

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 City's 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 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
037661 FINANCE ADMINISTRATION	421,359	495,681	529,056	0	529,056
037663 BUDGET	131,744	192,310	201,745	0	201,745
037664 TREASURY OPERATIONS	147,587	158,671	171,288	0	171,288
037672 SAFETY PROGRAMS	65,665	84,667	92,682	0	92,682
037673 CLAIMS ADMINISTRATION	198,871	228,504	300,062	0	300,062
Totals	\$965,226	\$1,159,833	\$1,294,833	\$0	\$1,294,833

Department Expenditures By Category

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
Personal Expenditures	703,212	827,428	882,905	0	882,905
Non Personal Expenditures	259,304	311,905	385,328	0	385,328
Capital Expenditures	2,710	20,500	26,600	0	26,600
Totals	\$965,226	\$1,159,833	\$1,294,833	\$0	\$1,294,833

Personnel Summary

Actual Positions	9.50	10.50	0.00	10.50
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FINANCE

Revenue Summary

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
OTHER TAXES	14,138,260	13,642,160	15,142,500	0	15,142,500
INTERGOVERNMENTAL	6,626,348	6,676,000	6,462,000	0	6,462,000
CHARGES FOR SERVICES	14,140	0	0	0	0
OTHER MISCELLANEOUS REVENUES	240	0	0	0	0
Totals	\$20,778,988	\$20,318,160	\$21,604,500	\$0	\$21,604,500

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.

The 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.

OPERATIONAL FOCUS

Strategy

To accurately report the financial condition of the City, to establish and maintain prudent fiscal policies and practices and to exercise leadership among all Department of Finance staff.

Task

To maintain and manage an effective computerized financial management system (FMS).

To maintain daily, monthly and annual financial reports on demand.

To provide accurate revenue and expenditure forecasts on a timely basis.

To monitor and accurately forecast financial trends.

To identify and pursue new and alternative sources of revenue.

To promote and encourage pursuit of annual GFOA certificates.

To conduct department staff meetings at least twice per month.

Description	Unit	FY 2004	FY 2005	FY 2006	FY 2007
Output Measure					
Invoices billed and collected	Number	1,970	2,560	2,600	2,700
Continuing disclosure reports issued	Number	12	12	13	14
Special assessment district parcels	Number	346	346	79	79

FINANCE

FINANCE ADMINISTRATION

Effectiveness Measure

GFOA award - Budget	Y/N	Y	Y	Y	Y
Budget/actual revenue forecast	Percent	111.2	107.0	100.0	100.0
G.O. Bond rating - Moody's	Rating	AA3	AA3	AA3	AA3
G.O. Bond rating - Standard & Poor's	Rating	AA-	AA	AA	AA
GFOA award - Finance	Y/N	Y	Y	Y	Y

Efficiency Measure

City FTE per Finance Admin FTE	Number	215.9	215.6	193.1	171.1
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Expenditures By Category

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
Personal Expenditures	325,968	370,633	398,818	0	398,818
Non Personal Expenditures	93,885	116,848	120,038	0	120,038
Capital Expenditures	1,506	8,200	10,200	0	10,200
Totals	\$421,359	\$495,681	\$529,056	\$0	\$529,056

Personnel Summary

Actual Positions	3.90	4.40	0.00	4.40
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Revenue Summary

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
OTHER MISCELLANEOUS REVENUES	179	0	0	0	0
Totals	\$179	\$0	\$0	\$0	\$0

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.

OPERATIONAL FOCUS

Strategy

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.

Task

To refine the annual carryover process to minimize carryover levels.

To continue to include performance measures in City department budget requests in FY 2007.

To prepare the City's FY 2007 annual financial plan and submit to GFOA by October 31, 2006.

To estimate projected/actual expenditure variance within 2% in FY 2007.

To provide the adopted FY 2007 City operating budget on the City web site by October 31, 2006.

To provide the proposed FY 2007 City operating budget on the City web site by July 31, 2006.

Description	Unit	FY 2004	FY 2005	FY 2006	FY 2007
Output Measure					
GFOA mandatory categories met	Number	13	14	14	14
Effectiveness Measure					
City depts budgeted with perf measures	Number	34	34	34	35
City depts budgeted with perf measures	Percent	89.5	94.4	94.4	94.6
GFOA mandatory categories met	Percent	100	100	100	100
Efficiency Measure					
City FTE per budget program FTE	FTE	489.3	488.7	376.5	301.2

FINANCE BUDGET

Expenditures By Category

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
Personal Expenditures	110,401	154,394	161,529	0	161,529
Non Personal Expenditures	20,139	29,916	32,216	0	32,216
Capital Expenditures	1,204	8,000	8,000	0	8,000
Totals	\$131,744	\$192,310	\$201,745	\$0	\$201,745

Personnel Summary

Actual Positions	2.00	2.50	0.00	2.50
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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 (LGST) Funds, Repurchase Agreements, Certificates of Deposit and approved money market accounts. With the exception of U.S. Treasuries and LGST Funds, 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.

OPERATIONAL FOCUS

Strategy

To maximize investment yield while operating within investment guidelines and ensure there is sufficient funds to maintain operating and debt needs on a timely and effective basis.

Task

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.

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

To file arbitrage reports annually and on a timely basis.

Description	Unit	FY 2004	FY 2005	FY 2006	FY 2007
Output Measure					
Investment reports issued	Number	5	5	5	5
Average funds invested ~ millions	Dollars	\$56.8	\$67.5	\$69.5	\$71.6
Cash reports processed	Number	764	885	980	1,100
Arbitrage reports filed	Number	4	3	3	2

FINANCE TREASURY OPERATIONS

Effectiveness Measure

Annual rate of return	Percent	2.25	2.64	3.75	5.25
Annual rate of return vs. benchmark	Percent	120.0	108.9	110.0	115.0
Investment report issued following end of quarter	Days	38	40	38	39

Efficiency Measure

City FTE per Finance Treasury FTE	Number	458.8	458.1	470.6	470.6
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Expenditures By Category

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
Personal Expenditures	137,558	143,824	153,321	0	153,321
Non Personal Expenditures	10,029	12,797	15,067	0	15,067
Capital Expenditures	0	2,050	2,900	0	2,900
Totals	\$147,587	\$158,671	\$171,288	\$0	\$171,288

Personnel Summary

Actual Positions	1.60	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 fulfill 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 results in substantial dollar savings for the City.

OPERATIONAL FOCUS

Strategy

To reduce loss, both personal injury and property damage.

Task

To reduce the total number of claims submitted by 5% through continued safety training.

Description	Unit	FY 2004	FY 2005	FY 2006	FY 2007
Effectiveness Measure					
Lost time claims	Number	9	8	22	21
Medical only claims	Number	80	65	46	44

Expenditures By Category

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
Personal Expenditures	63,272	76,672	82,002	0	82,002
Non Personal Expenditures	2,393	6,245	7,980	0	7,980
Capital Expenditures	0	1,750	2,700	0	2,700
Totals	\$65,665	\$84,667	\$92,682	\$0	\$92,682

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.

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.

OPERATIONAL FOCUS

Strategy

To control the costs of claims through defensive driver's training.

Task

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

Description	Unit	FY 2004	FY 2005	FY 2006	FY 2007
Output Measure					
At-fault vehicle accident claims paid.	Number	25	20	22	22
Effectiveness Measure					
Total claims cost	Dollars	\$52,725	\$56,534	\$54,630	\$54,630
Efficiency Measure					
Cost per claim	Dollars	\$2,109	\$2,827	\$2,483	\$2,483

Expenditures By Category

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
Personal Expenditures	66,013	81,905	87,235	0	87,235
Non Personal Expenditures	132,858	146,099	210,027	0	210,027
Capital Expenditures	0	500	2,800	0	2,800
Totals	\$198,871	\$228,504	\$300,062	\$0	\$300,062

Personnel Summary

Actual Positions	1.00	1.00	0.00	1.00
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