

2022 GALT UNIVERSITY CITIZENS ACADEMY

Lorenzo Hines, City Manager

Frank Splendorio, City Attorney

Tina Hubert, City Clerk

Stephanie Van Steyn, Human Resources

Amie Mendes, Economic Development

Brian Kalinowski, Galt Police

Craig Hoffman, Community
Development

Matt Boring, Finance

Armando Solis, Parks and Recreation

Mike Selling, Public Works

September 14, 2022



WELCOME TO GALT UNIVERSITY

- Participant Introductions
- Class Schedule:
 - August 31 – City Manager, City Council, and HR
 - September 7 – Community Development Dept./Economic Development
 - **September 14 – Finance**
 - September 21 – Public Works
 - September 28 – Police
 - October 5 – Parks & Recreation



CITY OF GALT

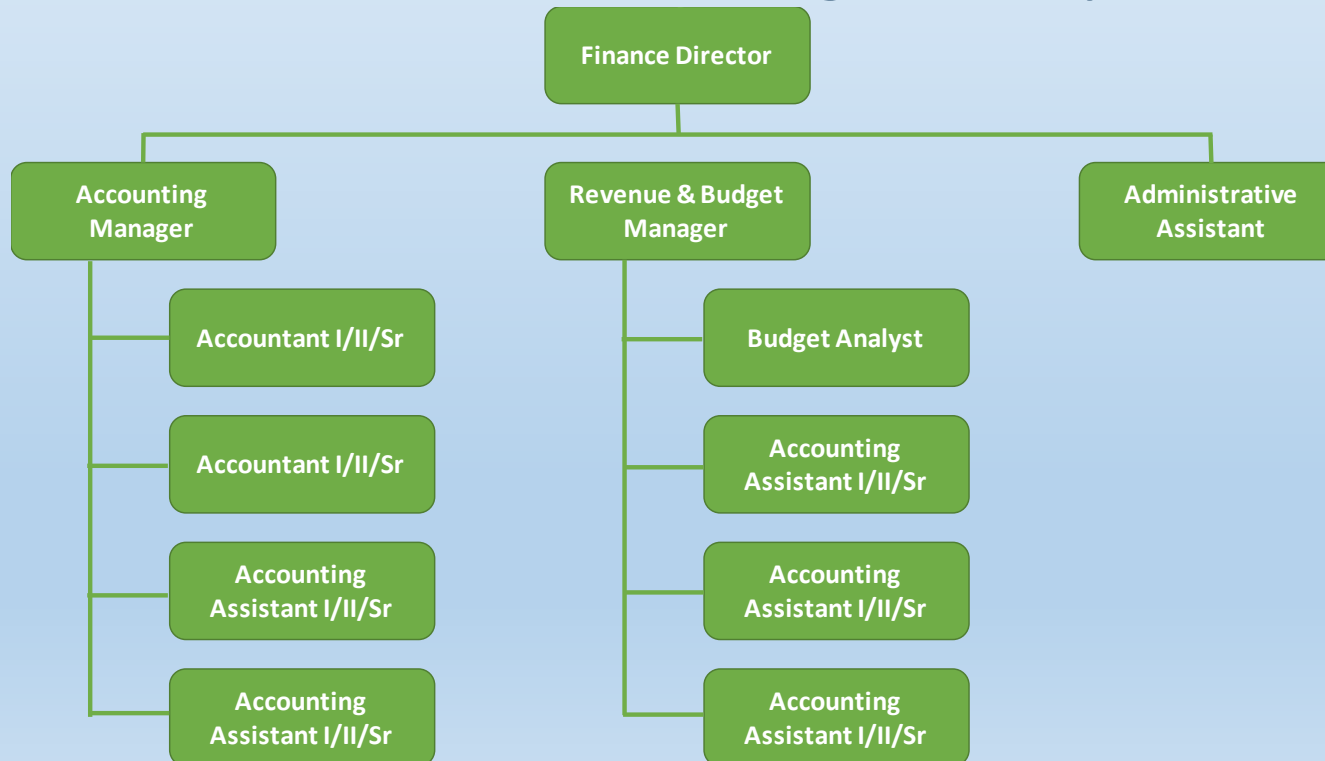
Galt University



City of Galt
Finance Department

FINANCE DEPARTMENT

The Finance Department is committed to providing credible and transparent management and reporting of the City's finances, in accordance with legal and professional standards.



FINANCE DEPARTMENT - ACCOMPLISHMENTS

- Last and Final ROPS for the Successor Agency to the Redevelopment Agency was approved by the California Department of Finance
- FY 2020-21 ACFR was completed and previous audit findings were resolved
- Implemented new budget software
 - Received first GFOA budget award



FINANCE DEPARTMENT - GOALS

- Transition database reports to utilize our current database software
- Leverage process improvements to increase efficiency, including implementing electronic timesheets
- Provide timely and informative financial reports



FINANCE DEPARTMENT – FUND TYPES

- Governmental Funds – used to account for activities primarily supported by taxes, grants, and similar revenue sources.
 - General Fund – a government’s main operating fund. Used to account for and report all financial resources not accounted for and reported in another fund.
 - Special Revenue Fund – account for and report proceeds of *specific revenue sources* that are restricted/committed for *expenditure for specified purposes*.



FINANCE DEPARTMENT – FUND TYPES

- Proprietary funds – used to account for activities that receive significant support from fees and charges
 - Enterprise Funds – used to report any activity for which a fee is charged to external users for goods or services. Required if any conditions are met:
 - Outstanding debt backed solely by fees and charges
 - Laws or regulations require that fees and charges be set to recover costs, including capital costs
 - There is a pricing policy that fees and charges be set to recover costs, including capital costs
 - Internal Service Funds – used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government



FINANCE DEPARTMENT – FUND TYPES

- Fiduciary Funds – used to account for activities conducted by a government or its component units for the benefit of those outside of the government and for certain pension and OPEB arrangements
 - Custodial Funds – the “catch-all” fiduciary fund type, reporting fiduciary activities that are not required to be reported in other pension trust funds, investment trust funds, or private-purpose trust funds.



FINANCE DEPARTMENT – FUND LIST

Governmental Funds – 23 funds

- General Fund
- ❖ **Special Revenue Funds**
 - Parks & Recreation Fund
 - Successor Housing (SHRDA) Special Revenue Fund
 - Intergovernmental Streets Special Revenue Fund
 - Local Transportation Special Revenue Fund
 - City Wide Capital Acquisition and Recovery Special Revenue Fund
 - State Gasoline Tax Fund
 - Lighting and Landscaping District Funds
 - Northeast District
 - Westside District
 - District #3
 - Traffic Safety Fund



FINANCE DEPARTMENT – FUND LIST

Governmental Funds

❖ Special Revenue Funds (cont')

- Northeast Area Capital Acquisition and Recovery Fund
- Supplemental Law enforcement Service Fund
- Capital Reserve – Street System Fund
- Sacramento County Transportation Authority Fund
- Community Facilities District 2005-1 Fund
- Public Safety Measure R Fund
- Galt Habitat Foundation Fund
- Rifle Range Fund
- Long Term Liabilities
- Reserve for Cost of Labor
- General Fixed Assets
- Park Fund (*Capital Fund*)



FINANCE DEPARTMENT – FUND LIST

Proprietary Funds – 8 funds

- Water Fund
- Capital Improvements – Water
- Water Meter Loan 2013
- Sewer Fund
- Capital Improvements – Sewer
- WWTP Expansion
- Solid Waste Fund
- Storm Drain Fund



FINANCE DEPARTMENT – FUND LIST

Fiduciary Funds – 8 funds

- Successor Agency to the Redevelopment Agency Funds
 - Successor Agency
 - Successor Agency – Bonds
 - Successor Agency – 2012 Bonds
 - Redevelopment Agency Obligations Retirement
- 1988-1 CFD Refunding Fund
- Consumnes Community Service District
- 2015-1 Assessment District Refinancing Fund
- CFD 2020-1



FINANCE DEPARTMENT - ROLES

- Utility billing
- Business licenses
- Accounts receivable
- Budget coordination
- Long-range financial plan
- Financial recordkeeping
- Accounts Payable
- Payroll
- Financial reporting



FINANCE DEPARTMENT – UTILITY BILLING

- Create and send bills to residential and commercial customers that receive Water/Sewer/Garbage services
- Send bills every other month
 - 7,329 Residential customers
 - 304 Commercial customers



FINANCE DEPARTMENT – BUSINESS LICENSES

- Oversight of business licenses in Galt
 - Recently began partnership with HdL to administer business license application and renewal processes

Active business licenses:

Home Occupancy	287
Property Owner	130
Retail	336
<u>Quarterly license</u>	<u>494</u>
Total	1,247



FINANCE DEPARTMENT – ACCOUNTS RECEIVABLE

Manage Accounts Receivable process for City

- Includes invoices sent from Finance and other City departments
- Manage accounts receivable and process payments against accounts receivable balances
- Maintain AR aging report and provide follow-up on delinquent accounts



FINANCE DEPARTMENT – BUDGET

Typical 2-year budget cycle:

1. Develop initial 2-year budget (8 month process: Nov – Jun)
 - a. Internal setup work in Finance
 - b. Budget training with departments
 - c. Salary and Benefit projections
 - d. Fee schedule
 - e. Revenue projections
 - f. New budget requests (personnel/program)



FINANCE DEPARTMENT – BUDGET

Typical 2-year budget cycle:

1. Develop initial 2-year budget (continued)
 - h. Develop budget narratives
 - i. Preliminary budget review (internal)
 - j. Develop Performance Measures / Goals & Accomplishments
 - k. Preliminary schedules for City Manager review
 - l. Budget meetings with departments
 - m. CIP presentation to Planning Commission
 - n. Draft Budget Book released for department review



FINANCE DEPARTMENT – BUDGET

Typical 2-year budget cycle:

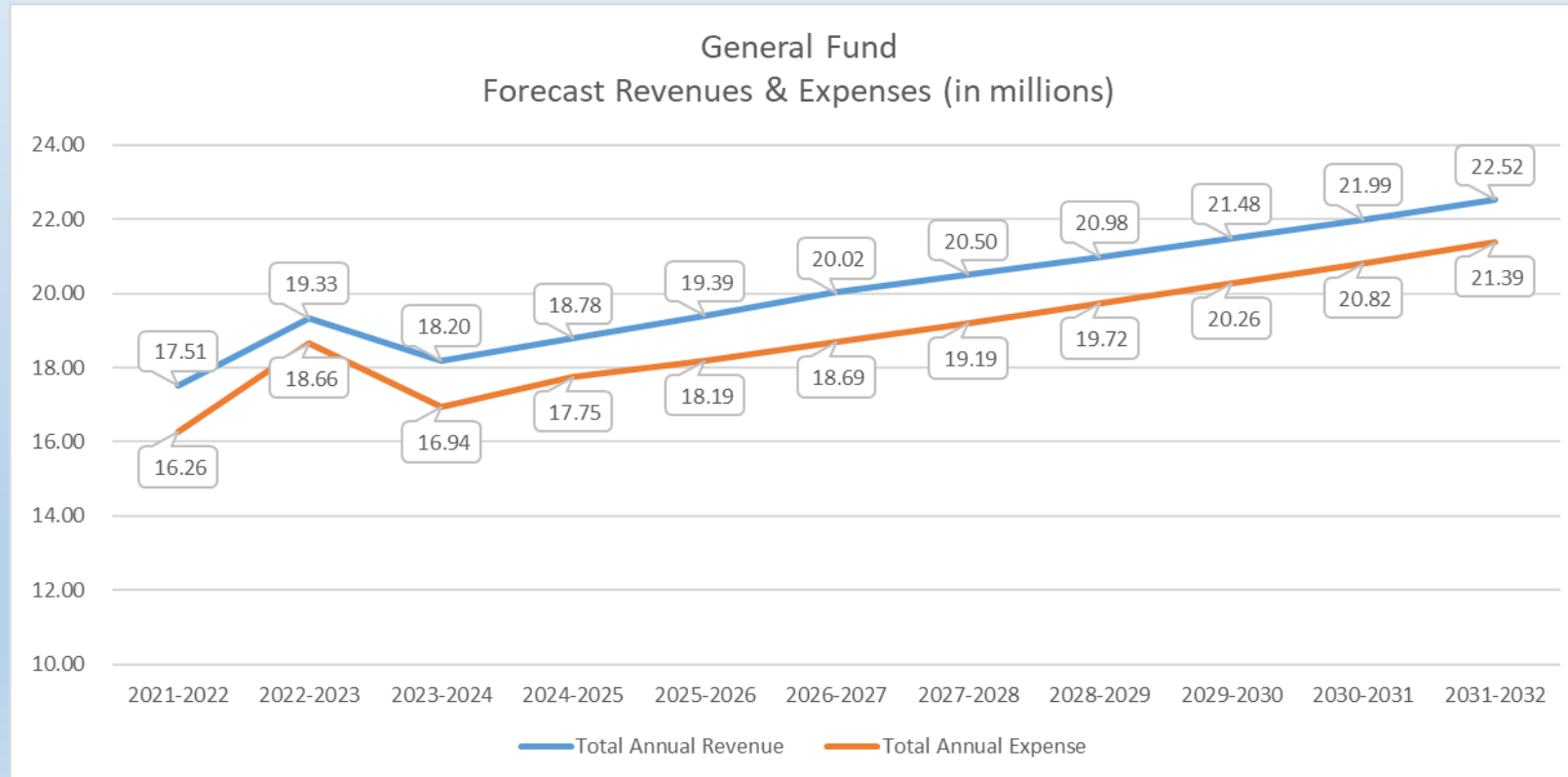
1. Develop initial 2-year budget (continued)
 - o. Budget presentation/workshop(s) with City Council
 - p. Budget adoption
 - q. Load budget into accounting software
2. Midyear budget (Year 1) – 5 months
3. Midterm budget (Year 2) – 7 months
4. Midyear budget (Year 2) – 5 months



FINANCE DEPARTMENT - LTFP

Provide 10-year forecast for General Fund (GF)

- Tool to aid in decision making for long-term impacts to GF



FINANCE DEPARTMENT – FINANCIAL RECORDKEEPING

- Revenue and cost accounting
- Documenting all transactions in our financial system
 - Cash receipts
 - ACH/Wire transactions
 - Accounts payable backup
 - Payroll records (timesheets, payroll change forms)
- Journal transactions
 - Budget adjustments
 - Encumbrances
 - Manual journal entries



FINANCE DEPARTMENT – ACCOUNTS PAYABLE

- Process weekly payments to vendors
- Process/reconcile purchase orders
- Responsible for 1099 reporting at Calendar Year-End

2021 totals:

- 514 purchase orders issued
- 742 vendors processed
- 3,892 payments processed
- \$14.9 million processed



FINANCE DEPARTMENT - PAYROLL

- Process bi-weekly payroll for all City employees
- Process payments to vendors for benefits/deductions
 - Medical/dental/vision/life insurance premiums
 - Retirement and deferred compensation contributions
 - State and Federal tax withholdings
- Payroll Reporting
 - Retirement reports
 - Quarterly Federal/State tax filings
 - W-2's

2021 Totals:

- 310 employees paid
- 4,886 payments processed (checks & direct deposit)
- \$11.8 million processed



FINANCE DEPARTMENT – FINANCIAL REPORTING

Sample of some required reporting:

- Annual Audits
 - Interim audit
 - Annual Comprehensive Financial Report (ACFR)
 - Single Audit
- State reporting
 - Government Compensation in California report
 - Annual City report
 - Streets report
 - Special District report



Budget Exercise

Staff is presenting the proposed budget to City Council at the budget study session during the first meeting in June. There are several new budget requests to address City Council priority areas; however, there are not enough funds to approve all requests. Staff needs direction from City Council on which items to include in the budget that is scheduled to be approved at the second meeting in June.

Background:

- Current FY '23 budget projections show excess revenue of \$1.0 million

Budget Requests:

- Police Vehicles - \$500,000
 - Replace 5 Police vehicles
- Playground Equipment - \$440,000
 - Replace aging playground equipment that has become safety hazard.
- Senior Center - \$200,000
 - Cost for repairs/remodeling for part of city facility to serve as a senior center
- CalPERS Retirement Benefit Fund Increase - \$260,000
 - City received notification that CalPERS increased it's annual premium



Budget Exercise

Budget Requests:

- Police Vehicles - \$500,000
 - Vehicles are \$100K/per. Two vehicles are beyond the useful life and experiencing mechanical issues, and 3 will be beyond useful life at the end of the fiscal year, no mechanical issues reported.
- Playground Equipment - \$440,000
 - Replace aging playground equipment that has become safety hazard in four parks at \$110K/per.
- Senior Center - \$200,000
 - Cost for repairs/remodeling for part of city facility to serve as a senior center
 - 12% of Galt's population is 55 to 64 years of age
 - 12% of Galt's population is 65 and over



Budget Exercise

Budget Requests:

- CalPERS Retirement Benefit Fund Increase - \$260,000
 - City received notification from CalPERS increased it's annual premium
 - The premium increase was approved after the City's budget was approved.
- The California Public Employees' Retirement System (CalPERS) CalPERS serves more than 2 million members in the retirement system and more than 1.5 million members and their families in their health program. It's the largest public pension fund in the United States with more than \$477 billion in Total Fund Market Value as of June 30, 2021.



QUESTIONS?

September 14, 2022



City of Galt
Matthew Boring, Finance Director