



## FINANCE

### Program Goal

The Finance Department strives to maintain a fiscally sound governmental organization that conforms to legal requirements and to generally accepted financial management principles; maintains effective procurement procedures for commodities and services; provides for effective treasury management and a citywide risk management program; acquires, manages and disposes of property for public facilities; provides an effective debt management program; and provides financial advisory services for all city departments.

### Budget Allowance Explanation

The 2008-09 Finance Department operating budget allowance of \$24,521,000 is \$221,000 or 0.9 percent less than 2007-08 estimated expenditures. The budget includes a reduction of 22 positions in Inventory Management, Banking and Cashiering, Tax, Accounting, Administration, Purchasing, and Financial Accounting and Reporting divisions. The budget also includes reduced funding for various contractual services and commodities; travel, training, and conferences; computer software licenses and support; and professional financial consultants. These reductions will negatively impact administrative support within the Finance Department and increase the workload of operations staff in each division.

The budget reduction is partially offset by increases in personal services, reduced cost recovery by the Real Estate Division caused by a decreased workforce, and an increase in consulting services for complex city financial system changes.

### Expenditure and Position Summary

	2006-07	2007-08	2008-09
Operating Expense	\$25,872,000	\$24,742,000	\$24,521,000
Total Positions	316.5	303.5	303.5
Source of Funds:			
General	\$24,377,000	\$23,327,000	\$23,157,000
Water	715,000	703,000	625,000
Wastewater	702,000	702,000	699,000
Sports Facilities	24,000	58,000	60,000
Public Housing	2,000	(105,000)	(75,000)
City Improvement	52,000	57,000	55,000

### Finance Major Performance Measures and Service Levels

The following significant performance measures and service level trends will be achieved with the 2008-09 budget allowance:

	2006-07	2007-08*	2008-09
Investments by portfolio:			
Treasurer's Group Portfolio -			
Dollars invested	\$1,766 mil.	\$1,587 mil.	\$1,600 mil.
Average yield	4.67%	4.64%	4.00%
Average life (years)	2.07	1.4	1.3
Yield Restricted Portfolio -			
Dollars invested	\$102 mil.	\$143 mil.	\$200 mil.
Average yield	3.64%	3.26%	3.40%
Average life (years)	.11	.11	.11
Other Non-Yield Restricted Portfolio -			
Dollars invested	\$1,236 mil.	\$1,350 mil.	\$1,400 mil.
Average yield	5.18%	4.29%	2.00%
Average life (years)	.24	.11	.20
Dollar value of accounts payable warrants processed	\$3.2 bil.	\$3.1 bil.	\$3.1 bil.
Bond ratings:			
General obligation - Standard & Poor's	AAA	AAA	AAA
General obligation - Moody's	Aa1	Aa1	Aa1
Water revenue - Standard & Poor's	AA	AA	AA
Water revenue - Moody's	Aa3	Aa3	Aa3
Airport revenue - Standard & Poor's	AA-	AA-	AA-
Airport revenue - Moody's	Aa3	Aa3	Aa3
Senior lien street revenue - Standard & Poor's	AAA	AAA	AAA
Senior lien street revenue - Moody's	Aa3	Aa3	Aa3
Senior lien excise tax - Standard & Poor's	AAA	AAA	AAA
Senior lien excise tax - Moody's	Aa2	Aa2	Aa2
Risk management claims received and closed	3,233	3,250	3,250
Receivables:			
Dollar value of receivables billed	\$555 mil.	\$564 mil.	\$564 mil.
Percentage outstanding (as of June 30)	4.0%	2.86%	2.86%
City sales (excise) tax collected	\$713 mil.	\$694 mil.	\$700 mil.

\*Based on 10 months actual experience.

