

**FY 2021/22 ANNUAL WORK PROGRAM  
FINANCE DEPARTMENT**



March 25, 2021

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FINANCE DEPARTMENT**

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## **EXECUTIVE SUMMARY**

### **FY 2020/21 Coronavirus Pandemic**

In December of 2019, the SARS-CoV-2 virus that has the potential to cause severe respiratory illness (later named Coronavirus disease 2019 or COVID-19) was first identified in Wuhan, China. Cases of the virus began surging in the United States in March of 2020, and it became apparent that a global pandemic was underway. On March 14, 2020, the City Manager issued an emergency declaration, and on March 19, 2020, Governor Gavin Newsom issued a statewide stay-at-home order.

As a result, for their safety and safety of the public, employees were directed to work from home, except as required to perform essential functions that could not be performed remotely. Permission to enter City facilities was limited, public counters were closed, and public meetings were conducted by videoconference. City staff efforts shifted to addressing the COVID-19 response with a focus on critical health and safety items.

During the course of the pandemic at times only essential services and businesses were permitted to operate throughout the State and only essential travel was allowed. This contraction in business activity resulted in significant reductions in the City's revenue. To help offset revenue losses and balance the budget, the City Council approved temporary cost containment strategies, including limiting expenditure budgets to essential services, projects, and programs, instituting a temporary hiring freeze for 11 full-time vacant positions and intern positions, and deferring certain capital projects.

The shift in work priorities and reductions to revenue greatly impacted staff's ability to complete previously identified projects and programs from the FY 2019/20 Department Work Programs, which will be detailed further in this document. In addition, as a result of the Staff response to the pandemic and shift in work priorities, the City Council did not review departmental Annual Work Programs for FY 2020/21. Accordingly, the FY 2021/22 Annual Work Programs for each department addresses work accomplished for both prior fiscal years 2019/20 and 2020/21.

### **Introduction and Purpose**

This FY 2021/22 Annual Work Program summarizes projects and work efforts proposed for the Finance Department for the upcoming fiscal year, considering both ongoing, existing commitments and potential new projects. It is intended to provide the City Council with an overview of the current work of the Finance Department and an opportunity to consider and give direction concerning future work. The Annual Work Program creates a regular mechanism for Council to share ideas for new work efforts and discuss the work priorities. It furthermore is intended to serve as a basis for upcoming budget plan development on an annual basis.

Included in the Annual Work Program are ongoing and upcoming work efforts with estimated staff assigned, projects and programs with deliverables and schedule of

tentative completion dates. These estimated staff, completion dates are intended as a conceptual tool for project and workload management. They are subject to change due to any number of factors, including unanticipated priorities, changes in other departments operations and should not be taken as a fixed commitment.

### **Role of the Department**

The Finance Department oversees the financial operations of the City and is responsible for the overall financial system to ensure the integrity of the City's finances through accurate planning and recording of transactions, including providing superior financial services, maintaining the public trust, and promoting governmental efficiency, effectiveness, and accountability. The department facilitates optimal use of resources, implements control measures, and establishes policies and procedures aimed at accurately accounting for, safeguarding and maximizing the value of the City's assets to meet the goals of the organization. The department is led by the Finance Director who also serves as the City Treasurer. The Finance Director leads a team of six full-time employees, ensuring management and the City Council are informed of all matters affecting the financial stability of the City.

The Finance Department's primary functions includes a comprehensive program of administrative and financial activities, including: Finance Administration; Accounting; Budget and Financial Analyst; Treasury; Business Licenses and Permits; and Purchasing. A general overview of each major function is described below.

Finance Administration provides leadership to the five other areas of Finance, including establishing financial policies and procedures, internal controls, managing consultant contracts and relationships, and oversight of the department and its functions. While the five areas of Finance appear different, they all serve a role in the department's objective to accurately record and report the transactions to reflect the City's financial position within the state and federal laws and generally accepted accounting principles.

Accounting is responsible for the maintenance of an effective financial accounting system, which accurately reflects the financial operations of the City through transparent financial reporting and offers a framework for financial planning and analysis. Accounting includes payroll, audits, accounts payable, managing the City's general ledger, capital assets and other general accounting and reporting duties.

Budget and Financial Analysis is responsible for coordinating and preparing the two-year budget plan, mid-cycle budget, five-year financial forecast, long range financial plan, including producing financial analysis for City staff, management and City Council so decision makers have a comprehensive understanding of the financial consequences of decisions. Budget includes ongoing review of the City's budget and its financial position and supports departments when needed.

Treasury is responsible for billing and revenue collection services, including tax administration, to both customers and other departments. Treasury also manages the City's investment program and debt administration and monitors cash flow daily.

Purchasing is responsible for overseeing and implementing the City's purchasing ordinance and assisting departments with their procurement needs while meeting all applicable legal requirements. In addition, Purchasing is responsible for assisting departments with surplus and disposal of City property.

Business Licenses and Permits is responsible for processing general business license application in coordination with other departments. This includes specialty licenses such as cannabis business licenses and short-term vacation rentals.

The Finance Department has received financial publication awards for the City of Goleta, for its Comprehensive Annual Financial Report (Annual Report) and Two-Year Budget Plan. Finance continues to ensure that its reporting meets the rigorous criteria and program standards established and administered by the Government Finance Officers Association.

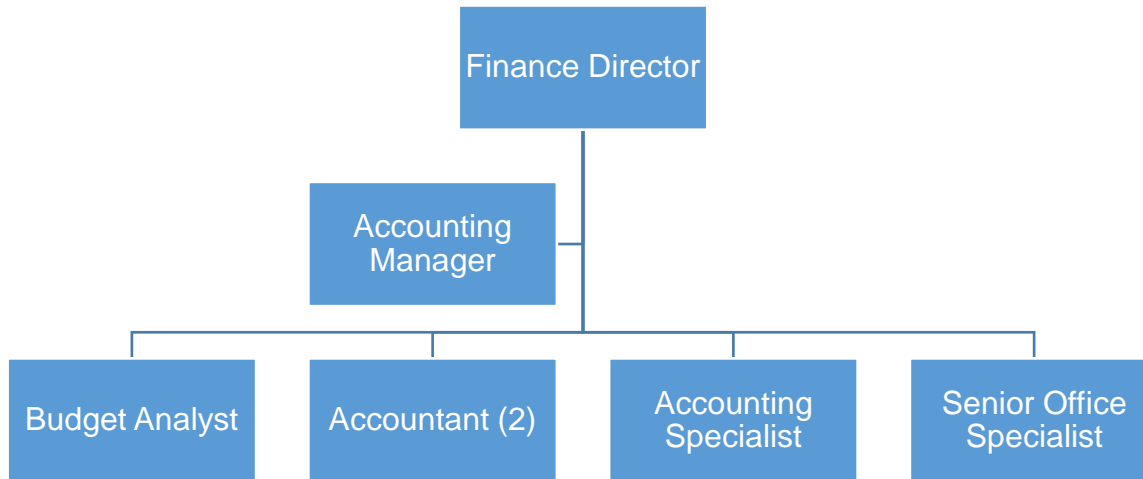
### **Finance Department Staffing and Organizational Structure**

When all positions are filled, the Finance Department is comprised of seven full-time equivalents (FTEs): the Finance Director (1 FTE); the Accounting Manager (1 FTE); two Accountants (2 FTE); a Budget Analyst (1 FTE); an Accounting Specialist (1 FTE); and a Senior Office Specialist (1 FTE). . The Finance Department also has a part-time Finance Intern position. Currently, vacancies exist with the Accounting Specialist and part-time Finance Intern position.

In addition to full-time staff, the Department is supported by consultants on both an ongoing basis and as needed basis to carry out the objectives of the department. The services provided by consultants include the following: Property tax and sales tax analysis and audit services; cannabis consulting services (including monitoring and compliance); actuary services; financial advisory services; audit and financial reporting services; investment services; and financial consulting services.

The organizational chart for the Finance Department is provided in Figure 1 below:

**Figure 1: Finance Department Structure**



**Workload Considerations**

The Finance Department primarily provides support to all departments in addition to its core operating functions. Finance workload capacity is directly impacted by activity of other departments, including when there are new staff positions, programs, projects, and increases to workload volume in addition to the ongoing current work efforts undertaken by all City departments. As the projects, initiatives, activities, employees and consultant numbers increase in other City departments, it directly impacts Finance Department's workload. The workload affected includes increases to staff time associated with review, internal audits, processing, reconciliation of funds, and department support as it relates to financial reporting and payroll. Furthermore, depending on the type of activity, additional staff resources may be used for accounting transactions, purchasing, payroll processing, budget management and support, cash receipting and collections, cash flow tracking, business license processing, invoice processing, and assistance with grant and special revenue fund management. The workload is also impacted as unplanned events occur, changes in process or implementing new software that may require new reconciliation efforts. It should be noted that staff had assessed pre-existing workload capacity issues prior to the COVID-19 pandemic, primarily due to increase in volume.

The new departments, programs, ongoing debt management activities, and software that Finance has absorbed over the last several years have impacted staff's workload, leaving almost no capacity to take on any new work efforts. In FY 2018/19, the City assumed direct management and operations of the Goleta Library, and implemented the cannabis business license program, including overseeing its ongoing monitoring and compliance

function and working with its consultant. Additionally, cannabis business tax revenues started to be remitted, resulting in a new ongoing revenue source to administer. In FY 2019/20, the City assumed direct management and operations of Buellton and Solvang libraries, pursued major CIP projects, enhanced its investment program, pursued debt financing activities for purchase of City Hall building and refunding RDA successor agency bonds, transitioned business license processing to the electronic permitting tracking software, migrated its financial system to Incode 10 with cloud based hosting, and transitioned numerous processes to be conducted electronically and remotely due to the COVID-19 pandemic.

In order to continue with operations, staff have been focused on high priority items and working overtime when necessary to ensure core responsibilities are maintained and deadlines are met. Without additional staffing, there will continue to be ongoing instances of deferred work efforts or incomplete tasks as staff's capacity is stretched thin with competing priorities and unanticipated issues that arise. This also directly affects staff's ability to grow and take on any new challenging projects in the long-term.

As with all City departments, the pandemic has added an additional layer of workload and will continue to impact Finance as new work efforts, programs and grant funds arise. Any new activity, whether it is revenue or expenditure related, results in increased administration support and accounting reconciliation work, including extra time added during audit, financial reporting, and budgeting.

Additionally, new software and tools that benefit the City and its staff create an initial learning curve and sometimes result in changes to processes that require ongoing increased staff time. This was experienced this past fiscal year with transitioning to electronic processes, as detailed more fully below. While electronic processes are more effective and efficient with workflow tracking, safeguarding documents and transparency, there are extra work efforts that impact certain staff workloads. Depending on the process, it can add additional time, such as needing to now scan, export and upload documents into multiple software platforms, and may require additional financial reconciliation. While in the long run the overall benefit does outweigh the cost, the positions impacted should be evaluated, especially if coupled with increased volume and additional tasks.

For example, since the start of the pandemic in March 2020, the City transitioned to using software for invoice routing and signatures. While the software has made it more timely, efficient, and effective for those reviewing and getting signature authority for processing, it has directly impacted the Accounting Specialist position by increasing the time needed for scanning, assigning signatures for electronic routing, exporting, and uploading completed signed copies into the financial system. While the overall process benefits the City staff in knowing where the invoices are and by making electronic copies of invoices easily accessible in the financial system, the increase in the behind-the-scenes administrative work that goes into making this process operational should be considered. When coupling the increased number of invoices with the additional tasks, the position

itself has now become oversubscribed. What used to be only 50% to 75% of that position's duties, has now become nearly 100%.

Another example is the increased volume of revenue transactions. Over the last few years, the City has seen an increase in the number of financial transactions, as it took on managing libraries, added a cannabis tax, additional TOT payers from vacation rentals, and significant increase in online payments made by credit cards or ACH transfers for user fees and charges. Any time new revenue sources are received, or software is used to transact financial data, it requires reconciliation to the City's financial system. It also may require additional staff attention when discrepancies arise.

While electronic payments are encouraged due to the speed of receiving funds and reduced risk of funds being compromised in comparison to cash and checks, there are behind-the-scenes impacts to the accounting and administrative work involved in overseeing these transactions. The impacts in the last fiscal year are primarily with increased volume of credit card transactions, which requires more reconciliation and processing to confirm financial data. Staff has experienced significant credit transaction growth and impacts since the start of the pandemic and anticipates credit card transactions to continue to grow as new software is implemented and customers become more accustomed to making online payments. When credit card processing is involved outside the financial system, staff must reconcile four types of accounts instead of three. These four accounts are: 1) the software; 2) the credit card merchant account; 3) the bank account; and 4) the financial system (general ledger). When considering the additional reconciliation needed plus increased volume, it results in the position handling these duties being oversubscribed.

Since the pandemic, Finance has designated one of its Accountants to primarily process revenues and electronic payments to ensure timely reconciliation. Increased volume in transactions has continued to impact other core accounting responsibilities and workload, and these activities may be absorbed by other staff or result in overtime and possible burnout. Without timely and accurate reconciliation, the financial system is at risk for unbalanced accounts, fraud and loss of City funds. Additionally, any delays with reconciliation can trigger more impacts to workload and possible issues with monthly bank reconciliations. When considering the increased volume of transactions, new revenue sources and additional funds to support, the position itself has grown to needing a full-time staff person.

To demonstrate some of the growth of the city and workload, staff has compiled data and summarized a few key workload indicators to show the growth and changes since FY 15/16 in the table below.

**Table 1: Workload Indicators**

Workload Indicators	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21 (Estimate)	Change from FY 15-16	% Change from FY 15-16
Number of Finance FTE	6.00	6.00	6.00	7.00	7.00	7.00	1.00	16.7%
Number of Citywide FTE	65.00	66.00	73.68	74.93	88.43	89.43	24.43	37.6%
Total W2's Issued	74	84	94	116	128	117	43.00	58.1%
AP Payable Count	4348	4727	4402	5105	5035	5220	872.00	20.1%
Number of Purchase Orders	340	379	400	502	500	640	300.00	88.2%
Number of Business Licenses Issued	2356	2341	2315	2464	2450	2450	94.00	4.0%
Number of Cannabis Business Licenses	0	0	0	1	7	10	10.00	-
Number of STVR Operating	3	5	21	23	31	21	18.00	600.0%
Number of City Invoices (A/R) Issued	86	111	94	104	115	115	29.00	33.7%
Number of Credit Card Transactions	475	517	575	634	1020	2771	2296.00	483.4%
Number of Funds	30	32	36	42	48	51	21.00	70.0%
Number of Unique Vendors Paid	515	537	530	556	571	580	65.00	12.6%

The data shows that there have been significant increases in comparison to FY 15-16, which primarily effects Finance and other support departments. As volume continues to increase and programs expand, current staff are not able to keep up with all responsibilities or take on any new projects.

Given these constraints, the Annual Work Program evaluates workload, both current commitments and potential new work efforts, with current staffing levels (assumes 7.0 FTEs). Some projects are multi-year efforts, which are still in process and require a continued commitment of resources. Additionally, some projects result in ongoing operating support, and while Finance staff may not be directly involved with operating the program, Finance is providing administrative support along with other support departments. Impacts will continue to grow if there are any new FTE's, consultants, new accounts, new funds or revenue sources.

Taking on new projects, programs or responsibilities is either not possible or will be very limited with current staffing levels, even when the Accounting Specialist vacancy is filled. New staffing resources will need to be made available. Staff is needed to address the current ongoing workload and backlog of tasks that have been on Finance's work program since FY 19/20, including completing setup of the other financial system modules in Incode 10. Any new projects, programs or tasks considered will need to have staff dedicated to that task or they may be delayed due to competing priorities. Additionally, as workload increases citywide, and if staffing resources are not available to fully support it, delays in reporting and reconciliation may occur, and there may be a risk of exposure to financial discrepancies.

As previously mentioned, any changes or increases in activity in other City departments affect Finance's overall workload. This includes new vendors, employees, financial transactions, new grants, permits and reporting requirements. Additionally, the use of

outside consultants to assist the Finance Department is constrained by the department's budget and also by the finite capacity of the Finance Director and Accounting Manager to manage those contracts and review the consultants' work in addition to full-time staff and responsibilities. As the Annual Work Program looks ahead to the upcoming fiscal year, it assumes a total of 7.0 FTE's available, and identifies FTEs to perform its core functions, and estimates staffs available capacity and estimated FTE needed to take on those work efforts.

**Projects & Programs/Ongoing Work Efforts**

Table 1 below lists ongoing work efforts within the current scope of the Department. This table does not include unplanned work or ad-hoc projects and does not include all work efforts of the department. The list is summarized and includes primary ongoing work efforts carried throughout each fiscal year. FTEs are estimated for each of the core functions of the department.

*FTEs were based on a comprehensive time estimate model by position and current duties. The model considers ongoing tasks on a daily, weekly, monthly, quarterly and annualized basis. Any one-time tasks are removed, and it does not consider any emergency related work efforts or other unanticipated issues involving Finance. It does not account for any new work efforts, projects, programs or new grants in other departments that will have an impact to Finance staff.*

**Table 2: Current Projects and Programs and Ongoing Work Efforts**

CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS	STAFF FTE
<b>FINANCE ADMINISTRATION</b>	<b>2.01</b>
Provide management support and oversight of all finance functions, including supervision of department staff.	
Oversee staff development, including conducting performance evaluations and recommending training opportunities.	
Conduct weekly finance team meetings, other internal staff meetings as needed, and attend meetings with other local government agencies.	
Participate in weekly E-team meetings, monthly CIP meetings, and coordinate and schedule meetings with consultants, including sales and property tax meetings, audit meetings, and actuary meetings.	
Review and audit all financial transactions, including check requests, invoices, electronic transfers, wire transfer requests, budget adjustment requests, and journal entry requests.	

CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS	STAFF FTE
Oversee and manage department's budget, including development of Annual Work Program.	
Manage contracts and relationships with department consultants and serve as project manager, including oversee Finance Department's Request for Proposal process.	
Oversee and coordinate annual financial audit, street audit, and gas tax audit. Review and approve all final financial reporting documents.	
Assist with federal and state grant compliance audits, FEMA and CalOES.	
Oversee citywide financial policies and procedures, including, accounts payable, accounts receivable, budget amendments, cash handling, credit cards, donations, travel, purchasing, surplus and disposal, escheatment and write-offs. Assess internal controls and recommend changes to processes as necessary.	
Review and sign-off for retention period or disposal of Finance Department's files in accordance to file retention policy.	
Keep updated with new and ongoing changes with government finance and accounting and attend conferences and trainings to ensure compliance with new GASB statements and other reporting requirements as required by state or federal law.	
Oversee and manage City's Investment Program.	
Oversee and manage City's Debt Management Program.	
Oversee Cannabis Business License Program, including application process, forms, site inspections, tax collections, and ongoing monitoring and compliance.	
Oversee Short-Term Vacation Rental Program, including review of all applications and signing off on tax certificate.	
Oversee City's Master User Fees and Charges Schedule, including assisting with Development Impact Fee Schedule	
Oversee City's liabilities, including CalPERS pension and OPEB liabilities. Review all actuarial reports and manage relationship with consultants and actuaries.	

<b>CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS</b>	<b>STAFF FTE</b>
Participate in SEIU negotiations and prepare contract cost analysis.	
Provide financial updates for the Weekly Update.	
Provide administrative support to the Finance and Audit Standing Committee, including preparing agendas and packets.	
Provide final review on all Finance Department's staff reports, including monthly check registers, monthly investment transaction reports, quarterly financial reports, quarterly treasure's report, annual budget plan, comprehensive annual financial reports, and annual state controller reports.	
Review all citywide staff reports for fiscal impacts and provide support on budget recommendations.	
Participate and prepare presentation of information for Goleta's Annual LEAD program as it relates to Finance.	
Respond to public, other local agency, and vendor inquiries.	
<b>ACCOUNTING SERVICES</b>	<b>1.48</b>
Financial software account maintenance and review.	
General ledger updates, including preparing journal entries.	
Year-end schedules, journal entries for audit and closing fiscal year, including Schedule of Expenditures of Federal Awards for Single Audit, revenue and expenditure accruals in accordance to GAAP, and compensated absences schedules and other liabilities.	
Coordinate and communicate with City's independent auditors. Gather data and files for auditor review and provide statements and detail overview of City processes.	
Maintain and manage capital asset schedules, including calculating depreciation expense and working with other City departments to assign useful lives to new assets.	
Reconcile reserve accounts and fund balances, budgetary and actual basis, including grant reconciliations.	
Prepare Comprehensive Annual Financial Reports and submittal to GFOA for Certificate of Achievement for Excellence in Financial Reporting Program.	

<b>CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS</b>	<b>STAFF FTE</b>
Prepare and review required State Controller Reports, including Financial Transactions Reports, Street Report and Government Compensation Reports.	
Provide financial analysis support.	
Maintain and assign project tracking account codes.	
Reconcile developer deposit account reconciliations balances and prepare report on a quarterly basis to Finance Committee.	
Manage Performance Bond Schedule, and other liabilities, including prepaid and deposits.	
Conduct internal audits, including cash audits, fee calculations, and contract rates and amounts. Provide findings and guidance.	
Provide guidance and support to all departments on all financial related procedures.	
Assist and review Successor Agency to the Redevelopment Agency for the City of Goleta annual ROPS schedule with NSPS. Confirm RPTTF activity and fund balance that may exist.	
Perform timely monthly bank reconciliations.	
Monitor uncashed checks and deposit accounts with no activity and oversee escheatment process.	
Monitor aging accounts receivable and recommend write-offs according to policy.	
Reconcile other City software that contains financial information to City's financial system.	
<b>ACCOUNTING SERVICES – ACCOUNTS PAYABLE</b>	<b>1.05</b>
Receive and review invoices, including invoice routing to departments daily. Flag invoices if necessary.	
Scan and prepare invoices in DocuSign and electronically route for signature, including utility invoices and non-PO/PO invoices.	
Review incoming DocuSign envelopes from other departments for invoice accuracy.	

<b>CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS</b>	<b>STAFF FTE</b>
Export electronically signed invoices to PDFs, upload in Incode 10, data entry, and review coding.	
Travel Claim Reimbursements, in accordance with travel policy, and annual updates to form.	
City credit card transactions, including overseeing the Cal-Card program, ensuring compliance with policy.	
Assist departments with invoice issues, including revised invoices, no receipts, or liquidating purchase orders.	
Sales and use tax audit on all invoices.	
Print check register and hard checks for mailing to vendors including special check runs for emergencies.	
Citywide petty cash management.	
Provide customer service to departments and vendors.	
Oversee positive pay (check disbursement) reports and upload to bank's website every week.	
Prepare monthly check register report for Legistar.	
Monthly schedule of late invoice payments.	
Track consultant expenditures on as needed basis, such as cannabis consultant charges and related business license applications.	
Generate and mail annual 1099's to applicable vendors.	
SMIP/Green Fee Reconciliation and Payment Remittance.	
<b>ACCOUNTING SERVICES - PAYROLL</b>	<b>0.52</b>
Perform audit and data entry of timesheets on a bi-weekly basis, including reconciling payroll changes, deductions, and specialty pay.	
Initiate tax payments and issue quarterly and annual compensation reports.	
CalPERS bi-weekly reporting, and specialized reporting as needed.	
Provide COBRA administration support.	

<b>CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS</b>	<b>STAFF FTE</b>
Monitor payroll tax law in conjunction with Human Resources.	
Maintenance of payroll system in conjunction with Human Resources.	
Provide customer service to all City employees, departments, including time entry training and special adjustments.	
Monitor tracking only and project accounting codes.	
Employee earnings statements and annual W2's.	
Prepare payroll related journal entries.	
Tax reporting and retirement plan payments.	
Payroll processing, including assembling payroll binder and bank transfer payment.	
Manage calculations of regular rate of pay and special payroll for retro adjustments or other extraordinary items.	
Reconcile employee time tracking in MAGNET Permit Tracking System to Incode Payroll.	
<b>BUDGET MANAGEMENT AND FINANCIAL ANALYSIS</b>	<b>1.52</b>
Manage the City's budget process, including development of budget calendar, request forms, and schedules.	
Publish City's Two-Year Budget Plan under GFOA criteria and submit bi-annually for distinguished budget presentation award.	
Publish Mid-Cycle budget document.	
Manage and update Five-Year Forecast, including tax revenue and expenditure assumptions.	
Manage and update Long Range Financial Plan.	
Provide updates to City Council and departments on economic and financial conditions and policy issues affecting budget.	
Provide ongoing budgetary guidance and support to all City departments.	
Review all year-end carryover budgets and manage schedule of adjustments.	

CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS	STAFF FTE
Manage personnel budgeting, including fiscal impact analysis of personnel changes, calculating fully burdened hourly rates, and Schedule of Authorized Positions.	
Draft Quarterly Financial Reports.	
Update cost of service analysis for providing library management services and assist with preparing library budgets for Buellton and Solvang.	
Prepare ad-hoc budget reports and financial analysis at department requests.	
Update budget policies and provide ongoing support to departments.	
Manage all budget adjustment and appropriation request forms.	
Annually Update City Cost Allocation Plan.	
Annually prepare and oversee special tax rolls for Library Special Tax and Street Lighting Tax .	
Calculate annual GANN appropriations limit.	
<b>TREASURY (REVENUE, CASH, INVESTMENT AND DEBT MANAGEMENT)</b>	<b>0.99</b>
Prepare monthly investment reports and quarterly treasury reports to Finance Committee and City Council.	
Reconcile investment transactions, including retrieving fair market values for reporting requirements on a monthly basis.	
Perform daily cash flow reconciliations and manage cash flow balance sheet.	
Review and assist departments with controls and procedures for cash receipting and checks.	
Audit cash registers, petty cash and change funds and provide findings.	
Monitor and track of all revenues on a cash and accrual basis.	
Operate daily cashiering functions, receipting and processing.	
Centralized treasury office, including daily cashiering, receipting, collecting payments and deposits from other departments.	
Coordinate courier pick up services.	

<b>CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS</b>	<b>STAFF FTE</b>
Accounts Receivable, including generating invoices for all departments, managing aging schedule and pursuing collection efforts.	
Annually review and adopt City's Investment Policy and Procedures and Debt Management Policy.	
Debt management transaction support, including Successor Agency RDA related payments.	
Prepare journal entries to reflect transfers of cash, including investments, processing payroll or receiving funds electronically.	
Close out cash collections daily, and prepare cash collections binder with backup	
Administer the collection and audit of Transient Occupancy Tax, Tourism Business Improvement District assessments.	
<b>BUSINESS LICENSES AND PERMITS</b>	<b>1.61</b>
Assist with the Business License Program, including customer support, routing, reviewing, printing, mailing, filing, and updating application forms.	
Manage the Short-Term Vacation Rental Permit Program.	
Assist with the Cannabis Business License Program, including application process, scheduling, intake, reviewing, routing, site inspections and ongoing monitoring and compliance.	
Process business license delinquency notices and initiate collection efforts for past due accounts, including notifying Code Compliance Officers.	
Coordination with County Fire, City Code Compliance and review of other outside sources, including review of newly issued state seller permits and publications for identifying unlicensed businesses.	
<b>PURCHASING</b>	<b>0.61</b>
Assist departments with training or guidance on purchasing procedures.	
Review and approve contracts up to Purchasing Officer amount (\$10k).	
Review all purchase requisitions and backup provided, including contracts and budget, in accordance to Purchasing Ordinance.	

CURRENT ONGOING WORK EFFORTS, PROJECTS AND PROGRAMS	STAFF FTE
Work with staff and departments with manual overrides due to timing of adjustments or emergencies.	
Oversee the City's procurement process and recommend changes and forms, if necessary.	
Maintain purchase order records by electronic log and hard copy files with backup. Provide copies of files when requested.	
Surplus and disposal, including forms and review for compliance. Recommend mechanism for surplus or disposal, and coordinate with Accountant on capital assets schedule.	
Vendor management: Review and setup all new vendors in financial system, including updates to vendor information per City's vendor management policy.	
<b>TOTAL FTE SUBSCRIBED</b>	<b>9.79</b>
<b>TOTAL DEPARTMENT STAFF</b>	<b>7.00</b>
<b>CURRENT AVAILABLE CAPACITY*</b>	<b>-2.79</b>

### **Key Accomplishments and Project Milestones**

Over the past two fiscal years, the Finance Department can point to several complete and near-complete initiatives. The following table summarizes the accomplishments and estimated completed date if applicable.

**Table 3: Key Accomplishments and Project Milestones, FY 2019/20**

PROJECT	STATUS
Prepared and submitted the City's Two-Year Budget Plan for FY 2019/20 and 2020/21 to GFOA's Distinguished Budget Presentation Award Program in August 2019. Results anticipated to be received by July 2020.	Completed August 2019. Received award notification April 2020
Implemented courier services for deposit pick up at City Hall on a weekly basis.	Completed August 2019
Implemented rolling CD ladder investment strategy in August 2019, including development of investment procedures.	Completed August 2019

PROJECT	STATUS
Updated internal control and cash handling policy and procedures – August 2019	Completed August 2019
Assisted with securing \$10 million reimbursement financing deal with California Infrastructure and Economic Development Bank (IBank) for City Hall acquisition project. Completed financing in August 2020.	Completed August 2020. Ongoing annual debt service and reporting through 2050
Solicited proposals for new GASB 75 OPEB Actuary Services to value retiree health liability. Awarded contract in August 2020.	Completed. August 2020. New contract to be awarded for FY 20/21 Audit
Receive 16 <sup>th</sup> consecutive GFOA award for Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2018.	Completed. Received in October 2019
Contracted for GASB 75 OPEB Roll-forward Actuarial Services for FY 18/19 Audit.	Completed October 2019
Implemented the City's Financial Transparency Portal online on the City's website, which enables the public to interface with 10 years of revenue and expense data in an interactive and visual way.	Completed October 2019
Received unmodified audit opinion for the independent audit for fiscal year end June 30, 2019 and submitted to GFOA within deadline for consideration of award.	Completed. Received and submitted December 2019
Update Cannabis Business License Program application and internal processes in accordance with the updated ordinance, including developing new application and general guidance documents for applicants in July 2019. Create renewal application process and tax forms.	Completed. July – December 2019
Updated the annual budget process to include additional worksheets to capture other indirect financials related to personnel and capital related requests.	Completed December 2020. Implemented for FY 21/22 & 22/23 Budget Process
Develop Five-Year Financial Plan that enhances original five-year forecast that includes narratives and discussion of assumptions.	Completed June 2020 as part of the Mid-Cycle Budget update for FY 20/21.
Complete transition of Business License Processing to Permit Tracking Software in June 2020. Cannabis Business License fully transitioned in January 2021.	Completed. Ongoing process improvements to be evaluated

PROJECT	STATUS
Participated in Learn, Empower, Advocate, Discuss (LEAD) Goleta – Session 2 in January 2020 and provided overview of the Finance Department, the City’s budget, revenue sources, investments, expenditures and accounting.	Completed. January 2020
Updated and adopted City’s Investment Policy on February 2020, which included complete revision to the format of the document and included additional sections and investment options, which now meets the criteria to be reviewed for certification by the California Municipal Treasurer’s Association (CMTA).	Completed February 2020. To be submitted for CMTA certification in FY 21/22
Enhanced financial reporting transparency by separating the Monthly Investment Transaction Report that was previously reported in the Monthly Check Register in February 2020.	Completed February 2020
Establish continuing disclosure procedures to be used in conjunction with debt issuance as required by law, as part of refunding of RDA bonds.	Completed March 2020
Updated comprehensive fee study and analysis on management services for Buellton and Solvang library branches, and developed time tracking model to assist with true-up adjustments beginning with FY 22/23 budget.	Completed March 2020. To be ongoing
Create cannabis tax revenue tracking and forecast worksheet and coordinate appointments for cash intake.	Completed March 2020
Implemented Employee Self Service, which allows City staff more control of their time entry and access to their salary and benefit data online.	Completed April 2020
Assembled Financing Team in December 2019 and assisted with refunding the Successor Agency to the Redevelopment Agency for the City of Goleta’s outstanding Tax Allocation Bonds. Bond refunding completed in April 2020, resulting in overall savings of \$8.9 million to the affected taxing entities.	Completed December 2019 – April 2020. Annual continuing disclosure to be ongoing through 2044
Transitioned numerous Finance department processes to online and electronic processes, including invoice routing.	Completed in April 2020
Establish a separate bank account for revenues (inflows) only and expenditure (outflows) only to enhance controls and safeguarding of assets.	Completed in April 2020

PROJECT	STATUS
Created an ACH transfer process as a form of payment for customers to assist limiting fees associated with credit card processing.	Completed in April 2020
Complete financial system migration to Incode 10 with updated chart of accounts.	Completed May 2020. To be ongoing with other software modules and improvements to processes
Updated the tax roll process for the City's special taxes for Measure L – Library Special Tax, resulting in additional parcels identified increased special tax revenues.	Completed June 2019
Assisted City Manager's Office with exploring tax measure options, with a recommendation to consider a transaction and use tax measure, including assistance with contracting professional polling services.	Completed June 2020. To be ongoing through FY 21/22
Issued RFP for Section 115 Trust Services to address OPEB and pension liabilities, anticipating award of contract in June 2020 and establishing program beginning of FY 20/21.	Completed and awarded in June 2020. Overseeing program, reporting and performance to be ongoing
Finalized Cost Allocation Plan and Comprehensive Use Fee Study.	Completed June 2020. Targeting April 2021 for Council review and adoption
Assisted the City Manager with initial temporary cost reduction strategies and three tier temporary cost reduction approach with identified triggers to mitigate against potential ongoing revenue impacts caused by COVID-19 pandemic for Mid-Cycle FY 20/21 Budget. Modeled three budget scenarios for FY 20/21.	Completed June 2020. Ongoing review of COVID-19 impacts
Administered TOT deferral program for April through June.	Completed in June and ongoing
Worked with sales tax consultants for information on a study to analyze residents versus non-residents in Goleta.	Completed in June 2020

PROJECT	STATUS
Implemented investment accounting processes in accordance with GASB Statement No. 31 in our general ledger, which requires fair value adjustments at year-end to certain investments.	Completed June 2020, to be an ongoing process

**Table 4: Key Accomplishments and Project Milestones, FY 2020/21**

PROJECT	STATUS
Establish cannabis tax cash intake process with operators.	Completed July 2020
Finalized IBank financing of \$10 million for City Hall.	Completed August 2020
Developed and implemented new grant management process, including training, acceptance forms with key information to help with proper accounting and fund structure setup, future reconciliation, budget programming, cash flow, and audit.	Completed August 2020
Developed process and procedures to incorporate adjustments to Council salary starting December 2020, based on Measure W that passed in 2018.	Completed November 2020.
Updated investment procedures and provided training to staff on fair market value reporting for year-end financials.	Completed November 2020
Developed process and procedures to calculate FSLA regular rate of pay and overtime calculation worksheet. Completed retroactive project going back three years and implemented a process going forward.	Completed December 2020
Transitioned City's two-year budget process for FY 21/22 & 22/23 into Microsoft Teams	Completed December 2020
Developed Long Range Financial Plan that extended 20 years.	Completed December 2020
Received unmodified audit opinion for the independent audit for fiscal year end June 30, 2020 and submitted to GFOA within deadline for consideration of award.	Completed January 2021 and submitted by deadline.
Implement new 1099 reporting requirements in Incode 10 for 1099 – NEC (non-employee compensation).	Completed January 2021
Processed and implemented new W2 reporting in Incode 10, including new W2 reporting requirements on COVID-19 sick leave and family leave.	Completed January 2021

PROJECT	STATUS
Transitioned Cannabis Business License Application to Permit Tracking System.	Completed January 2021
Implemented State Disability Insurance (SDI) program into Incode 10's payroll module to comply with EDD. Calculated retroactive payments going back to January 1, 2021, and implemented process moving forward.	Completed March 2021
Evaluate and consider issuing two-year contract extension for independent auditing services or issue a new RFP.	In process
Establish new credit card merchant account with OpenEdge to integrate with permit tracking software and create new reconciliation procedures.	In process
Conduct study on current cannabis tax rates and structure and recommend adjustments to Council for consideration.	Proposal received, contract in process.
Assist with analyzing the COVID-19 pandemic impacts and revisit the revenue neutrality agreement.	In process
Assist with analyzing LRDP impacts.	In process
Create new fund and accounts to track CARES Act Funding and provide ongoing data reporting to the Department of Finance for compliance.	In process
Assist with CalOES Desk Compliance Assessment review on past emergency projects.	In process
Transfer back building and safety reporting to the State regarding SMIP and Green fees.	In process
Compile and prepare Two Year Budget Plan for FY 21/22 and FY 22/23 for adoption in June 2021.	In process

### **Upcoming and Potential New Work Efforts, Projects, and Programs**

The Finance Department will continue to support the ongoing work efforts, projects, programs, and initiatives throughout FY 2021/22 as described above in addition to any new ongoing support that is required of our department derived from all other City departments. There are several ongoing work efforts that began in FY 2019/20 or FY 2020/21 and will continue into FY 2021/22. These items are arranged in chronological

order according to their estimated completion date. Staff has identified the estimated FTE associated with each item.

In addition, staff has recognized new work efforts, projects and programs that are currently on Finance’s radar. These items have been marked with a “TBD” designation in the estimated completion column and are dependent upon the completion of other work efforts. Staff is seeking Council approval to add these items to the Department’s work program and will prioritize its resources to complete its current projects to free up capacity to take on new additional projects and work efforts as the fiscal year progresses.

*FTE’s are based on a comprehensive time model by positions in Finance. Staff evaluated the individual tasks and the positions that would be involved in completing the tasks. The tasks marked with “N/A” are associated with ongoing annual major work efforts such as with the annual audit and annual budget. Staff included those items in the list for reference to show targeted completion dates since they are major work efforts of the department. The FTEs for annual audit and budget are already accounted for in the FTE count and were removed to not be double counted.*

**Table 5: Upcoming and Potential New Work Efforts, Projects and Programs**

<b>UPCOMING AND POTENTIAL NEW WORK EFFORTS, PROJECTS AND PROGRAMS STARTING IN FY 2021/22</b>	<b>EST. COMPLETION</b>	<b>STAFF FTE</b>
<b>TOTAL DEPARTMENT STAFF</b>		<b>7.00</b>
<b>CURRENT STAFF SUBSCRIBED</b>		<b>9.79</b>
Evaluate credit card merchant services, receipting and reconciliation procedures and recommend possible process improvements to help streamline tasks while maintaining safeguards and controls.	July 2021	0.13
Assist with meeting compliance for funding received related to the American Rescue Plan (end of calendar year 2024).	Ongoing through December 2024	0.10
Transition Short-Term Vacation Rental Application Process to permit tracking software system.	August 2021	0.09
Assist with evaluating business license review process and ordinance updates and recommend changes to streamline review process without compromising safeguards.	August 2021	0.13
Submit City's Investment Policy to CMTA for certification.	August 2021	0.01
Prepare and submit the Final Two-Year Budget Plan for FY 21/22 & 22/23 to GFOA	August 2021	N/A
Adopt Investment Policy and Funding Policy for Section 115 Trusts.	September 2021	0.09

UPCOMING AND POTENTIAL NEW WORK EFFORTS, PROJECTS AND PROGRAMS STARTING IN FY 2021/22	EST. COMPLETION	STAFF FTE
Implement new GASB Statement No. 87 on accounting for Leases with auditors. Requirement is effective for fiscal years beginning after June 15, 2021. City will be reporting in FY 20/21 financial statements.	September 2021	0.13
Centralize finance forms and policies for department use.	September 2021	0.07
Evaluate reserve categories and consider recommending needs of other categories to limit ongoing financial risk, such as with true-up costs associated with Sheriff contract, or specific capital replacement.	October 2021	0.19
Evaluate short-term vacation rental compliance contract services and/or pending voluntary collections agreement and implement the resulting compliance process.	October 2021	0.13
Transition City invoicing process to Incode 10's new Accounts Receivable module.	November 2021	0.15
Assist with finalizing financing options for Fire Station No. 10.	December 2021	0.19
Complete 20/21 Financial Audit and Single Audit and submit to GFOA.	December 2021	N/A
Evaluate and recommend debt financing options for unfunded high priority infrastructure projects.	December 2021	0.13
Perform fiscal analysis and five-year forecast on ongoing Special Revenue Funds that are a part of the City's operating budget such as street lighting, solid waste, and library.	January 2022	0.19
Update cost of service model for library management fees with cost allocation plan data.	January 2022	0.08
Develop and implement citywide Project Accounting Policy and Procedures.	January 2022	0.17
Transient Occupancy Tax (TOT) Audit Policy and Procedures and procure contract for TOT auditing services.	February 2022	0.10
Develop and maintain citywide revenue manual that documents revenue sources, data points and factors relevant to present and future levels.	February 2022	0.13
Update City's Developer Deposit Policy and Procedures.	March 2022	0.13

UPCOMING AND POTENTIAL NEW WORK EFFORTS, PROJECTS AND PROGRAMS STARTING IN FY 2021/22	EST. COMPLETION	STAFF FTE
Implement User Fee Study's fee recommendations, including adoption of a Cost Recovery Policy and Fee Establishment Policy.	March 2022	0.13
Evaluate electronic invoice routing and approval process and explore use of software to eliminate duplicated work efforts.	April 2022	0.27
Prepare final Mid-Cycle Budget Update for FY 22/23.	June 2022	N/A
<b>TOTAL</b>		<b>2.74</b>
<b>PROJECTED AVAILABLE STAFF CAPACITY*</b>		<b>-5.53</b>

*\*It should be noted that as one-time efforts get completed, or through use of new software and automated processes staff capacity may increase. Additionally, certain projects and initiatives of other departments may affect workload of Finance staff and are not captured here. A new program or project could result in increased workload.*

Table 6 below shows additional potential new work efforts; however, it should be noted that these efforts will only be pursued by staff pending additional staff capacity.

**Table 6: Potential New Work Efforts, Projects, and Programs – Pending Staff Capacity**

OTHER PRIORITIES - PENDING STAFF CAPACITY	EST. COMPLETION	STAFF FTE
Undergo Finance Department Assessment.	TBD	0.14
Establish online vendor invoice system with Incode 10, including vendor accounting guide to ensure "clean invoices".	TBD	0.10
Transition vendor check payments to electronic payments via ACH.	TBD	0.28
Transition from paper-based finance forms to electronic forms with Incode 10 or other software.	TBD	0.13
Finalize Comprehensive Accounting Policies and Procedures Manual.	TBD	0.33
Sidewalk Vending Business License in conjunction with other City departments.	TBD	0.03
Assist with development of Capital Asset Management Policy and Procedures.	TBD	0.17
Implement use of budget and performance measure software in conjunction with City Manager's Office.	TBD	0.06

<b>OTHER PRIORITIES - PENDING STAFF CAPACITY</b>	<b>EST. COMPLETION</b>	<b>STAFF FTE</b>
Implement Finance Department Assessment recommendations.	TBD	0.10
Pending Council Approval and Election Outcome, develop procedures and process for tracking and reporting on new transactions use tax.	TBD	0.03
Explore additional Incode 10 modules, including Capital Assets, Inventory, and Tyler Content Manager, and implement.	TBD	0.17
Evaluate deposit policy and procedures to ensure no negative accounts, so systems can work fluidly with each other.	TBD	0.25
Evaluate and consider inventory module for use with Incode 10.	TBD	0.19
Training on Position Budgeting module in Incode 10 and implement use of software.	TBD	0.15
Evaluate Incode 10 workflow approvals with Purchase Requisitions to help streamline processes.	TBD	0.15
Establish on-call agreements with collection agencies for past due receivable accounts.	TBD	0.10
Explore use of contracted services to conduct Franchise Fee audits.	TBD	0.04
Implement independent contractor reporting as required by EDD to assist with child support collection, and ongoing reporting.	TBD	0.08
Issue RFP and contract with on-call municipal advisor services to assist with bond financing and financing team.	TBD	0.08
Training with Incode 10 to develop custom financial reporting needed to streamline information.	TBD	0.13
Create training videos and guidance specific to using Incode 10.	TBD	0.05
Develop and adopt an internal chart of accounts policy.	TBD	0.19
Assist with evaluating potential tax and/or bond measures.	TBD	0.19
Evaluate ongoing consulting services under contract for extensions and issue RFP if needed.	TBD	0.21
Evaluate and consider possible asset swap of leased back asset for City Hall financing, to give more flexibility on use of extra space in building.	TBD	0.13

OTHER PRIORITIES - PENDING STAFF CAPACITY	EST. COMPLETION	STAFF FTE
TOTAL		3.48
PROJECTED AVAILABLE STAFF CAPACITY*		-6.27*

*\*The -6.27 projected available staff capacity assumes the work efforts listed in Table 5 has been completed. It should be noted that as efforts get completed, or through use of new software and automated processes, staff capacity may increase. Additionally, certain projects and initiatives of other departments may affect workload of Finance staff and is not captured here. This may result in new ongoing tasks or increases to workload whether derived from other departments or Finance implementing a new process that is needed.*