

## Finance Department



### Mission Statement:

To utilize corporate approaches to professionally and responsibly manage the financial affairs of the City, to protect and further the City's strong financial reputation, and to effectively and efficiently provide related support services for citizens and City operations.



### Program Identifier:

- ⇒ Chief Financial Officer #181
- ⇒ Treasury Administration #184
- ⇒ Real Estate Management #186
- ⇒ Pension Participant Services #188
- ⇒ Pension Management Support #189
- ⇒ Risk Management #217

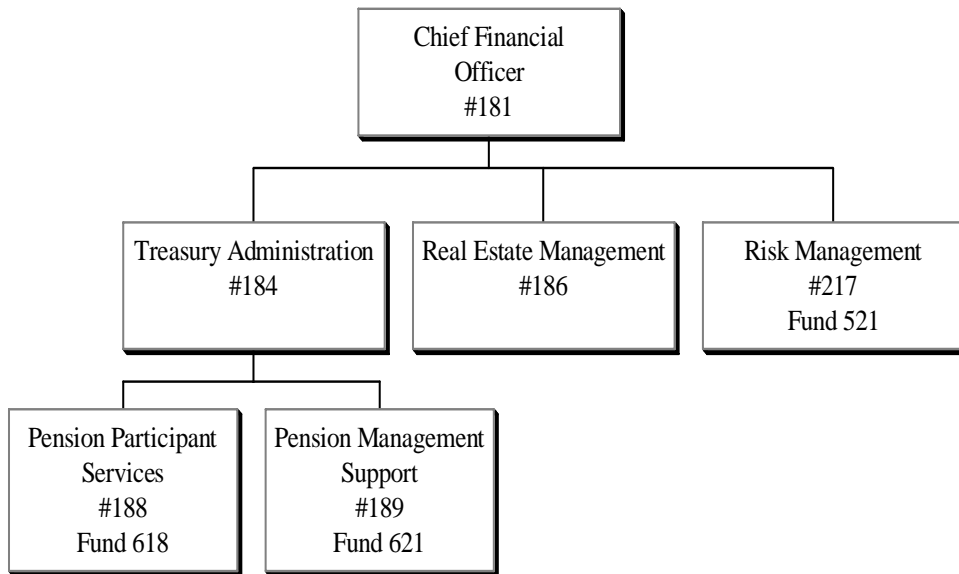


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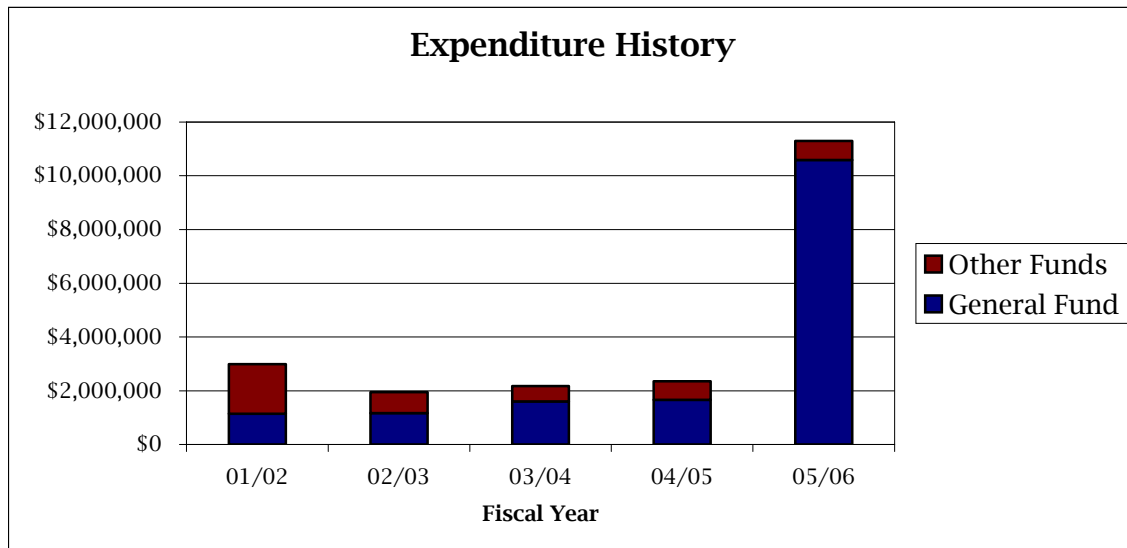
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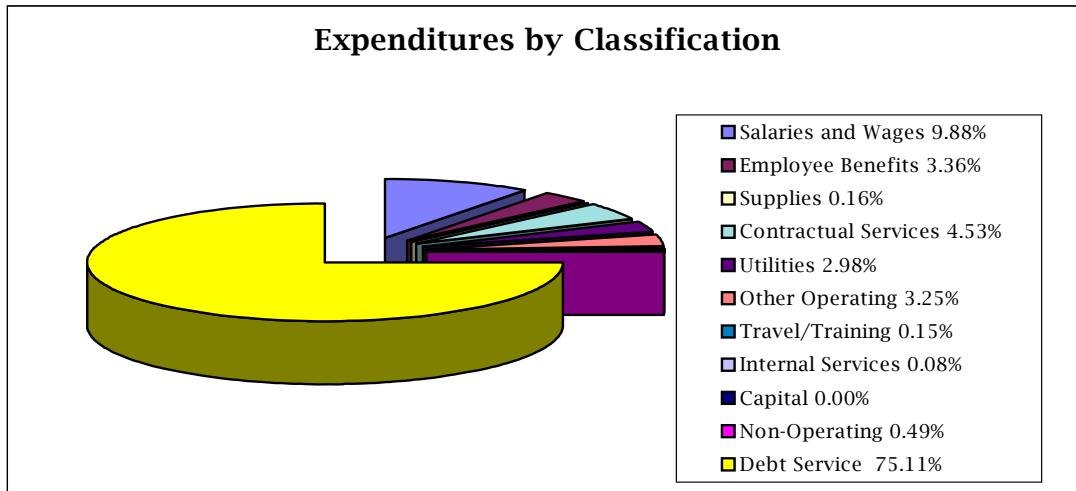
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DEPARTMENT EXPENDITURE SUMMARY

Fund Office/Bureau Program Number and Name	2003/04 Actual Expenditures	2004/05 Revised Budget	2005/06 Adopted Budget	Change Adopted to Revised	% Change Adopted to Revised
<b>GENERAL FUND #100</b>					
Office of Chief Financial Officer:					
181 Chief Financial Officer	\$ 273,747	\$ 276,164	\$ 251,612	\$ (24,552)	(8.89%)
184 Treasury Administration	343,904	268,635	417,025	148,390	55.24%
186 Real Estate Management	322,405	318,043	331,982	13,939	4.38%
190 General Fund Debt Service	-	-	8,481,617	8,481,617	N/A
994 Nondepartmental - CFO	656,223	792,987	1,110,872	317,885	40.09%
<b>TOTAL - GENERAL FUND</b>	<b>\$ 1,596,280</b>	<b>\$ 1,655,829</b>	<b>\$10,593,108</b>	<b>\$ 8,937,279</b>	<b>539.75%</b>
<b>RISK MANAGEMENT FUND #521</b>					
217 Risk Management Administration	\$ 481,816	\$ 496,926	\$ 545,851	\$ 48,925	9.85%
<b>TOTAL - RISK MANAGEMENT FUND</b>	<b>\$ 481,816</b>	<b>\$ 496,926</b>	<b>\$ 545,851</b>	<b>\$ 48,925</b>	
<b>PENSION PARTICIPANT SERVICES FUND #618</b>					
188 Pension Participant Services	\$ 42,248	\$ 150,000	\$ 100,000	\$ (50,000)	(33.33%)
<b>TOTAL - PENSION PARTICIPANT SERVICES FUND</b>	<b>\$ 42,248</b>	<b>\$ 150,000</b>	<b>\$ 100,000</b>	<b>\$ (50,000)</b>	
<b>FIRE PENSION FUND #621</b>					
189 Pension Management Support	\$ 49,524	\$ 50,895	\$ 53,127	\$ 2,232	4.39%
<b>TOTAL - FIRE PENSION FUND</b>	<b>\$ 49,524</b>	<b>\$ 50,895</b>	<b>\$ 53,127</b>	<b>\$ 2,232</b>	
<b>TOTAL - FINANCE</b>	<b>\$ 2,169,868</b>	<b>\$ 2,353,650</b>	<b>\$11,292,086</b>	<b>\$ 8,938,436</b>	<b>379.77%</b>
Expenditure by Classification					
Salaries and Wages	\$ 1,033,313	\$ 945,848	\$ 1,115,812	\$ 169,964	17.97%
Employee Benefits	298,664	307,619	379,149	71,530	23.25%
Supplies	14,656	20,066	17,600	(2,466)	(12.29%)
Contractual Services	385,997	444,217	512,024	67,807	15.26%
Utilities	196,731	211,000	337,000	126,000	59.72%
Other Operating	18,053	251,481	367,520	116,039	46.14%
Travel/Training	12,540	18,105	16,950	(1,155)	(6.38%)
Internal Services	2,998	6,295	8,617	2,322	36.89%
Capital	200,125	3,153	-	(3,153)	(100.00%)
Non-Operating	6,791	145,866	55,797	(90,069)	(61.75%)
Debt Service	-	-	8,481,617	8,481,617	N/A
<b>TOTAL - FINANCE</b>	<b>\$ 2,169,868</b>	<b>\$ 2,353,650</b>	<b>\$ 11,292,086</b>	<b>\$ 8,938,436</b>	<b>379.77%</b>

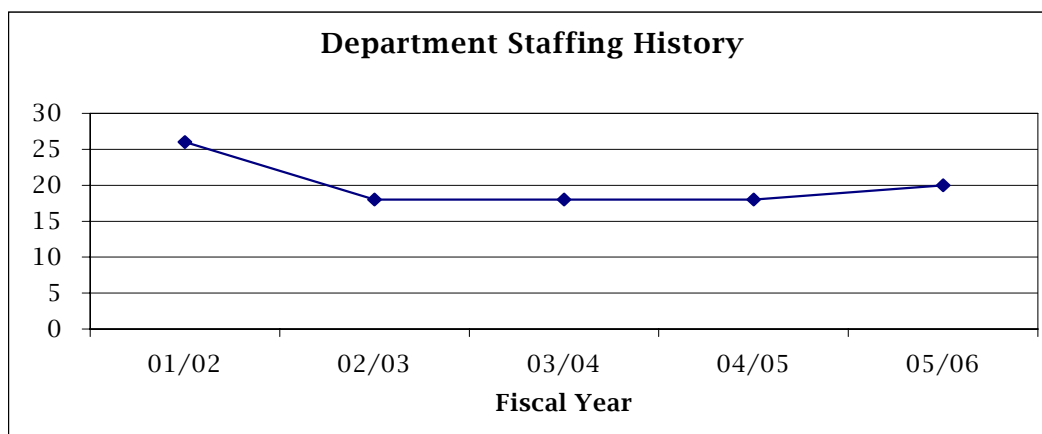


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DEPARTMENT STAFFING SUMMARY

	Actual 2003/2004	Revised Budget 2004/2005	Adopted Budget 2005/2006
<b>GENERAL FUND #100</b>			
181 Chief Financial Officer	2	2	2
184 Treasury Administration	4	4	4
186 Real Estate Management	4	4	4
<b>TOTAL – GENERAL FUND</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>RISK MANAGEMENT FUND #521</b>			
217 Risk Management Administration	6	6	8
<b>TOTAL – RISK MANAGEMENT FUND</b>	<b>6</b>	<b>6</b>	<b>8</b>
<b>PENSION PARTICIPANT SERVICES FUND #618</b>			
188 Pension Participant Services	1	1	1
<b>TOTAL – PARTICIPANT SERVICES FUND</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>FIRE PENSION FUND #621</b>			
189 Pension Management Support	1	1	1
970 Special-Fire Pension Fund	0	0	0
<b>TOTAL – FIRE PENSION FUND</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>TOTAL – FINANCE</b>	<b>18</b>	<b>18</b>	<b>20</b>



Finance Department

Financial Management

Mission Statement:

To utilize corporate approaches to professionally and responsibly manage the financial affairs of the City, to protect and further the City's strong financial reputation, and to effectively and efficiently provide related support services for citizens and City operations.

Program Identifier:

- ⇒ Chief Financial Officer #181
- ⇒ Treasury Administration #184
- ⇒ Pension Participant Services #188
- ⇒ Pension Management Support #189

Overview of Services/Programs

The **Financial Management** function includes: Investment Management, Debt Management, Pension Administration, Investor Relations and Financial Support to City Business Units. Investment Management administers and invests available operating funds to meet or exceed benchmark rates of return on the City's investment portfolios while maintaining safety of principal. Debt Management manages a diversified debt portfolio to efficiently address the City's funding needs. Pension Administration administers, monitors and coordinates the activities for the City's three Defined Benefit Plans (Police, Firefighter and General Employee), one Defined Contribution Plan (401a) and the voluntary Deferred Compensation Plan (457). Investor Relations maintains a strong working relationship with bond rating agencies, bond insurance companies, as well as municipal bond analysts and municipal bond investors. Financial Support to City Business Units assists other departments in developing and analyzing financial options to meet short or intermediate term business strategies and forging public/private partnerships.

Major Accomplishments

- Conducted the first pure rollover in the medium-term notes program at a minimal cost.
- Issued \$23 million in bonds to fund renovations at the Expo Center and complete the funding of the FY2004 Capital Improvements Program.
- Created the Investor Relations website to enhance communications with City bondholders and municipal bond analysts.
- Updated the City's 401(a) and 457 Plans to comply with Internal Revenue Service guidelines.
- Obtained short-term funding to ease cash flow problems due to cleanup costs from three hurricanes.

Future Outlook

- Investment Management will analyze opportunities to enhance the performance of our short-term investments within acceptable risk parameters.
- Debt Management will focus on updating the City's Debt Management Policy, as well as to prepare a financing plan for the Public Safety Complex and other capital improvements.
- Pension Administration will seek to enhance and expand the educational opportunities that are provided to the employee participants in the City's Defined Contribution Pension Plan (401a) and Deferred Compensation Plan (457).
- Investor Relations will seek to maintain and expand the Investor Relations section on the City's website to provide useful information regarding the City's debt programs for investors of City's bonds as well as for those analyzing the City's debt position.
- Financial Support to City Business Units will continue to assist other departments with financial analyses and developing beneficial public/private partnerships.

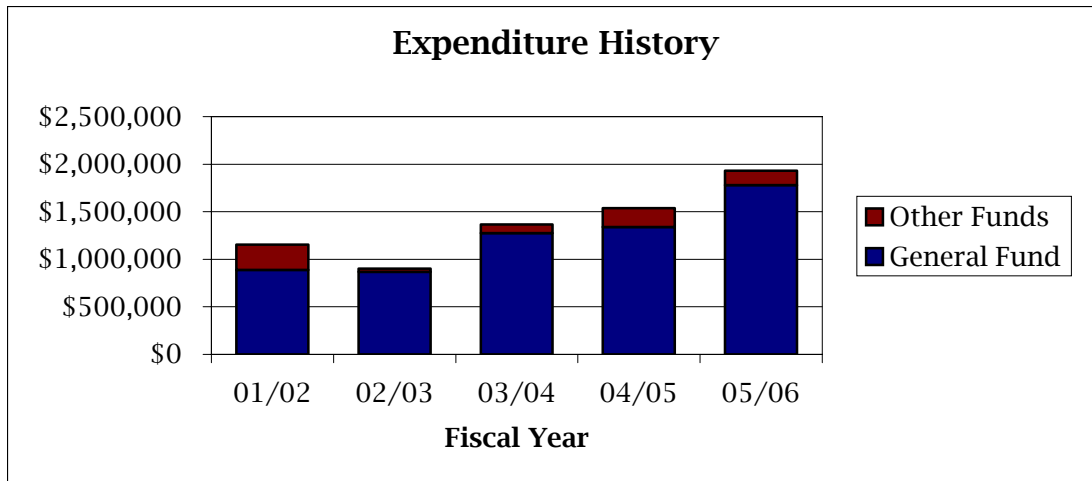
Performance Measures Effectiveness

	2003/2004 Actual	2004/2005 Estimated	2005/2006 Proposed
Three-year Active Portfolio investment return over the 1 to 3 year Treasury Index	.70%	.50%	.50%
Net rate of return on the Liquidity Portfolio over the 6 Month Treasury Bill Index	.40%	.50%	.50%
Net rate of return on the Aggregate Portfolio over the weighted average return of the SBA	2.35%	1.5%	1.5%
The percentage that the Banking Fund composite rate, over a rolling three year period, is less than the Bond Buyer's Revenue Bond Index	.65%	.50%	.50%

Finance Department

EXPENDITURE SUMMARY

Fund Office/Bureau Program Number and Name	2003/04 Actual Expenditures	2004/05 Revised Budget	2005/06 Adopted Budget	Change Adopted to Revised	% Change Adopted to Revised
<b>GENERAL FUND #100</b>					
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184 Treasury Administration	343,904	268,635	417,025	148,390	55.24%
994 Nondepartmental - CFO	656,223	792,987	1,110,872	317,885	40.09%
<b>TOTAL -- GENERAL FUND</b>	<b>\$ 1,273,875</b>	<b>\$ 1,337,786</b>	<b>\$ 1,779,509</b>	<b>\$ 441,723</b>	<b>33.02%</b>
<b>PENSION PARTICIPANT SERVICES FUND #618</b>					
188 Pension Participant Services	\$ 42,248	\$ 150,000	\$ 100,000	\$ (50,000)	(33.33%)
<b>TOTAL -- PENSION PARTICIPANT SERVICES FUND</b>	<b>\$ 42,248</b>	<b>\$ 150,000</b>	<b>\$ 100,000</b>	<b>\$ (50,000)</b>	
<b>FIRE PENSION FUND #621</b>					
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<b>TOTAL -- FIRE PENSION FUND</b>	<b>\$ 49,524</b>	<b>\$ 50,895</b>	<b>\$ 53,127</b>	<b>\$ 2,232</b>	
<b>TOTAL -- FINANCIAL MANAGEMENT</b>	<b>\$ 1,365,646</b>	<b>\$ 1,538,681</b>	<b>\$ 1,932,636</b>	<b>\$ 393,955</b>	<b>25.60%</b>



STAFFING HISTORY

	Actual 2003/2004	Revised Budget 2004/2005	Adopted Budget 2005/2006
<b>GENERAL FUND #100</b>			
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<b>TOTAL -- GENERAL FUND</b>	<b>6</b>	<b>6</b>	<b>6</b>
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<b>TOTAL -- PARTICIPANT SERVICES FUND</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>FIRE PENSION FUND #621</b>			
189 Pension Management Support	1	1	1
970 Special-Fire Pension Fund	0	0	0
<b>TOTAL -- FIRE PENSION FUND</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>TOTAL -- FINANCIAL MANAGEMENT</b>	<b>8</b>	<b>8</b>	<b>8</b>

Finance Department

Risk Management

Mission Statement:

To utilize corporate approaches to professionally and responsibly manage the financial affairs of the City, to protect and further the City's strong financial reputation, and to effectively and efficiently provide related support services for citizens and City operations.

Program Identifier:

⇒ Risk Management #217

Overview of Services/Programs

The **Risk Management** function strives to insure all City assets at the best possible price and terms, manages the City's Workers' Compensation, General and Automobile Liability loss exposure programs and interacts with the Safety and Training Program staff (in the General Government Department) to avoid and reduce injury and damage to the City's citizens, employees or assets.

Major Accomplishments

- Achieved an overall 14.61% reduction in insurance/reinsurance premiums saving \$335,812.
- Reduced provider bill review fees by 4.4% while achieving a 100% timeliness goal.
- Managed 225 unexpected claims, due to damage from three major hurricanes, recovering \$515,082.93 from property insurance to date.

Future Outlook

Risk Management will continue to develop fiscally prudent and effective risk retention/transfer programs and provide fair claims handling to City operations. Provider bill payments will be automated through software upgrades, which should streamline payments and provide a more thorough system of checks and balances. Insurance coverage will be enhanced to meet the changing risk climate. Loss reports will be provided to Department heads, Division managers and program supervisors so that individual business units can see their loss history in a more quantitative format.

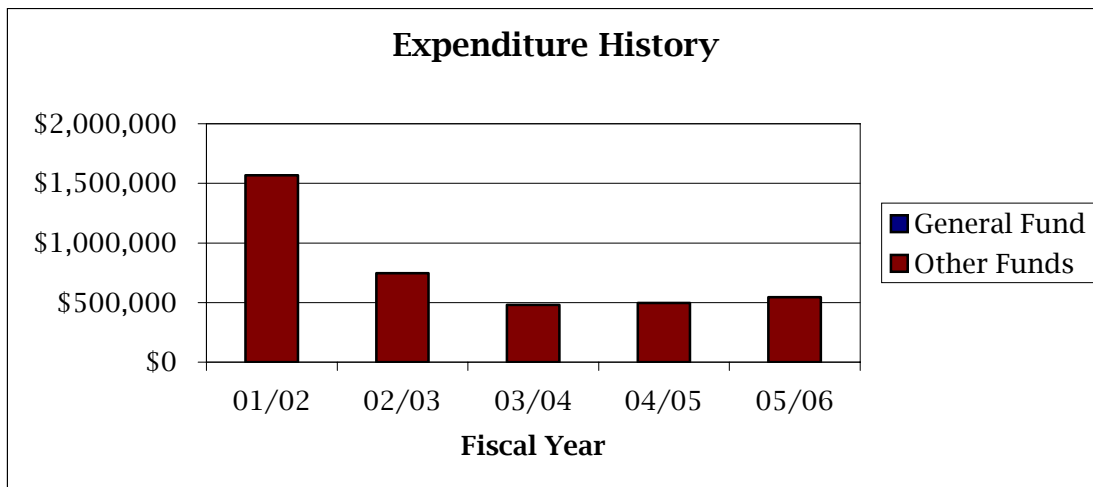
Performance Measures Efficiency

	2003/2004 Actual	2004/2005 Estimated	2005/2006 Proposed
Measure cost of risk (COR) against citizen population.	\$5.59	\$5.33	\$6.16
Measure cost of risk (COR) against number of FTE's.	\$2,049	\$2,070	\$1,961
Measure cost of risk (COR) against citizen population.	\$16.16	\$14.83	\$13.62

Finance Department

EXPENDITURE SUMMARY

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<b>RISK MANAGEMENT FUND #521</b>					
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TOTAL -- RISK MANAGEMENT FUND	\$ 481,816	\$ 496,926	\$ 545,851	\$ 48,925	
TOTAL -- RISK MANAGEMENT	\$ 481,816	\$ 496,926	\$ 545,851	\$ 48,925	9.85%



STAFFING HISTORY

	Actual 2003/2004	Revised Budget 2004/2005	Adopted Budget 2005/2006
<b>RISK MANAGEMENT FUND #521</b>			
217 Risk Management Administration	6	6	8
TOTAL -- RISK MANAGEMENT FUND	6	6	8
TOTAL -- RISK MANAGEMENT	6	6	8

Finance Department

Real Estate Management

Mission Statement:

To utilize corporate approaches to professionally and responsibly manage the financial affairs of the City, to protect and further the City's strong financial reputation, and to effectively and efficiently provide related support services for citizens and City operations.

Program Identifier:

⇒ Real Estate Management #186

Overview of Services/Programs

The **Real Estate Management** function strives to acquire real property at the best possible price and terms; to identify and sell surplus property in order to reduce maintenance costs and to put properties back on the tax roll; and to manage City owned real property in order to control costs of ownership.

Major Accomplishments

- Completed acquisition of property and relocation of the residents for the Parramore Village redevelopment in the heart of the Parramore neighborhood.
- Completed acquisition of property for the expansion of Humphries Avenue at East Colonial Drive.
- Coordinated acquisition of 36-acre parcel with Orange County government at Lake George for future park expansion.
- Obtained 100% occupancy of all city-owned properties available for rent.
- Initiated a new program to collect tenants leasehold taxes monthly with their rent in order to ensure taxes are paid in a timely manner.

Future Outlook

- Real Estate Management will continue to acquire property utilizing private sector strategies and tools through negotiation, where possible and within 105% of established value. In addition, Real Estate management will strive to maintain a high occupancy rate for city owned property available for lease and identify, market, and dispose of surplus property to secure the best price and terms in order to return the property to the tax rolls.

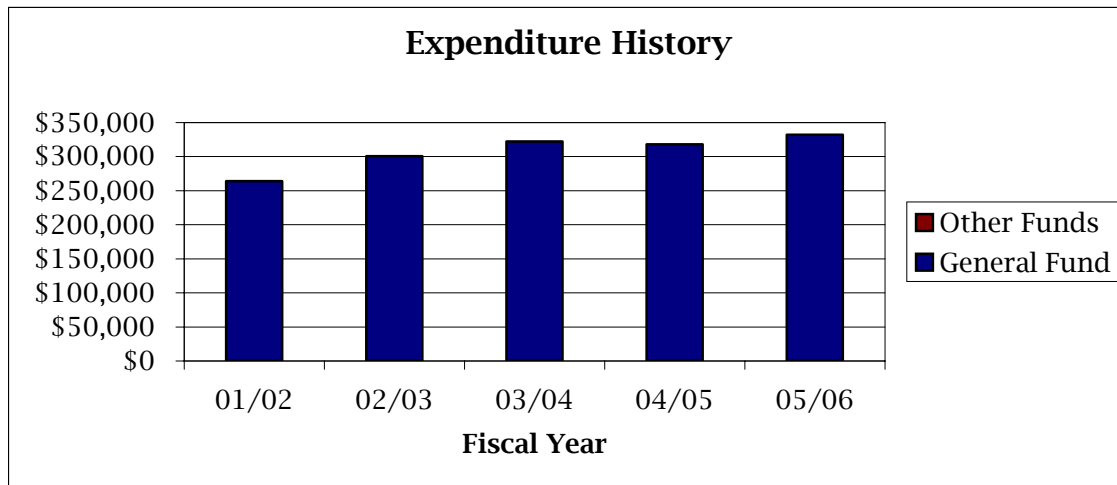
Performance Measures Effectiveness

	2003/2004 Actual	2004/2005 Estimated	2005/2006 Proposed
Measure by occupancy rate on downtown property reported by recognized real estate market reporting sources.	95%	90%	90%
Establish value of property to be acquired utilizing market estimates, appraisals, and appropriate valuation methods	90%	90%	90%
Work with property owners to determine appropriate method of acquisition	85%	85%	85%

Finance Department

EXPENDITURE SUMMARY

Fund Office/Bureau Program Number and Name	2003/04 Actual Expenditures	2004/05 Revised Budget	2005/06 Adopted Budget	Change Adopted to Revised	% Change Adopted to Revised
<b>GENERAL FUND #100</b>					
186 Real Estate Management	\$ 322,405	\$ 318,043	\$ 331,982	\$ 13,939	4.38%
TOTAL – GENERAL FUND	\$ 322,405	\$ 318,043	\$ 331,982	\$ 13,939	4.38%
TOTAL – REAL ESTATE MANAGEMENT	\$ 322,405	\$ 318,043	\$ 331,982	\$ 13,939	4.38%



STAFFING HISTORY

	Actual 2003/2004	Revised Budget 2004/2005	Adopted Budget 2005/2006
<b>GENERAL FUND #100</b>			
186 Real Estate Management	4	4	4
TOTAL – GENERAL FUND	4	4	4
TOTAL – REAL ESTATE MANAGEMENT	4	4	4