

FINANCE

Description of Operations

The Finance Department manages the fiscal affairs of the City of Sarasota. This includes the day to day management of central financial functions such as budgeting, investments, revenue collection, cash management, debt administration and financial reporting. The Finance Department also oversees the activities of the Accounting and Payroll Department which includes accounting, accounts payable, fixed asset accounting, payroll and financial reporting and the Information Systems and Technology Department. The Accounting and Payroll Department and the Information Systems and Technology Department, which organizationally report to the Finance Department, are presented in the budget as separate departments. The department provides timely, practical and appropriate financial information and analysis to City management in order to promote informed decisions regarding the efficient and effective use of the City's financial resources. All financial transactions are recorded and reported in accordance with generally accepted accounting principles, Governmental Accounting Standards Board pronouncements and all applicable state and federally mandated standards.

The Finance Department also includes the Cities' safety program and liability claims administration activities. The Risk Management Program manages third party insurance coverage for buildings, boiler and machinery, theft and burglary, public officials and petroleum storage. The City is self-insured in the areas of fleet liability, workers' compensation and minor appurtenance liability. The program investigates, monitors and processes all claims made upon the City's self insurance funds except employee medical and dental claims.

Department Expenditures by Cost Center

	FY 2000 Actual	FY 2001 Budget	FY 2002 Continuation	FY 2002 Issues	FY 2002 Totals
037661 FINANCE ADMINISTRATION	293,892	308,890	331,419	0	331,419
037663 BUDGET	98,453	106,166	96,300	0	96,300
037664 TREASURY OPERATIONS	101,623	111,076	125,505	0	125,505
037672 SAFETY PROGRAMS	35,440	60,364	62,238	0	62,238
037673 CLAIMS ADMINISTRATION	46,554	73,863	75,737	0	75,737
Totals	\$575,962	\$660,359	\$691,199	\$0	\$691,199

Department Expenditures By Category

	FY 2000 Actual	FY 2001 Budget	FY 2002 Continuation	FY 2002 Issues	FY 2002 Totals
Personal Expenditures	503,031	613,355	628,819	0	628,819
Non Personal Expenditures	50,327	43,190	54,234	0	54,234
Capital Expenditures	22,604	3,814	8,146	0	8,146
Totals	\$575,962	\$660,359	\$691,199	\$0	\$691,199

Personnel Summary

Actual Positions	8.50	0.00	8.50
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Revenue Summary

	Total
OTHER TAXES	13,103,565
INTERGOVERNMENTAL	5,240,500
	\$18,344,065

FINANCE

FINANCE ADMINISTRATION

Description of Operations

The Finance Administration Program provides financial policy direction, guidance and assistance to the operating programs in the Department of Finance in addition to a wide variety of financial services to citizens, the City Commission, the City Manager, the City Auditor and Clerk, City departments and other governmental agencies. Finance Administration advises the City administration on the budget and the financial condition of all City operations and provides strategy to guide the financial operations of the City. Administration staff conduct special analyses and projects that ensure the financial integrity of the City by providing the highest standards in services through the development of sound planning, policies, practices and procedures. The result ensures a clear division of duties and necessary internal controls over the City's cash and investments, revenues, expenditures, fixed assets, accounts receivable, accounts payable, accounting and payroll.

This office provides analysis, research and fiscal planning regarding the City's debt structure and enhancement of non-tax revenue sources. This includes the calculation and preparation of financial data for bond issues and the preparation of the annual continuing disclosure reports required by various bond covenants. The office also pursues enhanced methods of collecting and reporting financial data and investigates ways to provide meaningful information to citizens of the City, the City Commission, the City Manager, the City Auditor and Clerk and City staff. Revenue forecasting requires an accurate estimate of City taxable property values in order to estimate future revenues due to ad valorem taxes and all special assessment districts and tax increment financing (TIF). Technological advances in information processing are employed to assist in the enhancement of revenue and in implementing operating efficiencies. The staff also prepare daily cash receipts for all monies received by the Department of Finance and prepare, invoice and collect all billings of City owned lease properties, agreements and pre-annexation contracts. Additional activities include assisting in the preparation of the City's Comprehensive Annual Financial Report (CAFR).

The Finance Administration Program provides managerial and secretarial support to all of the operating programs in the Department of Finance.

Goal - Responsible City Government

To accurately report the financial condition of the City in such a way as to provide meaningful information that encourages informed and timely decisions on the part of City staff.

Objectives

- To develop and implement an up to date web page.
- To maintain and manage an effective computerized financial management system (FMS).
- To distribute periodic financial reports.
- To maintain daily, monthly and annual financial reports on demand.
- To provide accurate revenue and expenditure forecasts on a timely basis.
- To invoice for City services within established timeframes.

Goal - Responsible City Government

To establish and maintain prudent fiscal policies and practices.

Objectives

- To provide accurate, timely and appropriate financial analyses and projects.
- To monitor and accurately forecast financial trends.
- To identify and pursue new and alternative sources of revenue.
- To comply with all appropriate pronouncements of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

Goal - Responsible City Government

To exercise leadership among all Department of Finance staff.

FINANCE

FINANCE ADMINISTRATION

Objectives

To promote and encourage pursuit of annual GFOA certificates.

To provide continuing professional training opportunities to department staff.

To encourage and provide membership to professional organizations for department staff.

To conduct department staff meetings at least once per month.

Performance Measures

Description	Unit	FY2000	FY2001	FY2002
Output Measure				
Invoices billed and collected	Number	280	625	320
Continuing disclosure reports issued	Number	6	8	10
Special assessment district parcels	Number	346	346	346
Effectiveness Measure				
GFOA award - Budget	Y/N	Y	Y	Y
Budget/actual revenue forecast	Percent	107.1	103.2	100.0
Bond rating - Moody's	Number	AA3	AA3	AA3
Bond rating - Standard & Poor's	Number	AA-	AA-	AA-
GFOA award - Finance	Y/N	Y	Y	Y
Efficiency Measure				
City FTE per Finance Admin FTE	Number	199.7	202.7	196.3

Expenditures By Category

	FY 2000 Actual	FY 2001 Budget	FY 2002 Continuation	FY 2002 Issues	FY 2002 Totals
Personal Expenditures	255,948	286,230	307,213	0	307,213
Non Personal Expenditures	20,147	20,906	21,006	0	21,006
Capital Expenditures	17,797	1,754	3,200	0	3,200
Totals	\$293,892	\$308,890	\$331,419	\$0	\$331,419

Personnel Summary

Actual Positions	3.80	0.00	3.80
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FINANCE BUDGET

Description of Operations

The Budget Program manages the City's annual budget through a variety of activities and functions that are consistent with established City policies and state statutes. The annual City budget is developed with significant input from the City Commission, the City Manager, the City Auditor and Clerk, the Finance Director, department directors and members of the budget staff. It includes both the operating budget which includes salaries, operating expenses and capital, and the Capital Improvement Plan (CIP) which includes significant multi-year capital expenditures for design, maintenance and construction projects.

A computerized budget system, managed and operated by the Deputy Finance Director, is utilized to collect, analyze, calculate and print the annual budget book. The annual budget instructions are developed and distributed and training is conducted to prepare City department staff to enter data into the budget system. The annual budget calendar is established and maintained to ensure that the process is accomplished in a structured and timely manner.

Department budget requests are evaluated for consistency with submission requirements, reasonableness in light of financial and performance criteria and to ensure they are consistent with the City's budgeting philosophy. CIP requests are evaluated and prioritized in reference to revenue forecasts and community needs.

Finally, the budget package (operating and CIP) is presented to the City Manager and to the City Commission. Language and documentation for ordinances and resolutions is developed as necessary to establish appropriations, millage rates and supplemental budget issues.

Goal - Responsible City Government

To develop and manage an annual city budget process that accurately reflects the City's financial position, provides appropriate information to interested parties and supports sound financial decisions and meets budget standards as promoted by the Government Finance Officers Association (GFOA) and others.

Objectives

To refine the annual carryover process over the next three years to minimize carryover levels and to obtain consensus among members of the City Commission.

To begin the inclusion of performance measures in City department budget requests in FY 2002.

To prepare the City's annual financial plan.

To estimate projected/actual expenditure variance within 2% in FY 2002.

To develop and implement a Capital Improvement Plan (CIP) software application by September 30, 2002.

To conduct a detailed comparison of two City departments' operating budgets to those of comparative sized Florida municipalities.

To provide the adopted FY 2002 City operating budget on the City web site by December 31, 2001.

Performance Measures

Description	Unit	FY2000	FY2001	FY2002
Output Measure				
Department staff budget training	Hours	36	36	36
GFOA mandatory categories met	Number	13	13	13
Effectiveness Measure				
City depts budgeted with perf measures	Number	3	6	30
City depts budgeted with perf measures	Percent	8.6	16.2	79.0
GFOA mandatory categories met	Percent	100	100	100
Efficiency Measure				
City FTE per budget program FTE	FTE	591.2	569.0	621.7

FINANCE BUDGET

Expenditures By Category

	FY 2000 Actual	FY 2001 Budget	FY 2002 Continuation	FY 2002 Issues	FY 2002 Totals
Personal Expenditures	89,403	97,839	86,677	0	86,677
Non Personal Expenditures	6,555	7,327	8,623	0	8,623
Capital Expenditures	2,495	1,000	1,000	0	1,000
Totals	\$98,453	\$106,166	\$96,300	\$0	\$96,300

Personnel Summary

Actual Positions			1.20	0.00	1.20
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FINANCE

TREASURY OPERATIONS

Description of Operations

The Treasury Operations Program manages the City's financial resources through the timely and accurate collection, deposit, monitoring, transferring and investment of City funds. The purpose of this activity is to ensure sufficient funds are available where and when they are required to pay the City's financial obligations including operating expenses, payroll and debt service. The program accomplishes this through consistent monitoring of the City's funding needs, receiving and depositing receipts in a timely manner and transferring funds among appropriate accounts to permit expenditures to be made when necessary. Many administrative and banking activities are necessary to permit this activity to proceed without delay. Electronic banking is utilized extensively to permit greater control and flexibility over the City's accounts including electronic transmission for Positive Pay for both payroll and general disbursements and on-line processing of fund transfers for debt service and other recurring disbursements. In addition, it is utilized to wire funds and transmit data for deferred compensation, sales and use taxes, payroll taxes and to third party administrators handling workers compensation and medical/dental insurance. The City also transmits payroll through the Automated Clearing House (ACH) process of the Federal Reserve System. Treasury functions also include managing the City's investment program, managing the City's electronic banking function, processing all fund transfers between City accounts, monitoring City debt service requirements and collecting and processing all daily deposits citywide.

The Treasury Operations Program also manages the City's investment portfolio. This activity is conducted within the strict guidelines promulgated by the City's investment policy as established by the City Investment Committee which consists of the City Manager, the City Auditor and Clerk, the Finance Director and the Cash Management Manager. The program must provide quality investment services that comply with the City investment policy which emphasizes safety and liquidity while maximizing the annual rate of return. The portfolio consists of U.S. Treasuries, U.S. Government agencies, Local Government Surplus Trust Funds, Repurchase Agreements and Certificates of Deposit. With the exception of U.S. Treasuries, no portion may exceed 35% of the total portfolio. The City's Investment Committee reviews the portfolio performance at the conclusion of each quarter and an annual report is authored.

Goal - Responsible City Government

To maximize investment yield while operating within City investment guidelines.

Objectives

To maintain an overall annual investment yield equal to, or greater than, the City benchmark yield for the operating portfolio as defined in Section 3 of City Resolution No. 98R-1044.

To strengthen City investment policies to take advantage of the changing investment markets.

Goal - Responsible City Government

To ensure there is sufficient funds to maintain operating and debt needs on a timely and effective basis.

Objectives

To improve the Automated Clearing House (ACH) process.

To introduce automation into the cash receipt process.

To continue to collect and deposit all revenue in accordance with statutory provisions and within established time frames.

To re-negotiate bankcard interchange contract to obtain lowest possible charge.

To file arbitrage reports annually.

Performance Measures

Description	Unit	FY2000	FY2001	FY2002
Output Measure				
Investment reports issued	Number	4	5	5
Average funds invested ~ millions	Dollars	42.4	42.1	42.3

FINANCE TREASURY OPERATIONS

Output Measure

Cash reports processed	Number	4,291	4,890	4,890
Arbitrage reports filed	Number	3	1	2

Effectiveness Measure

Annual rate of return	Percent	5.72	4.13	4.13
Annual rate of return vs. benchmark	Percent	123.0	114.1	114.1
Investment report issued following end of quarter	Days	30	15	10

Efficiency Measure

City FTE per Finance Treasury FTE	Number	476.8	477.3	497.3
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Expenditures By Category

	FY 2000 Actual	FY 2001 Budget	FY 2002 Continuation	FY 2002 Issues	FY 2002 Totals
Personal Expenditures	94,997	103,699	113,928	0	113,928
Non Personal Expenditures	4,859	6,317	10,517	0	10,517
Capital Expenditures	1,767	1,060	1,060	0	1,060
Totals	\$101,623	\$111,076	\$125,505	\$0	\$125,505

Personnel Summary

Actual Positions			1.50	0.00	1.50
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FINANCE

SAFETY PROGRAMS

Description of Operations

The Safety Program, under the direction of the Finance Director, administers the City of Sarasota's Safety Program, through the education of employees, inspection of facilities, and the monitoring of state and national safety procedures and practices.

The three basic elements of the Safety Program are 1) the avoidance of injuries to employees, 2) the avoidance of injuries to the public and their property, and 3) the avoidance of damages to City property and equipment. The avoidance of these elements equates to substantial dollar savings for the City. Although difficult to quantify, as we are attempting to measure occurrences that do not happen we have developed systems that will allow us to make comparisons of current volume of occurrences and dollar amounts. One current measurement of our Safety Program is the State of Florida's Workers' Compensation claims modifier. This modifier uses a base of 1.00 for the average combined salary and job classification structure of the City. The state decides the City's modifier by comparing the expected number of claims to the actual. The City's current modifier is .78, thereby making the City's experience three-fourths of comparable classifications and pays.

Goal - Attractive, Safe & Environmentally-Friendly City

To reduce loss, both personal injury and property.

Objectives

To reduce the Workers' Compensation modifier rate to an average of .70 by February of 2002.

Performance Measures

Description	Unit	FY2000	FY2001	FY2002
Output Measure				
Employees received safety training	Number	300	430	450
Effectiveness Measure				
Workers' compensation claims	Number	151	131	128
Average cost per claim	Dollars	\$2,089	\$1,700	\$1,600
Workers' compensation claims modifier	Number	.75	.78	.70
Efficiency Measure				
Safety cost per citywide FTE	Dollars	\$55	\$85	\$91

Expenditures By Category

	FY 2000 Actual	FY 2001 Budget	FY 2002 Continuation	FY 2002 Issues	FY 2002 Totals
Personal Expenditures	31,778	56,911	55,310	0	55,310
Non Personal Expenditures	3,117	3,453	5,073	0	5,073
Capital Expenditures	545	0	1,855	0	1,855
Totals	\$35,440	\$60,364	\$62,238	\$0	\$62,238

Personnel Summary

Actual Positions	1.00	0.00	1.00
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FINANCE

CLAIMS ADMINISTRATION

Description of Operations

Claims Administration, under the direction of the Finance Director, administers the City's fleet, public liability and workers' compensation claims, through the education of employees, investigation of incidents, and the monitoring of state and national statutes and court decisions.

Claims Administration investigates, monitors and processes all claims dealing with the City's self-insurance funds except medical and dental claims. The department cooperates with the City Attorney on all claims that involve personal injury or have legal representation on behalf of the claimant.

Goal - Responsible City Government

To control the costs of claims administration through aggressive investigation of all claims.

Objectives

To reduce the payout of at-fault accidents involving City vehicles by 5% from the previous year.

Performance Measures

Description	Unit	FY2000	FY2001	FY2002
Output Measure				
Claims processed	Number	57	46	41
Claims resolved	Number	23	21	20
Effectiveness Measure				
Total claims cost	Dollars	\$175,631	\$199,617	\$113,440
Efficiency Measure				
Cost per claim	Dollars	\$7,636	\$9,505	\$5,672

Expenditures By Category

	FY 2000 Actual	FY 2001 Budget	FY 2002 Continuation	FY 2002 Issues	FY 2002 Totals
Personal Expenditures	30,905	68,676	65,691	0	65,691
Non Personal Expenditures	15,649	5,187	9,015	0	9,015
Capital Expenditures	0	0	1,031	0	1,031
Totals	\$46,554	\$73,863	\$75,737	\$0	\$75,737

Personnel Summary

Actual Positions	1.00	0.00	1.00
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