



**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 2005-06 Finance operating budget allowance of \$24,721,000 is \$382,000 or 1.6 percent more than 2004-05 estimated expenditures. This increase reflects normal inflationary adjustments and is partially offset by budget reductions totaling \$738,000.

The budget reductions include revising cost accounting formulas to more aggressively allocate administrative costs to capital projects and enterprise funds. Also included are reductions for computer programming related to the city's payroll system.

The budget also converts a temporary procurement manager and a contracts specialist to regular status. These positions assist departments in procuring professional services. In addition, the budget reflects the transfer of 13 positions from the Housing Department to the Finance Department. These positions will provide grants management for the Housing programs and will be funded by Housing funds.

**Expenditure and Position Summary**

	2003-04	2004-05	2005-06
Operating Expense	\$21,689,000	\$24,339,000	\$24,721,000
Total Positions	294.5	310.5	310.5
Source of Funds:			
General	\$20,318,000	\$22,778,000	\$22,946,000
Water	715,000	840,000	1,072,000
Wastewater	603,000	672,000	672,000
Sports Facilities	-	67,000	100,000
Public Housing	-	(18,000)	(69,000)
City Improvement	53,000	-	-



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### Finance Major Performance Measures and Service Trends

The following significant performance measures and service trends will be achieved with the 2005-06 budget allowance:

	2003-04	2004-05*	2005-06
Investments by Portfolio:			
Treasurer's Group Portfolio -			
Dollars Invested	\$1,221 mil.	\$1,210 mil.	N/A
Average Yield	3.58%	3.50%	N/A
Percentage of			
three-month U.S. Treasury Bill	374%	155%	110%
Average Life (years)	2.3	2.3	N/A
Yield Restricted Portfolio -			
Dollars Invested	\$200 mil.	\$230 mil.	N/A
Average Yield	1.90%	1.70%	N/A
Percentage of			
three-month U.S. Treasury Bill	198%	110%	110%
Average Life (years)	.53	.25	N/A
Other Non-Yield Restricted Portfolio -			
Dollars Invested	\$693 mil.	\$950 mil.	N/A
Average Yield	1.68%	2.00%	N/A
Percentage of			
three-month U.S. Treasury Bill	176%	110%	110%
Average Life (years)	.32	.30	N/A
Dollar value of accounts payable warrants processed	\$1.9 bil.	\$2.2 bil.	\$2.2 bil.
Privilege license tax gross dollars reviewed	\$3.7 bil.	\$6.0 bil.**	\$3.0 bil.
Bond Ratings:			
General Obligation - Standard & Poor's	AA+	AA+	AA+
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	A1	A1	A1
Senior Lien Street Revenue - Standard & Poor's	AA	AA	AA
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	2,942	2,820	3,100
Receivables:			
Dollar value of receivables billed	\$434 mil.	\$450 mil.	\$450 mil.
Percentage outstanding (as of June 30)	4.0%	4.0%	4.0%
City sales (excise) tax collected	\$542 mil.	\$567 mil.	\$490 mil.

\*Based on 10 months actual experience.

\*\*The decrease from 2004-05 is due to closing assessments on some very large taxpayers in 2004-05.

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The amounts to be invested for 2005-06 are based on cash available during the fiscal year. Yield performance for each portfolio is measured against the performance of three-month United States Treasury Bills (T-Bill). The department's goal is to achieve at least 110 percent of the three-month United States T-Bill yield.

