

**CITY OF MERCED
2012-2013 ADOPTED BUDGET**

TAB 6

ADMINISTRATION

City Council

City Manager

City Attorney

Finance/Purchasing

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**CITY COUNCIL
FUND NO. 001
ACCOUNT NO. 0101**

MISSION

The Mayor and Council Members will continue working together as a team, representing all Merced constituents, in order to make Merced a city which:

- ◇ Maintains a high quality of life for its citizens;
- ◇ Demonstrates a positive attitude and approach in dealing with all segments of the community;
- ◇ Shows sensitivity and awareness of community needs and issues;
- ◇ Respects the diversity of its community;
- ◇ Develops creative and affordable solutions and alternatives to meet community needs;
- ◇ Is service-oriented, efficient, and progressive in its approach to problem resolution and use of resources;
- ◇ Offers economic development opportunities beneficial to its citizens;
- ◇ Maximizes teamwork and encourages individual involvement and personal growth, so that the community achieves its goals and contributes to society as a whole; and
- ◇ Creates and maintains an enjoyable atmosphere in which to live and work.

2012-2013 BUDGET HIGHLIGHTS

Approved budget includes video production services, Council goal setting workshop, MCAG dues, support for LAFCO operations, and League of California Cities dues. Commitment to continue evaluating organizational sustainability.

City Council

PERSONNEL

Number of Positions

Classification	Funded In Budget 2011-12	City Mgr. Recom. 2012-13	Council Approval
Mayor and Council Members	7.00	7.00	7.00
Executive Secretary	.40	.40	.40
TOTAL	7.40	7.40	7.40

BUDGET DETAIL EXPENSES

001-0101 City Council						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2009-10	ACTUAL 2010-11	FINAL BUDGET 2011-12	CITY MGR. RECOM. 2012-13	COUNCIL APPROVAL 2012-13
511.01-00	Regular Salaries	22,601	23,069	23,047	24,378	24,378
511.04-01	Regular Overtime	0	0	97	97	97
511.10-05	Retirement PERS	3,460	3,597	4,155	4,639	4,639
511.10-06	Social Security-OASDI	1,383	1,407	1,402	1,463	1,463
511.10-07	Social Security-Medicare	324	329	327	342	342
511.10-08	State Unemployment	57	654	0	0	0
511.10-12	Workers Compensation	13	53	56	53	53
511.10-33	Core Allowance	6,227	6,475	7,108	7,231	7,099
511.10-35	Post Employment Benefits	885	0	0	0	0
	Personnel Services	34,950	35,584	36,192	38,203	38,071
512.12-00	Telephone	7	13	100	100	100
512.13-00	Postage	306	97	375	250	250
512.14-00	Advertising	349	0	600	350	350
512.15-00	Office Supplies	497	0	650	500	500
512.16-00	Printing	1,181	14	1,550	1,550	1,550
512.17-00	Professional Services	118,638	134,290	84,743	56,005	56,005
512.18-00	Travel and Meetings	12,456	10,533	14,900	14,900	14,900
512.20-00	Training Expense	4,260	2,650	5,250	5,250	5,250
512.24-00	Memberships, Subscription	46,451	45,553	37,206	61,862	61,862
512.29-00	Other Materials Supplies	1,372	636	4,200	4,200	4,200
512.30-01	Dept Share of Insurance	1,057	933	1,266	880	880
512.38-00	Support Services	13,856	13,429	12,056	12,493	12,493
512.45-00	Facilities Maint Charge	8,622	10,418	11,430	10,947	10,947
	Supplies and Services	209,052	218,566	174,326	169,287	169,287
**	City Council	244,002	254,150	210,518	207,490	207,358

CITY COUNCIL

- 13-00 Postage includes monthly Sister Cities newsletter
- 16-00 Business cards and other printing expenses as needed
- 17-00 Townsend Public Affairs, UC planning support , LAFCO services, and video production services
- 18-00 League of California Cities (LCC) Annual Conference, LCC Executive Forum, LCC Policy Committees, City-County Relations, Commissioners reception, NAACP banquet, and LCC Central Valley Division
- 20-00 LCC Annual Conference and Executive Forum
- 24-00 League of California Cities, MCAG One Voice, Sister Cities International and Chambers of Commerce
- 29-00 Nameplates, badges, gavel plaques, cards and flowers

**CITY MANAGER
FUND NO. 001
ACCOUNT NO. 0201**

DESCRIPTION

The City Manager is the Chief Administrative Officer of the City. This office is responsible for coordinating and directing the resources of the City government to carry out the programs and policies established by the City's elected officials. The City Manager serves as the Executive Director of the Public Finance and Economic Development Authority and the Parking Authority and completes the goals and projects for these two entities.

MISSION

The City Manager must ensure that the organizational values of the City are foundation as budgets are prepared and business conducted. These values include an outlook directed to the future; an entrepreneurial, competitive approach to city services; recognition of the value of public investment and the wisdom of maintaining the investment; decision-making at the most appropriate level; and accountability and reward for excellent performance.

SERVICES TO BE PROVIDED

- Legislative monitoring.
- Conduct Administrative Hearing Review of Code Enforcement and parking violations.
- Direct implementation of organizational sustainability.
- Present Annual Budget for 2013-2014.
- Direct the implementation of the Council priorities and goals.
- Management of Recreation and Community Services Department.

SERVICES THAT DO NOT FIT INTO THE BUDGET

GIS

2012-2013 BUDGET HIGHLIGHTS

The City Council's goals and priorities are the foundation for the direction of the City Manager's Office for 2012-2013. The Executive Secretary's time is split 60% for the City Manager's Office and 40% in the City Council's budget. The Assistant to the City Manager is involved in legislative monitoring, response to citizen inquiries and conducting research on major policy issues.

The City Manager's Office will be involved in other public policy issues that arise during the year requiring research and coordination by the City.

BUDGET DETAIL EXPENSES

001-0201 City Manager						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2009-10	ACTUAL 2010-11	FINAL BUDGET 2011-12	CITY MGR. RECOM. 2012-13	COUNCIL APPROVAL 2012-13
511.01-00	Regular Salaries	454,077	407,907	352,834	266,913	266,913
511.04-01	Regular Overtime	0	0	193	193	193
511.10-02	Unused Sick Leave	2,315	2,230	0	0	0
511.10-05	Retirement PERS	77,855	71,044	71,002	55,738	55,738
511.10-06	Social Security-OASDI	23,173	20,713	17,097	16,122	16,122
511.10-07	Social Security-Medicare	6,970	6,192	5,031	3,771	3,771
511.10-08	State Unemployment	630	0	0	0	0
511.10-12	Workers Compensation	340	1,111	1,225	572	572
511.10-20	Earned Benefit	26,435	23,447	750	375	375
511.10-24	Vehicle Allowance	2,625	1,264	0	0	0
511.10-32	Cash Back-Biweekly Allow	569	2	0	0	0
511.10-33	Core Allowance	55,022	48,732	45,914	36,275	35,607
511.10-35	Post Employment Benefits	17,898	35,098	39,865	47,851	47,851
	Personnel Services	667,909	617,740	533,911	427,810	427,142
512.12-00	Telephone	1,211	1,646	1,500	1,500	1,500
512.13-00	Postage	482	97	600	600	600
512.15-00	Office Supplies	2,916	1,939	4,065	3,825	3,825
512.16-00	Printing	18,444	18,055	14,444	15,000	15,000
512.17-00	Professional Services	11,300	12,108	11,360	6,000	6,000
512.18-00	Travel and Meetings	9,897	7,148	10,345	9,241	6,041
512.19-00	Mileage	0	137	250	250	250
512.20-00	Training Expense	2,020	2,804	3,995	3,795	3,795
512.22-00	Office Equipment O & M	5,133	5,000	5,100	1,000	1,000
512.24-00	Memberships, Subscription	5,865	4,425	6,885	6,595	6,595
512.29-00	Other Materials Supplies	244	0	300	1,300	1,300
512.30-01	Dept Share of Insurance	10,731	8,037	8,903	3,940	3,940
512.34-00	Contingency Reserve	0	0	7,500	7,500	7,500
512.38-00	Support Services	32,824	26,077	24,340	20,394	20,394
512.45-00	Facilities Maint Charge	21,358	25,805	28,312	20,818	20,818
	Supplies and Services	122,425	113,278	127,899	101,758	98,558
**	City Manager	790,334	731,018	661,810	529,568	525,700

CITY MANAGER

- 18-00 League of California Cities (LCC) Annual Conference; LCC City Managers Department meeting, Executive and Central Valley Division meetings; International City/County Management Association Conference (ICMA); MCAG Technical Review Board; and City/County meetings
- 20-00 Training for City Manager and staff, registration for LCC Annual Conference; Managers Department and Executive meeting
- 21-00 Maintenance of typewriter
- 24-00 International City Management Association; Sun-Star, Modesto Bee, County Times and other publications
- 29-00 Community events and awards
- 34-00 Contingency reserve for total City operations

**CITY ATTORNEY
FUND NO. 001
ACCOUNT NO. 0301**

DESCRIPTION

The City Attorney is appointed by the City Council and acts as legal advisor and counsel for legal issues involving the City, the Public Financing and Economic Development Authority (PFEDA), and the Parking Authority and their committees and commissions. The City Attorney represents the City Council, City Manager, City administrative staff, PFEDA, and the Parking Authority and others as required to represent the City in litigation and to direct the City's legal service.

MISSION

The City Attorney's office provides expert legal advice and advocacy to and on behalf of the City Council, PFEDA, and the Parking Authority and their committees and commissions, as well as to the City Manager and all city departments, so that policies are established and programs administered within the guidelines established by city, state, and federal laws.

SERVICES TO BE PROVIDED

- Continue to provide transactional services related to City priorities.
- Continue to assist with Organizational Sustainability and downsizing.
- Continue to provide litigation services as required.

SERVICES THAT DO NOT FIT INTO THE BUDGET

- Because training and subscriptions (legal library) line items are substantially reduced, the City Attorney's Office will no longer provide assistance with landlord/tenant issues for City/Agency/Authority owned properties.
- Because the overtime budget line item is eliminated, Departments with projects or litigation requiring overtime by hourly employees in the City Attorney's Office will need to fund the overtime if overtime is required.
- Elimination of the Business License and Animal Control enforcement reports.
- Response time to requests for service will be longer as resources are strained.
- Reduction in criminal filings to only the most critical and severe.
- All other criminal filings referred to Administrative Citation Program.
- City Attorney's Office provided training to staff (e.g., AB 1234, updates on Conflicts of Interest and Brown Act, and contracting procedures [Champions

CITY ATTORNEY

Training)) will be eliminated as the training budget line item is severely reduced and the resources unavailable.¹

- Departments with projects or litigation requiring outside professional services will need to fund the same.
- Projects that are supply intensive will need to have supplies provided by requesting Department as the office supplies line item was reduced by three-fourths.
- Turn-around time on projects will be slower as resources are restricted and staff using administrative time.²
- Access to specialized publications reduced as the law library budget limited to State Codes, LEXIS electronic research services, and the Daily Journal.³

2012-2013 BUDGET HIGHLIGHTS

- Preserves core staffing.
- Maintains the ability to provide core, critical services.
- Professional staff taking on responsibilities and costs to preserve critical support staffing.
- Continued significant reductions in the law library, training, and supplies.
- Budget focuses on supporting key priorities and assisting with Organizational Sustainability and the need to downsize.

¹ Attorney staff have agreed to pay for their legally required continuing education in order to preserve a support staff position in the office.

² Attorney staff have agreed to use their administrative time in order to preserve a support staff position in the office.

³ Attorney staff will be purchasing certain books and publications on their own, traveling to the law library, and paying bar dues on their own in order to preserve a support staff position in the office.

BUDGET DETAIL EXPENSES

001-0301 City Attorney						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2009-10	ACTUAL 2010-11	FINAL BUDGET 2011-12	CITY MGR. RECOM. 2012-13	COUNCIL APPROVAL 2012-13
511.01-00	Regular Salaries	559,411	524,662	517,730	517,730	517,730
511.03-00	Extra Help	493	0	0	0	0
511.10-05	Retirement PERS	95,900	91,401	104,222	108,058	108,058
511.10-06	Social Security-OASDI	27,893	26,309	25,344	31,101	31,101
511.10-07	Social Security-Medicare	8,046	7,529	7,335	7,274	7,274
511.10-08	State Unemployment	887	24,011	0	0	0
511.10-12	Workers Compensation	298	927	1,061	1,012	1,012
511.10-20	Earned Benefit	4,697	9,530	0	0	0
511.10-27	PTS Plan FICA Alternative	6	0	0	0	0
511.10-32	Cash Back-Biweekly Allow	1,220	84	0	0	0
511.10-33	Core Allowance	78,649	71,944	76,952	77,974	76,538
511.10-35	Post Employment Benefits	22,032	6,823	7,749	8,176	8,176
Personnel Services		799,532	763,220	740,393	751,325	749,889
512.12-00	Telephone	235	204	510	510	510
512.13-00	Postage	640	464	350	350	350
512.15-00	Office Supplies	4,625	4,617	4,000	4,000	4,000
512.17-00	Professional Services	132,380	89,892	0	46,000	46,000
512.18-00	Travel and Meetings	2,073	1,681	3,000	3,000	3,000
512.20-00	Training Expense	4,237	1,290	2,000	2,000	2,000
512.22-00	Office Equipment O & M	606	271	0	0	0
512.24-00	Memberships, Subscription	19,180	17,760	16,440	16,440	16,440
512.29-00	Other Materials Supplies	392	623	0	0	0
512.30-01	Dept Share of Insurance	14,992	9,543	12,464	8,275	8,275
512.38-00	Support Services	36,791	31,360	29,787	30,145	30,145
512.45-00	Facilities Maint Charge	31,892	38,533	42,277	40,490	40,490
Supplies and Services		248,043	196,238	110,828	151,210	151,210
**	City Attorney	1,047,575	959,458	851,221	902,535	901,099

CITY ATTORNEY

- 17-00 Outside consultants if required on legal matters, and payment of court costs for filing and copy fees. (Costs directly related to worker's compensation, liability, and ongoing water-related litigation have been budgeted directly into those accounts.)
- 18-00 League of California Cities (LCC) Annual Conference; LCC Attorneys Spring Conference; Land Use Issues; LCW Public Sector Employment Law Conference; as well as travel associated with training outlined in Line 20-00 below.
- 20-00 League of California Cities (LCC) Annual Conference and Committee meetings; LCC Attorneys Spring Conference; Land Use Issues; LCW Public Sector Employment Law Conference; State Bar Mandatory Continuing Legal Education for Attorneys; Continuing Education training programs for support staff.
- 22-00 Maintenance of one typewriter and five Lanier voicewriter/dictators.
- 24-00 Memberships:
State Bar of California
Subscriptions:
LexisNexis; Matthew Bender (CA Deering Codes, Advance Legislative Service); Daily Legal Journal; PACER (online research-Court records)
- 29-00 Special litigation costs and services not otherwise classified.

FINANCE
FUND NO. 001
ACCOUNT NO. 0701-0702

DESCRIPTION

The Finance Department collects and disburses all funds, performs all treasury functions, maintains the general and subsidiary accounting systems, prepares financial and management reports, provides centralized purchasing and central stores, maintains and reviews all internal control policies, and compiles budget revenue and expense estimates.

MISSION

The Finance Department executes the responsibilities and obligations of fiscal administration for the City in the capacity granted in the City Charter. Those essential duties require all departmental staff to serve the public interest with professional standards, which promotes and affirms the public's trust in the performance of the financial affairs of the City and related Agencies.

SERVICES TO BE PROVIDED

The Finance Department will provide financial planning, budgeting, accounting, treasury management, central purchasing, and billing and collection of utilities, licenses and other receivables. In addition the services will be provided in the following specific areas:

1. Assist the Public Works and Development Services Departments in developing financing plans as needed.
2. Assist in developing implementation plan for the Innoprise financial applications.

SERVICES THAT DO NOT FIT INTO THE BUDGET

Due to the continued funding reductions for the Finance/Purchasing Department the following changes will continue:

1. A Basic Financial Statement will be prepared and audited instead of a Comprehensive Annual Financial Report (CAFR). The Basic Financial Statement will meet the requirements of the City Charter, bondholders and grants.
2. Since a CAFR will not be prepared, the City will not be eligible for the Government Finance Officers Association Certification of Achievement for

Excellence in Financial Reporting. This award was received by the City for fourteen consecutive years ending with fiscal year 2010.

3. Annual audit reports have generally been available no later than six months after the year end. With the continued reduction in personnel and extra help these will more than likely not be available until nine months after the end of the fiscal year.
4. All filing and some utility account maintenance once performed by temporary help is now performed by full time personnel between the hours of 8 a.m. and 10 a.m.
5. The Purchasing Division is now staffed with a Purchasing Supervisor and Storekeeper. Because of vacation and sick leave there will be times when Purchasing will be closed because there will not be any staff available.
6. The Finance Department had attempted to respond to information requests, other than Public Information requests, received from inside and outside the organization within three business days. With the continued reduction in personnel, the Finance Department will work on information requests in the order received and attempt to respond within ten business days.

2012-2013 BUDGET HIGHLIGHTS

1. The Office Equipment O& M have been reduced. Preventive maintenance will not be covered on most equipment.
2. There is a reduction in governmental accounting guides and subscriptions.
3. In anticipation of the outcome of the court case in the California Supreme Court, the budget does not include the Merced County Administrative Fee for the Triple Flip and Vehicle in lieu Backfill. This amount is estimated to be \$218,000. If a favorable decision does not come from the court a supplemental appropriation will be needed during the year to cover this item.

BUDGET DETAIL EXPENSES

001-0701 Finance						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2009-10	ACTUAL 2010-11	FINAL BUDGET 2011-12	CITY MGR. RECOM. 2012-13	COUNCIL APPROVAL 2012-13
511.01-00	Regular Salaries	1,348,132	1,312,467	1,245,180	1,239,255	1,239,255
511.03-00	Extra Help	31,404	84,947	0	30,000	30,000
511.04-01	Regular Overtime	0	188	0	0	0
511.10-02	Unused Sick Leave	3,835	3,146	4,196	2,318	2,318
511.10-05	Retirement PERS	229,599	227,296	249,522	257,505	257,505
511.10-06	Social Security-OASDI	81,423	79,344	75,372	76,136	76,136
511.10-07	Social Security-Medicare	20,090	20,302	18,121	18,241	18,241
511.10-08	State Unemployment	3,410	70,876	0	0	0
511.10-12	Workers Compensation	1,201	5,271	7,680	4,904	4,904
511.10-20	Earned Benefit	6,443	11,832	6,266	6,262	6,262
511.10-21	Bilingual Pay Program	1,535	1,773	2,400	1,800	1,800
511.10-27	PTS Plan FICA Alternative	412	1,107	0	390	390
511.10-32	Cash Back-Biweekly Allow	3,834	5	0	0	0
511.10-33	Core Allowance	278,354	293,114	289,247	279,325	274,129
511.10-35	Post Employment Benefits	51,500	26,328	29,907	39,721	39,721
Personnel Services		2,061,172	2,137,996	1,927,891	1,955,857	1,950,661
512.11-00	Utilities	7,169	7,633	7,150	7,150	7,150
512.12-00	Telephone	2,817	2,674	2,648	2,754	2,754
512.13-00	Postage	25,106	20,582	26,010	24,610	24,610
512.15-00	Office Supplies	19,344	15,161	15,859	15,419	15,419
512.16-00	Printing	11,718	8,681	10,650	7,875	7,875
512.17-00	Professional Services	512,487	534,063	378,990	266,850	266,850
512.18-00	Travel and Meetings	4,321	3,172	2,385	1,876	1,876
512.20-00	Training Expense	2,656	2,738	1,880	1,815	1,815
512.21-00	Rents/Leases	1,103	1,079	1,080	1,080	1,080
512.22-00	Office Equipment O & M	3,798	3,475	3,690	2,950	2,950
512.23-00	Vehicle Operations/Maint	333	427	421	447	447
512.24-00	Memberships, Subscription	5,944	5,828	11,691	11,143	11,143
512.29-00	Other Materials Supplies	382	301	300	300	300
512.30-01	Dept Share of Insurance	55,558	42,265	49,402	32,396	32,396
512.38-00	Support Services	212,167	173,884	165,346	155,524	155,524
512.45-00	Facilities Maint Charge	58,245	70,531	77,236	74,117	74,117
Supplies and Services		923,148	892,494	754,738	606,306	606,306
516.62-00	Stores Inventory Adjust	252-	187	0	0	0
Other		252-	187	0	0	0
706.71-01	Principal-Bond Payment	140,000	170,000	205,000	245,000	245,000
706.72-01	Interest Bond Payment	403,063	396,310	387,782	377,163	377,163
706.73-01	Agent Fees-Bond Payment	2,500	2,500	2,500	2,500	2,500
Debt Services		545,563	568,810	595,282	624,663	624,663
**	Finance	3,529,631	3,599,487	3,277,911	3,186,826	3,181,630

FINANCE/PURCHASING

- 11-00 Includes utilities for central warehouse
- 13-00 Mailing of business license information and billings, financial statements, correspondence, vendor payments, annual tax statements (W-2, 1098, 1099), accounts receivable invoices, collection notices, and purchase orders
- 16-00 Printing of business licenses and statements, accounts receivable statements, annual financial report, accounts payable checks, payroll checks, annual tax statements (W-2, 1098 & 1099), business envelopes and purchase orders
- 17-00 Assessment roll updates; sales tax tapes; credit information services; Merced County administration fees (\$149,000); General Fund portion of audit; collection service; State Controller Report preparation; Banking and Merchant Card Services; Safekeeping Services; ACH fees for Utility Billing; Electronic Consumer Collection fees;
- 18-00 Travel for California Society of Municipal Finance Officers (CSMFO); Central Valley Chapter of California Society of Municipal Finance Officers; California Association of Public Purchasing Officers (CAPPO); and travel costs associated with training Line 20-00 below
- 20-00 CAPPO seminars; continuing professional education requirements for certified staff; and registration costs associated with meetings outlined in Line 18-00 above
- 21-00 Annual burglar alarm service for Finance and Purchasing
- 22-00 Maintenance for check protector, document perforator, copiers, encoder/endorser, currency counter, laser printers and fax machines

FINANCE/PURCHASING (continued)

24-00 Memberships:

CSMFO; American Institute of Certified Public Accountants; California State Society of Certified Public Accountants; CPA license renewals, CAPPO; City Wide Costco Executive Membership and National Association of Purchasing Managers

Subscriptions:

GAAP/GASB Update; Payroll Management and Tax Guides; State Tax Guides, and Guidance for Government Engagements

29-00 Customer service expenses; and miscellaneous repairs to equipment and building.

FOOTNOTE: Figures represent combined total of Finance and Purchasing divisions.