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CITY OF SACRAMENTO

DEPARTMENT OF FINANCE

ACCOUNTING DIVISION

September 26, 1985
FAD: 85099/PEE/lmh

Phil E. Ezell
Accounting Officer

City Council
Sacramento, California

APPROVED
BY THE CITY COUNCIL

OCT 8 1985

CITY MANAGER'S OFFICE
RECEIVED
SEP 26 1985

Honorable Members in Session:

OFFICE OF THE
CITY CLERK

SUBJECT: Staff Increase for Assessment District and Capital Improvement Project Accounting

Summary

Approval of the attached resolution will authorize 1.0 FTE additional staff for the Department of Finance, Accounting Division, the employee will be assigned direct responsibility for accounting and monitoring the financial aspects of all Special Assessment Districts and Capital Improvement Projects. All current and on-going cost of the position will be funded by Special Assessment District proceeds.

Background Information

The approved 1984-85 budget authorized a staffing increase for the Department of Finance of an Accountant/Auditor II position. This position was to be assigned direct responsibilities of maintaining a detailed and complex accounting system for the numerous assessment districts within the City.

Due to the urgency of restructuring the cash and investment accountability between the City Treasurer and the Department of Finance, this position was authorized by City Council to be reassigned to the accountability project. The re-assignment has proven to be completely effective and the accountability process is under control. However, the process is still being maintained on a manual basis and the position must continue in this capacity until a new integrated financial system is installed sometime next year.

While cash was being controlled, other areas such as continued work on an effective Special Assessment Accounting System and Capital Improvement Project monitoring were deferred and some deterioration in these areas occurred. Specifically, current policy for assessment districts requires that delinquency reserve funds be maintained for each district and

that these reserves be used to pay annual delinquencies that were previously funded from the City's General Fund. Although staff is attempting to comply with the policy, we cannot be sure strict compliance is in force due to the fragmentation of assignments between several staff and three divisions within the City. Additionally, the City is establishing many new districts to accommodate improvement needs. In fiscal year 1984-85 approximately \$14,500,000 in assessment districts were added. Of this amount, two sizeable districts, Pocket Road Storm and Sanitary Sewer District, \$8,850,000 and Morrison Creek District, \$5,400,000, were included. These districts, because of size and dollar value, present unique and complex accounting problems. In previous years sizeable districts have been added, but as stated earlier, monitoring and accounting for the districts must be improved. The uniqueness of the South Pocket Elementary School Assessment District will require some special accounting applications.

In addition to the need for improving Special Assessment District Accounting, some areas of monitoring project cost and recovering indirect amounts are not being done as efficiently as possible for the Capital Improvement Programs in the City. For example, certain projects which are funded by gas tax funds must be maintained more carefully than others to comply with statutory regulations. If costs are not properly recorded in the correct time periods, then any potential recovery of indirect rates and, in some cases, direct cost will be forfeited. The most critical projects get the attention required, however, other smaller and equally important sources of reimbursements to the City's General Fund are not receiving consistent attention or monitoring.

The Accounting Division has been asked on many occasions to provide additional information and increased levels of cost recovery by the Public Work and General Services Departments. With approval of this position, most of their requests can be completed.

A "project" accounting module is being reviewed for inclusion in the proposed Financial Management Information System now under study by City staff. This position will fill an important role in properly defining our current, as well as, future needs.

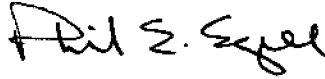
Financial Data

It is proposed that this position be staffed at the Accountant/Auditor I level. Funding required for the remainder of the year would be \$32,150. This includes \$25,650 for nine months of salary and benefits and \$6,500 for a microcomputer and related office equipment. The annual cost of the position, at current salary step A, is \$34,200. The funding of the position will come from the Special Assessment Bond Registration Fund which can be used for administration and direct cost. Revenue from this source is projected at \$108,000 in 1985-86 and is expected to grow between 10% and 15% per year. In addition, indirect cost recovery would be enhanced to the benefit of the City's General Fund and many department requests will be fulfilled.

Recommendation

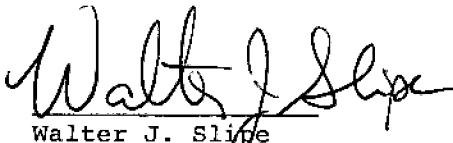
It is recommended the City Council approve the attached resolution authorizing additional staff and amending the City's 1985-86 budget.

Respectfully submitted,



Phil E. Ezell
Accounting Officer

Recommend Approval:



Walter J. Slive
City Manager

October 8, 1985
All Districts

RESOLUTION NO. 85-767

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

October 8, 1985

RESOLUTION AUTHORIZING STAFF INCREASE OF 1.0 FTE
AND APPROPRIATING FUNDS

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

1. That 1.0 FTE Accountant/Auditor I position be added to the
Department of Finance, Accounting Division, and

2. That \$32,150 be transferred from the Bond Registration Fund
Administrative Contingency (232-7012-4399) to the Accounting Division
Budget (1-01-1131-XXXX) to provide funding for the position and
necessary support equipment.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

OCT 8 1985

OFFICE OF THE
CITY CLERK