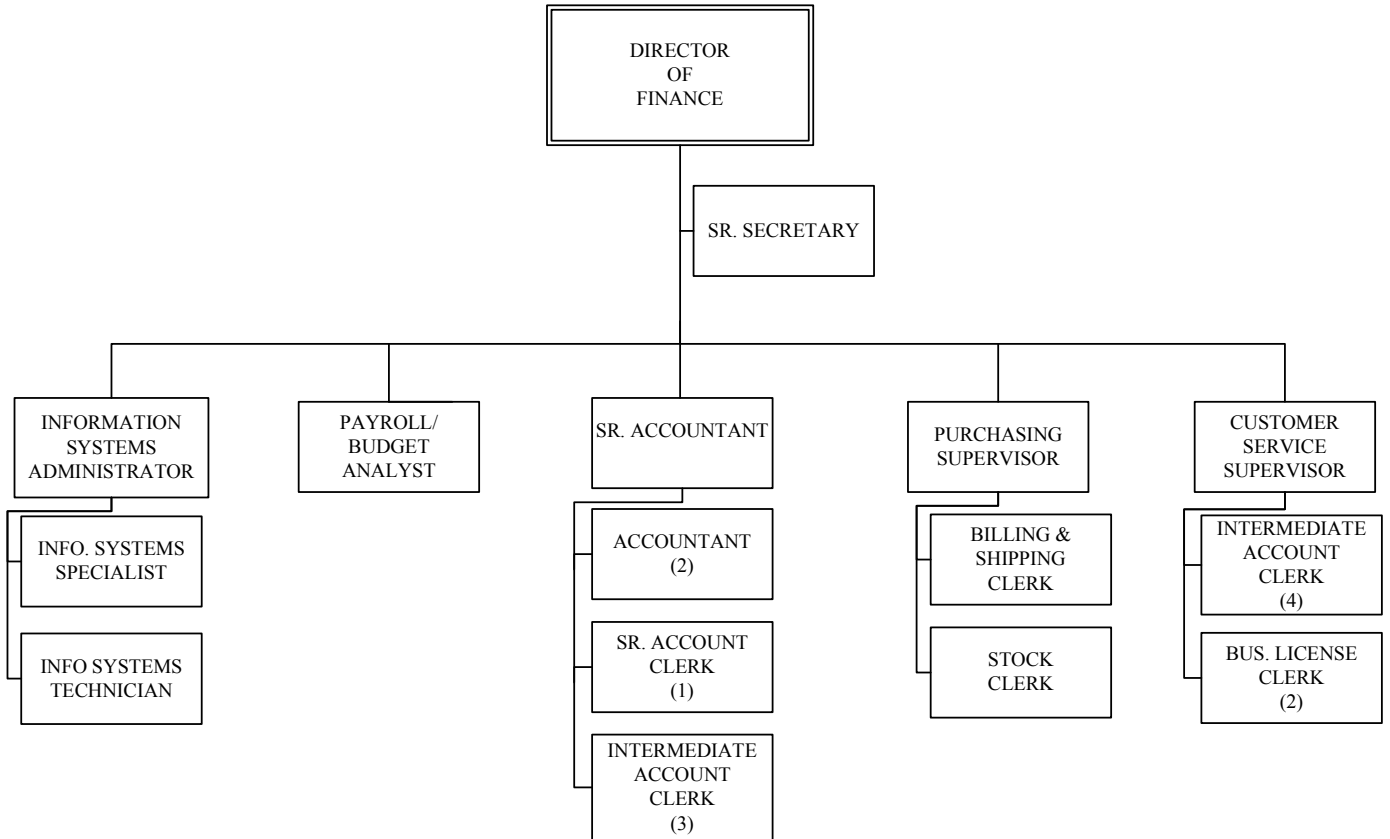


# FINANCE



<b>FINANCE</b>
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**SUMMARY OF PERSONNEL**

**Accounting**

0.90	Director of Finance
1.00	City Treasurer
0.50	Sr. Accountant
1.50	Accountant
1.00	Budget Payroll/Analyst
1.00	Sr. Secretary
1.00	Sr. Account Clerk
<u>3.00</u>	Intermediate Account Clerk
9.90	

**Business License**

0.50	Customer Service Supervisor
<u>2.00</u>	Business License Clerk
2.50	

**Customer Service**

0.50	Customer Service Supervisor
<u>4.00</u>	Intermediate Account Clerk
4.50	

**Purchasing**

1.00	Purchasing Supervisor
1.00	Billing & Shipping Clerk
<u>1.00</u>	Stock Clerk
3.00	

**Information Services**

1.00	Information Systems Administrator
1.00	Information Systems Specialist
<u>1.00</u>	Information Technician
3.00	

**TOTAL PERSONNEL:                    22.90**

## FINANCE

### EXPENDITURE SUMMARY BY PROGRAM

	<b>ACTUAL 2004-05</b>	<b>ACTUAL 2005-06</b>	<b>PROJECTED 2006-07</b>	<b>ADOPTED 2007-08</b>
ACCOUNTING	731,734	900,185	963,867	1,025,922
BUSINESS LICENSE	206,251	168,607	186,474	200,988
PURCHASING	354,993	281,795	259,749	286,198
CUSTOMER SERVICE	702,651	568,913	415,030	477,231
INFORMATION SYSTEMS	710,381	355,970	1,083,863	637,106
<b>TOTAL</b>	<b>\$2,706,010</b>	<b>\$2,275,470</b>	<b>\$2,908,983</b>	<b>\$2,627,445</b>

### EXPENDITURE SUMMARY BY CATEGORY

	<b>ACTUAL 2004-05</b>	<b>ACTUAL 2005-06</b>	<b>PROJECTED 2006-07</b>	<b>ADOPTED 2007-08</b>
SALARIES & BENEFITS	1,732,170	1,556,671	1,719,777	1,914,469
SERVICES & SUPPLIES	934,688	701,299	455,157	652,976
CAPITAL OUTLAY	39,152	17,500	734,049	60,000
<b>TOTAL</b>	<b>\$2,706,010</b>	<b>\$2,275,470</b>	<b>\$2,908,983</b>	<b>\$2,627,445</b>

### FUNDING SOURCES

	<b>ACTUAL 2004-05</b>	<b>ACTUAL 2005-06</b>	<b>PROJECTED 2006-07</b>	<b>ADOPTED 2007-08</b>
GENERAL FUND - 10	1,995,629	1,919,500	1,825,120	1,990,339
INFORMATION SYSTEMS - 93	710,381	355,970	1,083,863	637,106
<b>TOTAL</b>	<b>\$2,706,010</b>	<b>\$2,275,470</b>	<b>\$2,908,983</b>	<b>\$2,627,445</b>

## FINANCE

The Finance Department employs 24 full-time staff that is responsible for handling all aspects of the City's finances including accounting, accounts payable, accounts receivable, purchasing, payroll, investments, utility billing, business licensing and budgeting. Also included is the Information Technology division. The Finance Department is comprised of five divisions as follows:

- Administration/Accounting
- Business Licensing
- Purchasing
- Customer Service
- Information Technology

### **Administration/Accounting - 4410**

The Administration/Accounting division provides accounting and budgeting for the City and Redevelopment Agency; prepares financial reports; invests idle funds; coordinates City grant activity and advises the City Council and City Manager on financial issues.

### **Business Licensing – 4420**

The Business License division processes 6,800 business license renewals annually and services over 700 customers monthly. Business license taxes are based on the gross income of the business and range from a minimum of \$75 to a maximum of \$3,000 per year. The division also handles permits for yard sales, fireworks stands and special events, as well as quarterly transient occupancy tax submittals.

### **Purchasing - 4430**

The Purchasing division manages the majority of procurements for the City. Located at the City Yard, the division processes purchase orders, coordinates bidding procedures, researches and maintains relationships with vendors, maintains warehouse inventory and coordinates the sale of surplus assets no longer needed by the City.

### **Customer Service – 4450**

The Customer Service division administers the monthly collection of water, trash and street sweeping utility payments for approximately 15,300 residential, commercial and industrial customers throughout the City. This includes processing 8,000 payments through the mail in addition to approximately 4,000 over-the-counter payments.

### **Information Technology – 4460**

The Information Systems division provides management, support and advisory services for the City's network and communications systems. IS staff manages the local area network with 9 servers that provide 8 critical software applications to 325 users via 214 computers and 35 networked printers. The division also provides end-user software support and hardware repair. The Information Systems Fund is funded by internal service, or "user" charges to those departments having vehicles or other equipment requiring maintenance.

# FINANCE

## Budget Narrative

The Finance Department's proposed budget for FY 2007-08 totals \$2,627,445, a decrease of \$250,816 over the previous fiscal year. The difference reflects equipment upgrades for the computer network purchased during the previous fiscal year.

## Prior Year's Accomplishments

- Implemented a new VoIP phone system citywide
- Upgraded the City's computer network
- Received the GFOA Award for Excellence in Financial Reporting
- Received the CSMFO Outstanding Budget Award
- Launched new City website

## Goals

- Enhance the City's revenue stream and ensure a stronger financial environment
- Streamline department operations for maximum efficiency
- Provide a secure and reliable technological infrastructure for the City

## Objectives

Continue to actively invest idle funds and maximize investment earnings  
Aggressively manage accounts receivable and send delinquent accounts to collection  
Conduct more business license inspections  
Upgrade the HTE financial software application

<b>Performance Measures</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>
Average rate earned on investments	3.975%	4.81%	5.2%
Awards earned for budget/audit reports	2	3	2

<b>Workload Indicators</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>
Average amount of \$ invested (in millions)	\$41.5	\$48.9	\$44
Number of audit findings	14	4	2
Number of A/P checks issued	7525	7100	6900
Number of Business License inspections	2,242	1450	2000
Computer workstations maintained	203	205	205
Purchase Orders processed	765	830	800

CITY OF SOUTH GATE  
EXPENDITURES  
FISCAL YEAR 2008

<u>ACCOUNT DESCRIPTION</u>	ACTUAL	ACTUAL	PROJECTED	ADOPTED
<u>010-4410-410</u>	2004-05	2005-06	2006-07	2007-08
<b>FUND 010 GENERAL FUND</b>				
<b>DEPT 44 FINANCE</b>				
<b>DIV 10 ACCOUNTING</b>				
10-11 Salaries-Full Time	323,428	452,485	561,329	594,901
10-13 Salaries Hourly	31,170	6,223	19,720	24,000
10-14 Overtime	482	1,198	457	-
10-16 Pay In-Lieu Of Sick Leave	2,183			-
10-17 Pay In Lieu Of Vacation	2,846	11,675	13,486	10,043
10-19 Pay In Lieu Of Holidays	-	162		-
10-22 Auto Allowance	3,033	5,316	7,492	7,830
10-24 Cell Phone Allowance	1,267	1,897	2,170	2,280
10-26 Bilingual Pay	-	961	2,350	1,200
10-30 Retirement	54,488	90,077	102,826	111,783
10-31 Public Agency Retire Sys	-	5,849	5,093	5,435
10-32 Deferred Comp. Match	-	4,758	7,163	6,975
10-50 Group Medical Insurance	44,422	47,815	62,181	66,956
10-60 Group Life Insurance	491	684	1,203	1,400
10-80 Dental Insurance	3,554	2,761	3,144	3,320
10-82 Worker's Comp	-	2,484	2,776	2,776
10-84 Unemployment Ins	-	3,316	3,369	3,369
10-90 Medicare	5,299	6,557	8,015	8,974
* EMPLOYEE SERVICES	<u>472,663</u>	<u>644,218</u>	<u>802,774</u>	<u>851,242</u>
20-21 Dept. Special Supplies	12,640	6,594	5,979	6,500
20-23 Printing and Binding	12,419	8,519	9,488	7,550
20-25 Postage	3,632	3,711	2,915	2,800
20-31 Telephone	6,000	9,373	3,708	4,000
20-33 Subscriptions & Membership	1,695	953	960	1,520
20-36 Training and Education	3,281	4,796	1,069	4,800
20-40 Fees and Charges	3,906	15,152	7,515	5,000
20-41 Professional Services	142,337	103,194	52,808	68,000
20-46 Insurance Premiums	66,499	1,650	-	-
20-56 Maintenance/Repair - Equipment.	5,314	5,000	2,653	3,826
20-62 Special Events & Meetings	1,176	30	-	600
20-64 Mileage Reimbursement	172	260	49	200
20-74 Info Systems Allocation	-	96,735	73,949	69,884
* SUPPLIES & SERVICES	<u>259,071</u>	<u>255,967</u>	<u>161,093</u>	<u>174,680</u>
<b>** ACCOUNTING</b>	<b><u>\$ 731,734</u></b>	<b><u>\$ 900,185</u></b>	<b><u>\$ 963,867</u></b>	<b><u>\$ 1,025,922</u></b>

CITY OF SOUTH GATE  
EXPENDITURES  
FISCAL YEAR 2008

<u>ACCOUNT DESCRIPTION</u>	ACTUAL	ACTUAL	PROJECTED	ADOPTED
<u>010-4420-410</u>	2004-05	2005-06	2006-07	2007-08
<b>FUND 010 GENERAL FUND</b>				
<b>DEPT 44 FINANCE</b>				
<b>DIV 20 BUSINESS LICENSE</b>				
10-11 Salaries-Full Time	120,094	114,228	114,143	124,429
10-13 Salaries - Hourly	-	-	1,541	-
10-14 Overtime	744	285	2,103	-
10-16 Pay In-Lieu Of Sick Leave	1,091	-	-	-
10-17 Pay In Lieu Of Vacation	942	1,733	3,358	1,554
10-22 Auto Allowance	152	-	-	-
10-24 Cell Phone Allowance	28	-	-	-
10-26 Bilingual Pay	-	1,062	2,087	3,000
10-30 Retirement	20,106	23,280	21,568	23,600
10-50 Group Medical Insurance	18,258	18,619	18,226	20,197
10-60 Group Life Insurance	198	186	180	345
10-80 Dental Insurance	1,260	987	755	855
10-82 Worker's Comp	-	603	593	593
10-84 Unemployment Ins	-	-	720	720
10-90 Medicare	1,827	1,707	1,636	1,804
* EMPLOYEE SERVICES	<u>164,700</u>	<u>162,690</u>	<u>166,910</u>	<u>177,097</u>
20-21 Dept. Special Supplies	1,295	488	1,157	1,000
20-23 Printing and Binding	6,475	3,212	4,244	6,500
20-25 Postage	2,907	860	303	2,500
20-31 Telephone	2,945	862	165	1,200
20-33 Subscriptions & Membership	75	50	-	110
20-36 Training and Education	-	-	-	750
20-41 Professional Services	1,328	-	-	500
20-46 Insurance Premiums	22,028	-	-	-
20-56 Maintenance/Repair - Equipment.	3,328	445	1,335	500
20-74 Info Systems Allocation	-	-	12,360	10,831
* SUPPLIES & SERVICES	<u>40,381</u>	<u>5,917</u>	<u>19,564</u>	<u>23,891</u>
30-51 Computer Hardware	<u>1,170</u>	-	-	-
* CAPITAL OUTLAY	<u>1,170</u>	-	-	-
<b>** BUSINESS LICENSE</b>	<b><u>\$ 206,251</u></b>	<b><u>\$ 168,607</u></b>	<b><u>\$ 186,474</u></b>	<b><u>\$ 200,988</u></b>

CITY OF SOUTH GATE  
EXPENDITURES  
FISCAL YEAR 2008

<u>ACCOUNT DESCRIPTION</u>	ACTUAL	ACTUAL	PROJECTED	ADOPTED
<u>010-4430-410</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
<b>FUND 010 GENERAL FUND</b>				
<b>DEPT 44 FINANCE</b>				
<b>DIV 30 PURCHASING</b>				
10-11 Salaries-Full Time	191,468	168,210	154,483	185,324
10-13 Salaries Hourly	11,666	15	15	-
10-14 Overtime	498	850	450	-
10-16 Pay In-Lieu Of Sick Leave	18,782	-	-	-
10-17 Pay In Lieu Of Vacation	1,883	957	2,590	1,934
10-21 Uniform And Tool Allowance	867	1,200	600	1,200
10-22 Auto Allowance	305	666	28	-
10-24 Cell Phone Allowance	55	177	7	-
10-26 Bilingual Pay	-	188	-	-
10-30 Retirement	32,427	33,369	29,526	34,873
10-31 Public Agency Retire Sys	-	80	16	-
10-32 Deferred Comp. Match	-	1,190	47	-
10-50 Group Medical Insurance	29,441	24,716	23,558	25,331
10-60 Group Life Insurance	305	307	338	414
10-80 Dental Insurance	1,750	1,284	1,224	1,269
10-82 Worker's Comp	-	908	4,287	4,287
10-84 Unemployment Ins	-	1,223	873	871
10-90 Medicare	2,308	2,378	2,291	2,687
* EMPLOYEE SERVICES	291,755	237,718	220,333	258,190
20-21 Dept. Special Supplies	3,154	1,771	3,250	2,000
20-23 Printing and Binding	3,715	2,384	1,511	-
20-25 Postage	123	370	239	350
20-31 Telephone	4,471	1,246	2,367	4,000
20-33 Subscriptions & Membership	292	440	646	560
20-36 Training and Education	3,183	1,418	140	2,700
20-41 Professional Services	-	1,650	-	-
20-46 Insurance Premiums	42,164	-	-	-
20-56 Maintenance/Repair - Equipment.	6,018	4,148	2,682	3,426
20-58 Maintenance & Repair-Special Equip	98	1,264	-	-
20-62 Special Events & Meetings	20	113	20	180
20-64 Mileage Reimbursement	-	-	-	100
20-74 Info Systems Allocation	-	29,273	13,629	13,146
20-75 Vehicle Allocation	-	-	4,284	1,546
* SUPPLIES & SERVICES	63,238	44,077	28,768	28,008
30-31 Building improvements	-	-	10,648	-
* CAPITAL OUTLAY	-	-	10,648	-
<b>** PURCHASING</b>	<b><u>\$ 354,993</u></b>	<b><u>\$ 281,795</u></b>	<b><u>\$ 259,749</u></b>	<b><u>\$ 286,198</u></b>

CITY OF SOUTH GATE  
EXPENDITURES  
FISCAL YEAR 2008

<u>ACCOUNT DESCRIPTION</u>	ACTUAL	ACTUAL	PROJECTED	ADOPTED
<u>010-4450-410</u>	2004-05	2005-06	2006-07	2007-08
<b>FUND 010 GENERAL FUND</b>				
<b>DEPT 44 FINANCE</b>				
<b>DIV 50 CUSTOMER SERVICE</b>				
10-11 Salaries-Full Time	306,469	154,897	187,978	220,453
10-13 Hourly	78,849	51,052	1,251	-
10-14 Overtime	3,207	1,051	1,631	-
10-16 Pay In-Lieu of Sick Leave	4,365	-	2,547	2,392
10-17 Pay In-Lieu of Vacation	5,051	2,304	105	-
10-22 Auto Allowance	609	254	9	-
10-24 Cell Phone Allowance	110	68	2	3,000
10-26 Bilingual Pay	-	1,337	2,763	41,628
10-30 Retirement	53,485	36,960	34,155	-
10-32 Deferred Comp. Match	-	397	21	-
10-50 Group Medical Insurance	34,760	24,454	38,927	46,371
10-60 Group Life Insurance	438	256	468	621
10-80 Dental Insurance	1,942	1,417	1,762	2,085
10-82 Worker's Comp	-	1,259	1,143	2,200
10-84 Unemployment Ins	-	2,256	1,387	1,387
10-90 Medicare	5,091	2,438	2,183	3,197
* EMPLOYEE SERVICES	494,377	280,400	276,332	323,334
20-21 Dept. Special Supplies	5,984	6,111	3,848	7,500
20-23 Printing and Binding	16,422	18,756	13,833	15,000
20-25 Postage	77,977	75,108	102,674	90,000
20-31 Telephone	2,110	634	793	4,500
20-36 Training and Education	625	510	-	500
20-37 Commission Expense	2,331	-	-	500
20-41 Professional Services	21,148	476	250	-
20-46 Insurance Premiums	62,758	2,200	-	-
20-56 Maintenance/Repair - Equipment.	7,252	13,051	4,945	5,000
20-58 Maintenance & Repair-Special Equip	6,709	3,603	562	-
20-64 Mileage Reimbursement	-	-	-	100
20-74 Info Systems Allocation	-	168,064	11,793	30,797
* SUPPLIES & SERVICES	203,316	288,513	138,698	153,897
30-30 Improvements. Other Than Bldg	2,190	-	-	-
30-51 Computer Hardware	2,769	-	-	-
* CAPITAL OUTLAY	4,958	-	-	-
<b>** CUSTOMER SERVICE</b>	<b>\$ 702,651</b>	<b>\$ 568,913</b>	<b>\$ 415,030</b>	<b>\$ 477,231</b>

<u>ACCOUNT DESCRIPTION</u>	ACTUAL	ACTUAL	PROJECTED	ADOPTED
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CITY OF SOUTH GATE  
EXPENDITURES  
FISCAL YEAR 2008

<u>010-4480-480</u>	2004-05	2005-06	2006-07	2007-08
<b>FUND 010 GENERAL FUND</b>				
<b>DEPT 44 FINANCE</b>				
<b>DIV 80 GENERAL DEBT</b>				
10-30 Retirement	-	214,578		
20-43 Rents and Leases	274,647	280,031	285,452	282,000
20-94 Transfers Out	-	8,335,655		
20-86 Debt Service - Principal	411,929	419,490	395,209	369,809
20-87 Debt Service - Interest	65,863	59,300	169,039	144,819
20-89 Trustee Fees	-	1,875	8,175	5,000
* CAPITAL LEASES	<u>752,439</u>	<u>9,310,929</u>	<u>857,875</u>	<u>801,628</u>
21-86 Debt Service - Principal	620,000	640,000	660,000	955,000
21-87 Debt Service - Interest	<u>1,182,034</u>	<u>1,262,357</u>	<u>1,161,921</u>	<u>1,168,037</u>
* CERTIFICATES OF PARTICIPATION	1,802,034	1,902,357	1,821,921	2,123,037
30-10 Land Acquisition	-	1,425,000	-	-
<b>** GENERAL DEBT</b>	<b><u>\$ 2,554,473</u></b>	<b><u>\$ 12,638,286</u></b>	<b><u>\$ 2,679,796</u></b>	<b><u>\$ 2,924,665</u></b>

**ACCOUNT DESCRIPTION**

**ACTUAL**

**ACTUAL**

**PROJECTED**

**ADOPTED**

CITY OF SOUTH GATE  
EXPENDITURES  
FISCAL YEAR 2008

<u>093-4460-410</u>	2004-05	2005-06	2006-07	2007-08
<b>FUND 093 INFORMATION SYSTEMS FUND</b>				
<b>DEPT 44 FINANCE</b>				
<b>DIV 60 INFORMATION SYSTEMS</b>				
10-11 Salaries-Full Time	220,385	144,300	189,969	201,560
10-13 Salaries Hourly	4,115	28,891	-	25,000
10-14 Overtime	2,202	478	-	5,000
10-16 Pay In-Lieu Of Sick Leave	5,457	-	-	-
10-17 Pay In Lieu Of Vacation	7,679	3,994	-	3,209
10-19 Pay In Lieu Of Holidays	67	-	-	-
10-22 Auto Allowance	762	909	-	-
10-24 Cell Phone Allowance	138	243	-	-
10-30 Retirement	35,001	30,380	36,318	37,841
10-31 Public Agency Retire System	-	106	-	-
10-32 Deferred Comp. Match	-	1,586	-	-
10-50 Group Medical Insurance	27,515	14,604	20,598	25,331
10-60 Group Life Insurance	321	229	288	414
10-80 Dental Insurance	1,465	874	1,290	1,118
10-82 Worker's Comp	-	1,203	998	998
10-84 Unemployment Ins	-	1,395	1,212	1,212
10-90 Medicare	3,568	2,453	2,755	2,923
* EMPLOYEE SERVICES	<u>308,675</u>	<u>231,645</u>	<u>253,428</u>	<u>304,606</u>
20-21 Dept. Special Supplies	7,996	3,106	6,877	5,500
20-23 Printing and Binding	567	-	-	-
20-31 Telephone	6,067	1,634	1,600	1,800
20-33 Subscriptions & Membership	510	-	-	100
20-36 Training and Education	2,379	145	20,000	10,000
20-41 Professional Services	203,472	400	10,000	25,000
20-46 Insurance Premiums	41,977	-	-	-
20-58 Maintenance & Repair-Special Equip	16,802	96,918	58,457	180,000
20-64 Mileage Reimbursement	-	-	100	100
20-73 Admin. Expense Allocation	56,868	-	-	-
20-82 Depreciation/Amortization. Expense	5,325	4,622	10,000	50,000
20-83 Equipment Replacement	26,719	-	-	-
* SUPPLIES & SERVICES	<u>368,682</u>	<u>106,825</u>	<u>107,034</u>	<u>272,500</u>
30-30 Improvements	-	-	567,399	-
30-46 Emergency Repairs	3,852	-	-	-
30-51 Computer Hardware	19,253	7,500	50,167	50,000
30-52 Computer Software	9,919	10,000	105,835	10,000
* CAPITAL OUTLAY	<u>33,024</u>	<u>17,500</u>	<u>723,401</u>	<u>60,000</u>
<b>** INFORMATION SYSTEMS</b>	<b><u>\$ 710,381</u></b>	<b><u>\$ 355,970</u></b>	<b><u>\$ 1,083,863</u></b>	<b><u>\$ 637,106</u></b>

<b>GENERAL DEBT</b>
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This section of the budget was created to account for the principal and interest payments on general City debt. Payments include:

Rents & Leases - Firestone Building Lease

In 2003 the City leased the Firestone Building to relocate the Police Department from its existing building. The plan was later aborted and the City has sub-leased the facility to the Los Angeles Unified School District at a discounted amount. The net annual lease payment for the City is \$55,748. The lease agreement expires in August, 2012.

2003 Capital Lease – Chevron Energy, \$2,500,000

The purpose of this lease was to upgrade the City’s facilities with energy-efficient improvements to the lighting and HVAC systems. Budgeted amounts include principal of \$185,689 and interest of \$86,424. A total of \$1,951,835 was outstanding as of June 30, 2007. The debt will be paid off in January, 2016.

2006 Capital Lease – South Gate Courthouse \$1,425,000

The City purchased the vacant South Gate Municipal Courthouse facility adjacent to City Hall in 2006 through a lease purchase financing. Budgeted amounts include principal of \$184,120 and interest of \$58,395. A total of \$1,249,496 was outstanding as of June 30, 2007. The lease will be paid off in 2013.

2001 Certificates of Participation \$2,645,000

Certificates of Participation were issued in 2001 to refund the outstanding amount of 1992 COPs that were issued to fund improvements to the City yard. Budgeted amounts include principal of \$270,000 and interest of \$44,487. A total of \$1,130,000 was outstanding as of June 30, 2007. The COPs will be paid off in June, 2011.

2002 Certificates of Participation Series A & B \$22,465,000

Certificates of Participation were issued by the City in 2002 and loaned to the Redevelopment Agency to finance additional redevelopment projects. Budgeted amounts include principal of \$685,000 and interest of \$1,123,550. A total of \$19,955,000 was outstanding as of June 30, 2007. The COPs will be paid off in September, 2024.

	ACTUAL 2004-05	ACTUAL 2005-06	PROJECTED 2006-07	ADOPTED 2007-08
<b>GENERAL FUND DEBT</b>	<b>\$2,554,473</b>	<b>\$12,638,286</b>	<b>\$2,679,796</b>	<b>\$2,924,665</b>