

Finance Department



Mission Statement:

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 to citizens and other City Departments and offices.



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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Finance Department



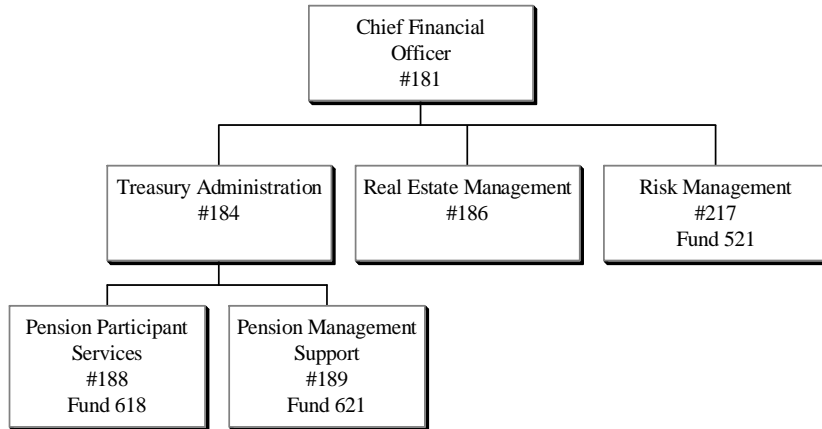
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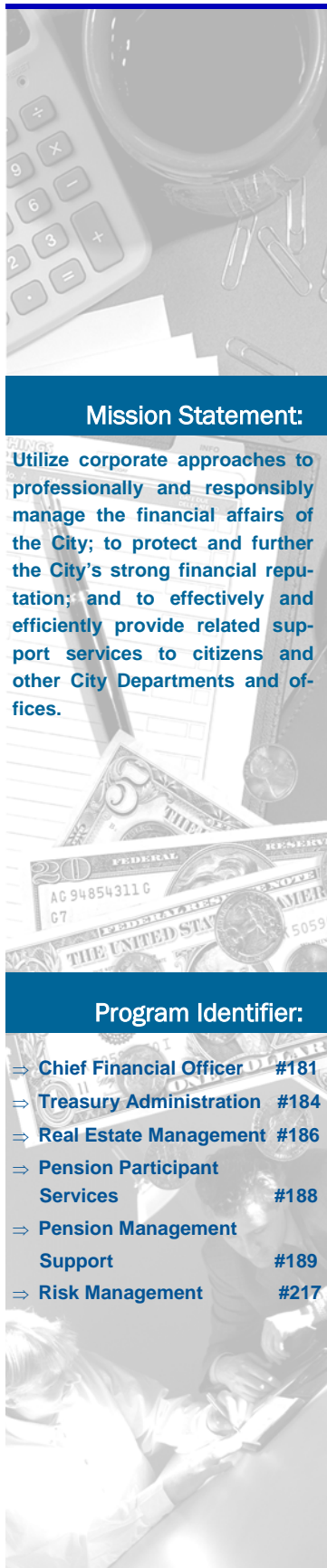


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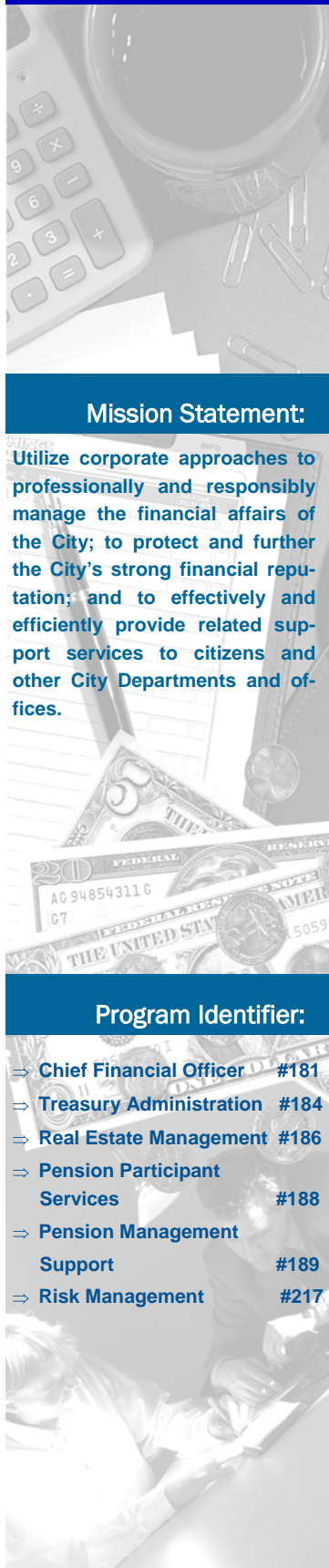
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EXPENDITURE SUMMARY

Fund Office/Bureau Program Number and Name	2001/02 Actual Expenditures	2002/03 Revised Budget	2003/04 Proposed Budget	% Change
GENERAL FUND #100				
Office of Chief Financial Officer:				
181 Chief Financial Officer	\$ 689,991	\$ 719,194	\$ 269,860	(62.48%)
184 Treasury Administration			385,755	
186 Real Estate Management	264,227	310,125	305,607	(1.46%)
994 Nondepartmental - CFO	198,740	257,961	627,000	143.06%
TOTAL - GENERAL FUND	\$ 1,152,958	\$ 1,287,280	\$ 1,588,222	23.38%
RISK MANAGEMENT FUND #521				
217 Risk Management Administration	\$ 1,569,035	\$ 894,018	\$ 598,734	(33.03%)
TOTAL - RISK MANAGEMENT FUND	\$ 1,569,035	\$ 894,018	\$ 598,734	
PENSION PARTICIPANT SERVICES FUND #618				
188 Pension Participant Services	\$ 0	\$ 41,429	\$ 57,815	39.55%
TOTAL - PENSION PARTICIPANT SERVICES FUND	\$ 0	\$ 41,429	\$ 57,815	
FIRE PENSION FUND #621				
189 Pension Management Support	\$ 264,027	\$ 181,474	\$ 187,738	3.45%
TOTAL - FIRE PENSION FUND	\$ 264,027	\$ 181,474	\$ 187,738	
TOTAL - FINANCE	\$ 2,986,020	\$ 2,404,201	\$ 2,432,509	1.18%
Expenditure by Classification				
Salaries and Wages	\$ 1,275,500	\$ 1,322,547	\$ 1,110,990	(16.00%)
Employee Benefits	298,799	371,554	288,938	(22.24%)
Supplies	39,973	34,919	25,348	(27.41%)
Contractual Services	1,295,854	415,035	470,335	13.32%
Utilities	589	2,000	201,000	9950.00%
Other Operating	26,612	33,750	25,050	(25.78%)
Travel/Training	26,880	42,700	34,200	(19.91%)
Internal Services	6,158	3,314	4,498	35.73%
Capital	1,025	15,421		(100.00%)
Non-Operating	14,630	162,961	272,150	67.00%
TOTAL - FINANCE	\$ 2,986,020	\$ 2,404,201	\$ 2,432,509	1.18%

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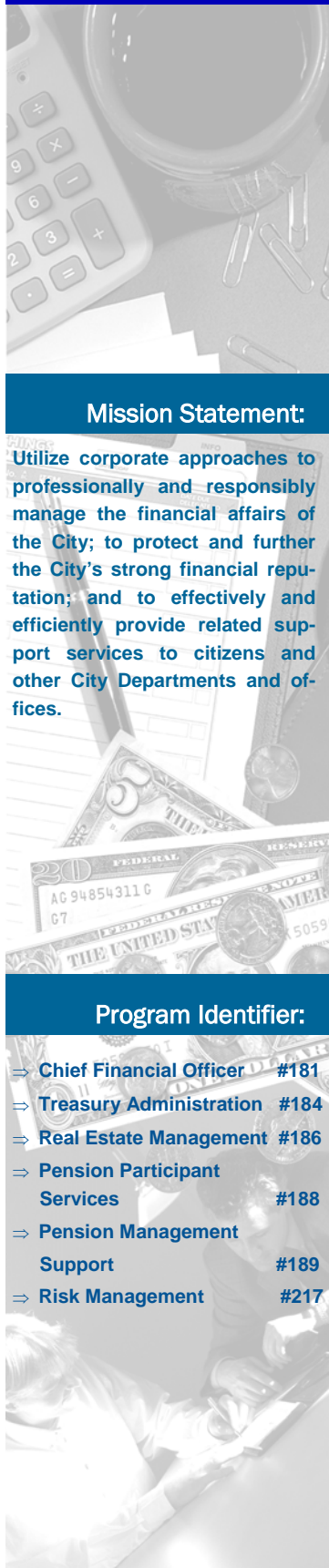
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Staffing Summary

	Actual 2001/2002	Revised Budget 2002/2003	Proposed Budget 2003/2004
GENERAL FUND #100			
181 Chief Financial Officer	8	6	2
184 Treasury Administration	0	0	4
186 Real Estate Management	4	4	4
TOTAL – GENERAL FUND	12	10	10
RISK MANAGEMENT FUND #521			
217 Risk Management Administration	13	10	6
TOTAL – RISK MANAGEMENT FUND	13	10	6
PENSION PARTICIPANT SERVICES FUND #618			
188 Pension Participant Services	0	1	1
TOTAL – PARTICIPANT SERVICES FUND	0	1	1
FIRE PENSION FUND #621			
189 Pension Management Support	0	0	1
970 Special-Fire Pension Fund	1	1	0
TOTAL – FIRE PENSION FUND	1	1	1
TOTAL – FINANCE	26	22	18

This summary indicates the number of total authorized positions. It does not include temporary or seasonal positions. The Full Time Equivalent (FTE) totals indicated on the Performance Measurement pages include the total hours paid divided by 2,080. The total hours paid would include seasonal and temporary employees and overtime in addition to regular hours worked by authorized positions.

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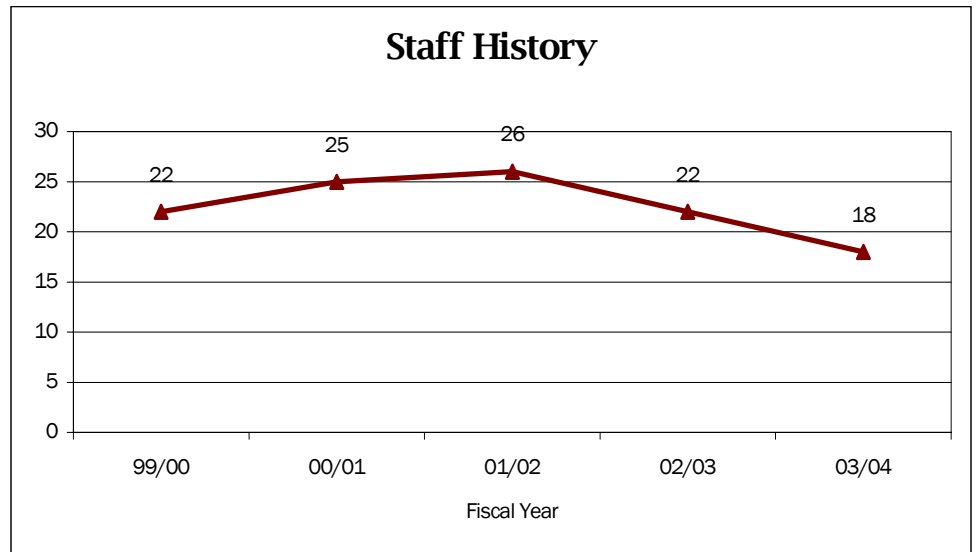
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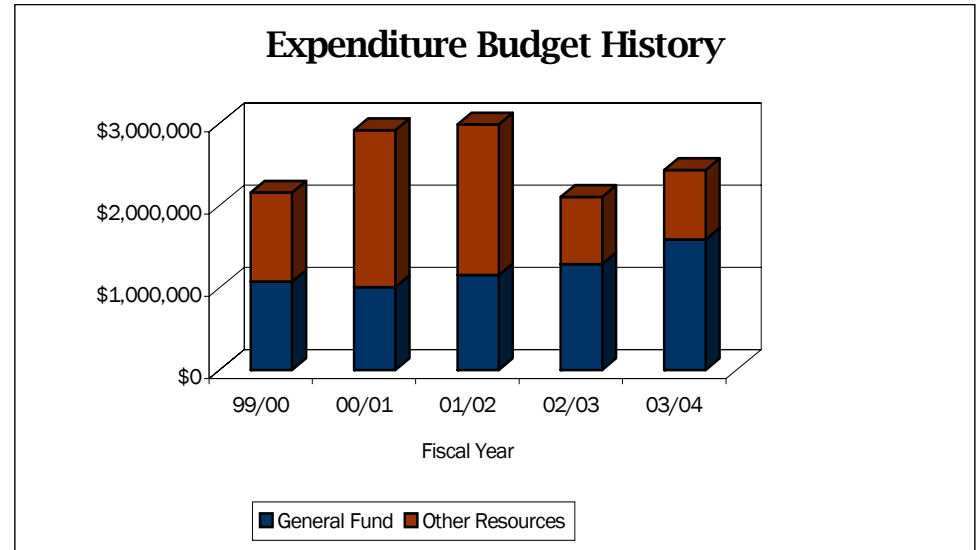
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Staff History



Expenditure Budget History



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Service Efforts Accomplishments

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Overview of Services/Programs

The **Finance Department** consists of three primary business functions: Financial Management, Real Estate Management and Risk Management.

The **Financial Management** function includes: Investment Management, Debt Management, Pension Administration, Financial Market 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). Financial Market 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.

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

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

Financial Management

- Assisted the CRA with negotiations for the Church Street incentive package.
- Refunded the outstanding 1997A Republic Drive Bonds to convert from a variable rate bond to a fixed rate debt, locking in low interest rates.
- Arranged the financing for the Parking System's new courthouse garage project.
- Refunded the 1986A and 1993A Wastewater System Bonds, resulting in an annual savings of \$688,230.
- Achieved Investment Performance in excess of the State Board of Administration returns by 3.45% for the eight months ending May 31, 2003.
- Issued an RFP that resulted in a new Master Custody Services contract that will generate \$83,000 in annual savings over the next 3 to 5 years.

Real Estate Management

- Acquired 22 parcels and have an additional 15 parcels under contract for the redevelopment of the Parramore Village project, just west of downtown Orlando. The residents are being relocated to make this 3 ½ acre site a new residential and mixed-use development to revitalize the Parramore neighborhood.
- Acquired 25 parcels for the 11-acre Public Safety Complex to be constructed for the Orlando Police Department and Orlando Fire Department, along with a

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Service Efforts
Accomplishments

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new Fire Station #1 near downtown Orlando.

- Acquired 28 easements in the 1st and 2nd quarter of the year at no cost to the City.

Risk Management

- Achieved a 22% reduction in new Workers' Compensation claims for the six months ending March 2003, compared to average of prior 4 years.
- Implemented a new reporting system which insures 100% of non-emergency limited care claims are reported within 24 hours.
- Implemented the Police Taser program in December 2002. Based upon results from a similar program utilized by Orange County, we anticipate a reduction in Workers' Compensation and Liability claims arising from normal Police activity.

Future Outlook**Financial Management**

- Investment Management will utilize its new investment management software to enhance the automation of the investment portfolio record keeping and portfolio analysis as well as to expedite the production of investment performance reports. This group will continue to focus on using Internet-based products to increase the efficiency of the investment management function.
- Debt Management will continue to analyze potential refunding opportunities for the City's outstanding bonds, 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).
- Financial Market Relations will create and maintain an Investor Relations section on the City's website to provide both historical and timely information regarding the City's debt programs for investors in the 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.

Real Estate

- 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.

Risk Management

- Risk Management will continue to develop fiscally prudent and effective risk retention/transfer programs and provide fair claims handling to City operations. Check processing will be integrated with the financial system allowing easier account reporting. Internal charges will be equitably allocated to the various departments/business units.

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I. Total Annual Budget

		# of FTE's
FY 2001/2002 (Approved)	\$2,986,020	23.86
FY 2002/2003 (Revised)	\$2,302,740	24.61
FY 2003/2004 (Proposed)	\$2,432,509	18.00
Difference	\$129,769	-6.61
Percent Difference	5.64%	-26.86%

II. Selected Effectiveness Indicators and Outcome Targets

	FY01/02 Actual	FY02/03 Estimated	FY03/04 Proposed
1. Three-Year Active Portfolio Investment Return Over the 1 to 3 Year Treasury Index	-0.45%	0.50%	0.50%
2. Net Rate of Return on the Liquidity Portfolio Over the 6 Month Treasury Bill Index	0.75%	0.35%	0.35%
3. Net Rate of Return on the Aggregate Portfolio Over the Weighted Average Return of the SBA	3.14%	2.50%	1.50%
4. The Percentage that the Banking Fund Composite Rate, Over a Rolling Three Year Period, is Less than the Bond Buyer's Revenue Bond Index.	1.97%	0.75%	0.50%
5. Measure by Occupancy Rate on Downtown Property Reported by Recognized Real Estate Market Reporting Sources.	97%	95%	95%
6. Establish Value of Property to be Acquired Utilizing Market Estimates, Appraisals, and Appropriate Valuation Methods	99%	95%	90%
7. Work with Property Owners to Determine Appropriate Method of Acquisition	98%	85%	85%

III. Selected Activities and Efficiency of Service Level:

	FY01/02 Actual	FY02/03 Estimated	FY03/04 Proposed
1. Cost of Auto Liability Claims per Citizen.	NA	\$4.97	\$5.59
2. Cost of Industrial Accidents per FTE.	NA	\$2,098	\$2,049
3. Cost of General Liability Claims per Citizen.	NA	\$15.93	\$16.16