accomplished. Parcel Tax is being collected as scheduled.
7 To work with the City Manager's Office to identify and update the City's administrative policies to clarify current procedures and practices related to travel and cell phone policy cash by December 2007.	Accomplished and ongoing. A draft of the cell phone policy has been completed. However, the policy still needs additional feedback and input from end users. Staff is planning to have a finalized draft of the policy for City Manager's review and approval by June 2008. The City's travel and training policy will be addressed by September 2008.
8 To work with the City Manager's Office to implement the recommended multi-year financial plan by July 2007.	Accomplished.

FINANCE DEPARTMENT

FY 2008-2009 OBJECTIVES

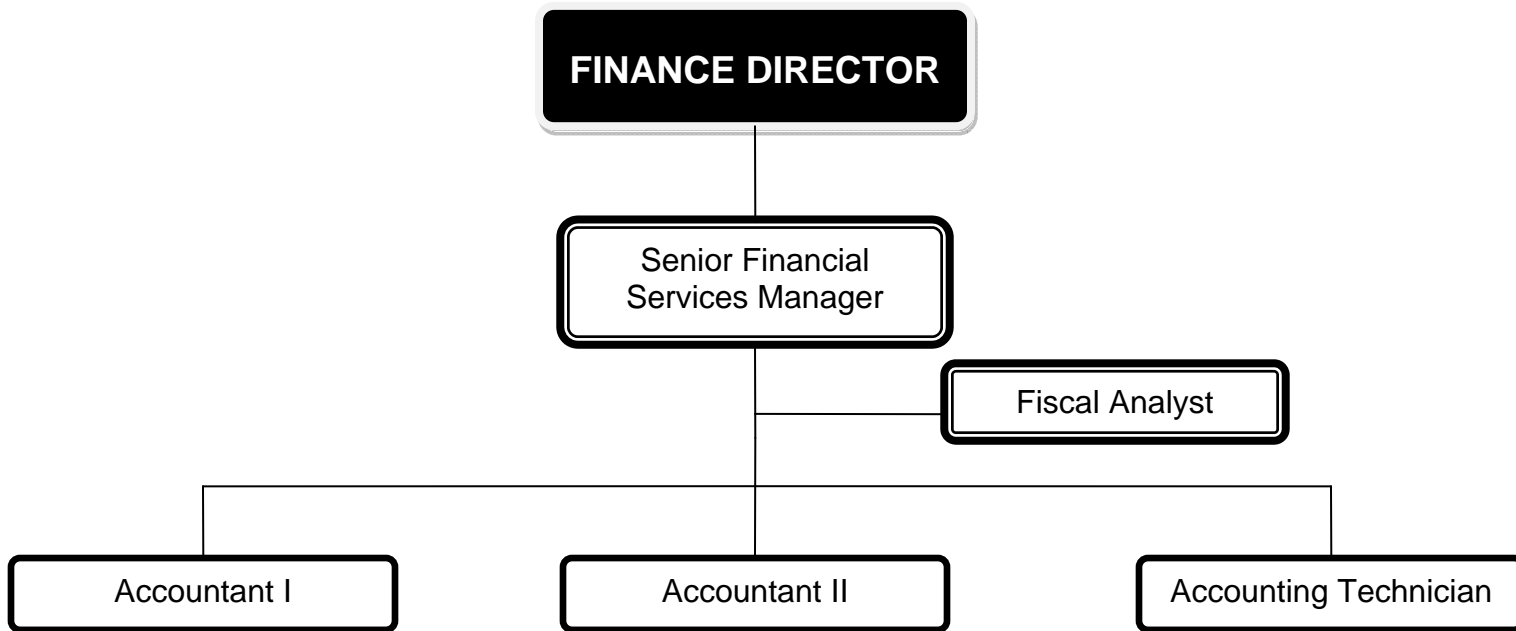
1. To closely monitor the annual City capital projects, as well as timely reporting of grant funded projects.
2. To begin the implementation for Comprehensive Annual Financial Reporting (CAFR) format for Fiscal Year 2007-2008, by December 2008.
3. To expand employee skills and job knowledge through internal training, seminars and reference materials by sending employees to various trainings related to payroll functions, accounts payable and financial grants.
4. To work with the City Manager's Office to identify and update the City's administrative policies to clarify current procedures and practices related to travel and investment policy by September 2008.
5. To work with the City Manger's Office to implement Statement of Auditing Standards Statement No. 114, whereby the City is required to develop an audit committee. The committee should be formed before the FY 2007-2008 Financial Audit is complete in December 2008.
6. To work with the City Manager's Office to identify and update the City's administrative policies to clarify current procedures and practices related to cash by December 2008.
7. To provide staff support to the Measure C oversight committee during the fiscal year.

Graph below is a highlight of Business License Fees collected by year from 2000-2007:



FINANCE DEPARTMENT

(Existing Organization)



DB-40

Total FTE: 6