

FINANCE

Mission Statement

To effectively manage the fiscal affairs of the City in a legal, professional, ethical and responsible manner and to provide accurate, timely, practical and appropriate financial information to all interested parties.

Description of Operations

The Finance Department manages the day to day financial functions of the City 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. The Accounting and Payroll Department, which organizationally reports to the Finance Department, is presented in the budget as a separate department. 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' Risk Management Program which includes the Safety Program and the Claims Administration Program. 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 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
037661 FINANCE ADMINISTRATION	314,715	331,419	325,859	0	325,859
037663 BUDGET	108,690	96,300	120,642	0	120,642
037664 TREASURY OPERATIONS	114,291	125,505	138,193	0	138,193
037672 SAFETY PROGRAMS	54,813	62,238	67,844	0	67,844
037673 CLAIMS ADMINISTRATION	56,207	75,737	81,713	0	81,713
Totals	\$648,716	\$691,199	\$734,251	\$0	\$734,251

Department Expenditures By Category

	FY 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
Personal Expenditures	592,238	628,819	667,080	0	667,080
Non Personal Expenditures	38,088	54,234	56,925	0	56,925
Capital Expenditures	18,390	8,146	10,246	0	10,246
Totals	\$648,716	\$691,199	\$734,251	\$0	\$734,251

Personnel Summary

Actual Positions	8.50	8.50	0.00	8.50
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Revenue Summary

	Total
OTHER TAXES	14,398,546
INTERGOVERNMENTAL	5,172,250
	\$19,570,796

FINANCE

FINANCE ADMINISTRATION

Mission Statement

To provide financial policy direction, guidance and assistance to the operating programs within the Department of Finance and to advise the City administration on the budget and the financial condition of all City operations.

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 information 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 from ad valorem taxes, special assessment districts and the Community Redevelopment Areas. 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 administrative 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 the City administration.

Objectives

- To maintain 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 and timely financial analyses.
- To complete all projects in a timely manner.
- To monitor and accurately forecast financial trends.
- To identify and pursue new and alternative sources of revenue.

FINANCE

FINANCE ADMINISTRATION

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.

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 twice per month.

Performance Measures

Description	Unit	FY 2000	FY 2001	FY 2002	FY 2003
Output Measure					
Invoices billed and collected	Number	280	552	1,368	1,400
Continuing disclosure reports issued	Number	6	8	9	10
Special assessment district parcels	Number	346	346	346	346
Effectiveness Measure					
GFOA award - Budget	Y/N	Y	Y	Y	Y
Budget/actual revenue forecast	Percent	107.1	110.8	101.9	100.0
Bond rating - Moody's	Number	AA3	AA3	AA3	AA3
Bond rating - Standard & Poor's	Number	AA-	AA-	AA-	AA-
GFOA award - Finance	Y/N	Y	Y	Y	Y
Efficiency Measure					
City FTE per Finance Admin FTE	Number	198.9	201.8	218.5	223.1

Expenditures By Category

	FY 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
Personal Expenditures	285,061	307,213	302,536	0	302,536
Non Personal Expenditures	19,986	21,006	21,223	0	21,223
Capital Expenditures	9,668	3,200	2,100	0	2,100
Totals	\$314,715	\$331,419	\$325,859	\$0	\$325,859

Personnel Summary

Actual Positions	3.80	3.40	0.00	3.40
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FINANCE BUDGET

Mission Statement

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.

Description of Operations

The Budget Program manages the City's annual budget process 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. The Budget Program 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 of 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 document. The annual budget instructions are developed and distributed and training is conducted to prepare City department staff to enter data into the windows based 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 two years to minimize carryover levels.

To continue the inclusion of performance measures in City department budget requests in FY 2003.

To prepare the City's annual financial plan.

To estimate projected/actual expenditure variance within 2% in FY 2003.

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

To provide the adopted FY 2003 City operating budget on the City web site by December 31, 2002.

Performance Measures

Description	Unit	FY 2000	FY 2001	FY 2002	FY 2003
Output Measure					
Dept staff scheduled for budget training	Number	108	108	108	108
Dept staff attended budget training	Number	45	50	46	50
GFOA mandatory categories met	Number	13	13	13	13
Effectiveness Measure					
City depts budgeted with perf measures	Number	3	6	30	32
City depts budgeted with perf measures	Percent	8.6	16.2	79.0	84.2
GFOA mandatory categories met	Percent	100	100	100	100

FINANCE BUDGET

Efficiency Measure

City FTE per budget program FTE	FTE	588.8	566.7	495.3	505.7
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Expenditures By Category

	FY 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
Personal Expenditures	97,697	86,677	110,161	0	110,161
Non Personal Expenditures	5,921	8,623	8,781	0	8,781
Capital Expenditures	5,072	1,000	1,700	0	1,700
Totals	\$108,690	\$96,300	\$120,642	\$0	\$120,642

Personnel Summary

Actual Positions		1.20	1.50	0.00	1.50
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FINANCE

TREASURY OPERATIONS

Mission Statement

To effectively manage the City's financial resources through the timely and accurate collection, deposit, monitoring, transferring and investment of City funds.

Description of Operations

The Treasury Operations Program manages the City's financial resources 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 process 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 (both payroll and accounts payable) as well as 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 Investment Committee, which consists of the City Manager, City Auditor and Clerk, Finance Director and the Cash and Investment Manager. This program must comply with the City's 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 Investment Committee reviews the portfolio performance at the conclusion of each quarter and issues an annual report.

The Treasury Operations Program also handles the filing of federally required arbitrage reports on the investments of all debt issues of the City. If the City earns more than allowed on its investments of a construction fund or debt service fund, the City must rebate excess earnings to the Federal Government every five years. The City's policy is to maximize earnings, and as a result, sometimes rebates are required.

Goal - Responsible City Government

To maximize investment yield while operating within investment guidelines.

Objectives

To maintain an overall annual investment yield equal to, or greater than, the benchmark yield for the operating portfolio as established in the investment policy.

To review and improve investment policies to ensure the safety of funds in 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 and on a timely basis.

FINANCE

TREASURY OPERATIONS

Performance Measures

Description	Unit	FY 2000	FY 2001	FY 2002	FY 2003
Output Measure					
Investment reports issued	Number	4	4	5	5
Average funds invested ~ millions	Dollars	42.4	40.9	41.0	41.0
Cash reports processed	Number	4,291	4,659	4,834	4,834
Arbitrage reports filed	Number	3	1	2	2
Effectiveness Measure					
Annual rate of return	Percent	5.72	5.21	3.10	3.00
Annual rate of return vs. benchmark	Percent	123.0	156.7	125.0	125.0
Investment report issued following end of quarter	Days	30	30	30	30
Efficiency Measure					
City FTE per Finance Treasury FTE	Number	474.8	475.3	495.3	474.1

Expenditures By Category

	FY 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
Personal Expenditures	106,379	113,928	126,083	0	126,083
Non Personal Expenditures	7,912	10,517	11,050	0	11,050
Capital Expenditures	0	1,060	1,060	0	1,060
Totals	\$114,291	\$125,505	\$138,193	\$0	\$138,193

Personnel Summary

Actual Positions	1.50	1.60	0.00	1.60
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FINANCE

SAFETY PROGRAMS

Mission Statement

To provide a safe and healthy environment for City employees and citizens and to minimize losses due to personal injury and/or property damage which cause personal suffering and reduce the City's capacity to effectively fulfil its obligation to the citizens of the City.

Description of Operations

Under the direction of the Finance Director, the Risk Management Division administers the City of Sarasota's Safety Program through the education of employees, inspection of facilities, and the implementation of mandated state and federal safety and health 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 property and equipment. The avoidance of these elements equates to substantial dollar savings for the City. The most accurate 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 calculates the City's modifier by comparing the expected number of claims and cost per claim to the actual number filed and costs. The City's current modifier is .70, thereby making the City's experience three-fourths of comparable classifications and pay.

Goal - Attractive, Safe & Environmentally-Friendly City

To reduce loss, both personal injury and property damage.

Objectives

To reduce the Workers' Compensation modifier rate from .70 for 2001/2002 to .68 for 2002/2003.

Performance Measures

Description	Unit	FY 2000	FY 2001	FY 2002	FY 2003
Output Measure					
Safety training sessions conducted	Number	36	36	40	44
Effectiveness Measure					
Workers' compensation claims	Number	151	151	145	139
Workers' compensation claims modifier	Number	.75	.75	.70	.68

Expenditures By Category

	FY 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
Personal Expenditures	51,482	55,310	58,952	0	58,952
Non Personal Expenditures	1,901	5,073	5,787	0	5,787
Capital Expenditures	1,430	1,855	3,105	0	3,105
Totals	\$54,813	\$62,238	\$67,844	\$0	\$67,844

Personnel Summary

Actual Positions	1.00	1.00	0.00	1.00
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FINANCE

CLAIMS ADMINISTRATION

Mission Statement

To effectively administer claims filed against the City and to provide a safe and healthy environment for City employees and its citizens through aggressive investigation of losses and prudent settlement of claims and subsequent education of employees to minimize future losses.

Description of Operations

Risk Management is charged with the responsibility of liability claims administration. Claims are paid through the City's fleet, public liability and workers' compensation self-insured funds. Through the education of employees, investigation of incidents, and the monitoring of state and federal statutes and court decisions help to minimize the impact of these claims.

Claims administration involves investigations, monitoring specific incident trends and accurate processing of all claims dealing with the self-insurance funds, except medical and dental claims. Risk Management utilizes all available resources, including legal representation, to defend the City against claims involving personal injury and/or property damage.

Goal - Attractive, Safe & Environmentally-Friendly City

To control the costs of claims through aggressive investigation of all claims and rectifying potential problems.

Objectives

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

Performance Measures

Description	Unit	FY 2000	FY 2001	FY 2002	FY 2003
Output Measure					
At-fault claims processed	Number	33	17	20	18
Effectiveness Measure					
Total claims cost	Dollars	n/a	\$221,992	\$199,617	\$179,240
Efficiency Measure					
Cost per claim	Dollars	n/a	\$13,058	\$9,981	\$9,958

Expenditures By Category

	FY 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
Personal Expenditures	51,619	65,691	69,348	0	69,348
Non Personal Expenditures	2,368	9,015	10,084	0	10,084
Capital Expenditures	2,220	1,031	2,281	0	2,281
Totals	\$56,207	\$75,737	\$81,713	\$0	\$81,713

Personnel Summary

Actual Positions	1.00	1.00	0.00	1.00
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