

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 Director, 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 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
037661 FINANCE ADMINISTRATION	382,272	455,556	448,127	-51,150	396,977
037663 BUDGET	148,261	201,745	200,127	-21,219	178,908
037664 TREASURY OPERATIONS	154,607	171,288	223,262	-223,262	0
037672 SAFETY PROGRAMS	80,518	92,682	99,039	-5,409	93,630
037673 CLAIMS ADMINISTRATION	78,220	106,119	112,676	-15,261	97,415
Totals	\$843,878	\$1,027,390	\$1,083,231	(\$316,301)	\$766,930

Department Expenditures By Category

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
Personal Expenditures	767,217	882,905	936,730	-248,740	687,990
Non Personal Expenditures	61,958	117,885	119,901	-52,911	66,990
Capital Expenditures	14,703	26,600	26,600	-14,650	11,950
Totals	\$843,878	\$1,027,390	\$1,083,231	(\$316,301)	\$766,930

Personnel Summary

Actual Positions		10.50	10.50	-1.00	9.50
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FINANCE

Revenue Summary

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
OTHER TAXES	15,351,060	15,142,500	16,060,250	0	16,060,250
INTERGOVERNMENTAL	6,919,050	6,462,000	6,313,000	0	6,313,000
CHARGES FOR SERVICES	16,560	0	0	0	0
OTHER MISCELLANEOUS REVENUES	84	0	0	0	0
Totals	\$22,286,754	\$21,604,500	\$22,373,250	\$0	\$22,373,250

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.

STRATEGIC PLAN

Strategic Goal - Viable, Safe and Diverse Neighborhoods and Businesses that Work Together

Strategy - Provide a safe community.

Objective - Completion and annual update of a Continuity of Operations (COOP) Plan to ensure government operations during a state of emergency.

Task	Current Funding	Fiscal Year Completed	Funds Required
Revise and update the Continuity of Operations Plan (COOP) established by the Department of Finance in February, 2006. Status - The Department of Finance is in the process of revisiting all elements of the COOP in preparation for the 2007 hurricane season. This review will be complete, and the Plan revised, by June, 2007.	Yes	2008	\$0

Strategic Goal - Well-Maintained and Future-Oriented Infrastructure

Strategy - Ensure long-term funding and viability of City infrastructure.

Objective - Ensure long-term funding for infrastructure projects through the extension of the Penny Sales Tax.

Task	Current Funding	Fiscal Year Completed	Funds Required
Cooperate with officials of other municipalities and the Sarasota Board of County Commissioner's (BCC) to promote and secure the passage of the second extension of the Penny Sales Tax through a voter referendum.	Yes	2008	\$0

FINANCE

FINANCE ADMINISTRATION

Status - Department of Finance staff have been actively engaged in discussions with Sarasota County and other municipalities in the county. The list of projects has been finalized by the City Surtax Advisory Board but not yet approved by the City Commission. It is anticipated that the voter referendum will be scheduled for the Fall of 2007.

Objective - Assist neighborhoods and businesses with infrastructure enhancements through the creation of special taxing districts for neighborhood improvement projects.

Task	Current Funding	Fiscal Year Completed	Funds Required
Cooperate with other City officials to assist neighborhoods and businesses in the creation and administration of special taxing districts.	Yes	2008	\$0

Status - The Department of Finance currently supports two established special taxing districts and provides financial support, on an ongoing basis, to other City departments such as Planning and Redevelopment and the Neighborhood Partnership Office which communicate with, and support, non-City groups seeking special taxing district status. The department is also working with the Downtown Merchants Association to promote special taxing districts for the Downtown core.

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 2005	FY 2006	FY 2007	FY 2008
Output Measure					
Invoices billed and collected	Number	2,560	2,575	1,580	1,600
Continuing disclosure reports issued	Number	12	12	16	18
Special assessment district parcels	Number	346	346	79	79
Effectiveness Measure					
GFOA award - Budget	Y/N	Y	Y	Y	Y
Budget/actual revenue forecast	Percent	107.0	109.0	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
G.O. Bond rating - Fitch	Rating	AA	AA	AA	AA
GFOA award - Finance	Y/N	Y	Y	Y	Y
Efficiency Measure					
City FTE per Finance Admin FTE	Number	215.6	193.1	176.6	199.2

FINANCE

FINANCE ADMINISTRATION

Expenditures By Category

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
Personal Expenditures	351,826	398,818	391,504	-20,810	370,694
Non Personal Expenditures	22,560	46,538	46,423	-24,440	21,983
Capital Expenditures	7,886	10,200	10,200	-5,900	4,300
Totals	\$382,272	\$455,556	\$448,127	(\$51,150)	\$396,977

Personnel Summary

Actual Positions	4.40	4.20	-0.50	3.70
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Revenue Summary

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
OTHER MISCELLANEOUS REVENUES	59	0	0	0	0
Totals	\$59	\$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

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- To refine the annual carryover process to minimize carryover levels.
 - To continue to include performance measures in City department budget requests in FY 2008.
 - To prepare the City's FY 2008 annual financial plan and submit to GFOA by October 31, 2007.
 - To estimate projected/actual expenditure variance within 2% in FY 2008.
 - To provide the proposed FY 2008 City operating budget on the City web site by July 31, 2007.
 - To provide the adopted FY 2008 City operating budget on the City web site by October 31, 2007.

Description	Unit	FY 2005	FY 2006	FY 2007	FY 2008
Output Measure					
GFOA mandatory categories met	Number	14	14	14	14
Effectiveness Measure					
City depts budgeted with perf measures	Number	36	36	37	37
City depts budgeted with perf measures	Percent	88.9	88.9	89.2	89.2
GFOA mandatory categories met	Percent	100	100	100	100
Efficiency Measure					
City FTE per budget program FTE	FTE	488.7	376.5	310.8	388.5

FINANCE BUDGET

Expenditures By Category

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
Personal Expenditures	122,931	161,529	159,910	-14,744	145,166
Non Personal Expenditures	22,122	32,216	32,217	-4,675	27,542
Capital Expenditures	3,208	8,000	8,000	-1,800	6,200
Totals	\$148,261	\$201,745	\$200,127	(\$21,219)	\$178,908

Personnel Summary

Actual Positions	2.50	2.40	-0.50	1.90
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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, state mandated surcharge fees, 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, government agencies 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 2005	FY 2006	FY 2007	FY 2008
Output Measure					
Investment reports issued	Number	5	5	5	5
Average funds invested ~ millions	Dollars	\$67.5	\$70.8	\$120.0	\$95.0
Cash reports processed	Number	885	617	600	575
Arbitrage reports filed	Number	3	2	6	3

FINANCE TREASURY OPERATIONS

Effectiveness Measure

Annual rate of return	Percent	2.64	4.10	4.45	4.75
Annual rate of return vs. benchmark	Percent	108.9	101.3	100.0	100.0
Investment report issued following end of quarter ~ days	Number	40	43	40	40

Efficiency Measure

City FTE per Finance Treasury FTE	Number	458.1	470.6	485.6	485.6
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Expenditures By Category

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
Personal Expenditures	144,922	153,321	203,795	-203,795	0
Non Personal Expenditures	9,685	15,067	16,567	-16,567	0
Capital Expenditures	0	2,900	2,900	-2,900	0
Totals	\$154,607	\$171,288	\$223,262	(\$223,262)	\$0

Personnel Summary

Actual Positions	1.60	1.90	0.00	1.90
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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 personal injury losses.

Task

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

Description	Unit	FY 2005	FY 2006	FY 2007	FY 2008
Effectiveness Measure					
Lost time claims	Number	8	19	10	9
Medical only claims	Number	65	64	62	59

Expenditures By Category

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
Personal Expenditures	73,742	82,002	88,144	-2,079	86,065
Non Personal Expenditures	3,167	7,980	8,195	-1,280	6,915
Capital Expenditures	3,609	2,700	2,700	-2,050	650
Totals	\$80,518	\$92,682	\$99,039	(\$5,409)	\$93,630

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 number of at-fault accidents involving City vehicles.

Description	Unit	FY 2005	FY 2006	FY 2007	FY 2008
Output Measure					
At-fault vehicle accident claims paid	Number	20	14	15	14
Effectiveness Measure					
Total claims cost	Dollars	\$56,534	\$59,581	\$61,097	\$58,042
Efficiency Measure					
Cost per claim	Dollars	\$2,827	\$4,256	\$4,073	\$4,146

Expenditures By Category

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
Personal Expenditures	73,796	87,235	93,377	-7,312	86,065
Non Personal Expenditures	4,424	16,084	16,499	-5,949	10,550
Capital Expenditures	0	2,800	2,800	-2,000	800
Totals	\$78,220	\$106,119	\$112,676	(\$15,261)	\$97,415

Personnel Summary

Actual Positions	1.00	1.00	0.00	1.00
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FINANCE

Budget Reduction

The elimination of one employment position and the reduction of the various expenses total \$193,018. The function of the eliminated Financial Management Analyst position was to handle the accounting and oversight of special districts, as well as supplementing on analytical capabilities. At the present time the St. Armand Business Improvement District is the only operational special district. However, the Golden Gate District will become operational during the 2007-08 year, but probably can be handled with other staff.

In addition, the Cash and Investment Management costs of \$223,262 have been transferred to the pooled investment account. If the Cash and Investment Manager position was eliminated and the City hired an investment consultant to manage the investments, this is where the fees would be charged.

The reduction also included the elimination of financial advisor services which will be funded, in the future, as a cost of issuing bonds. The reduction of overtime and part-time salaries will reduce the department efficiency and turn around time on issuing reports and special projects. The reduction of personal computer replacements will be acceptable for one year, but may need to be increased in fiscal year 2008-09. The Travel and Training reduction will result in staff not being able to keep up to date with all the changes in governmental finance. It will have an effect in the long run. The reduction of other costs includes supplies, which only has a one year effect, and membership dues and subscriptions.

Cost of Issue

Personal	-248,740
Operating	-52,911
Capital	-14,650
Transfers	0
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Total	-316,301
Net Cost of Issue	-316,301