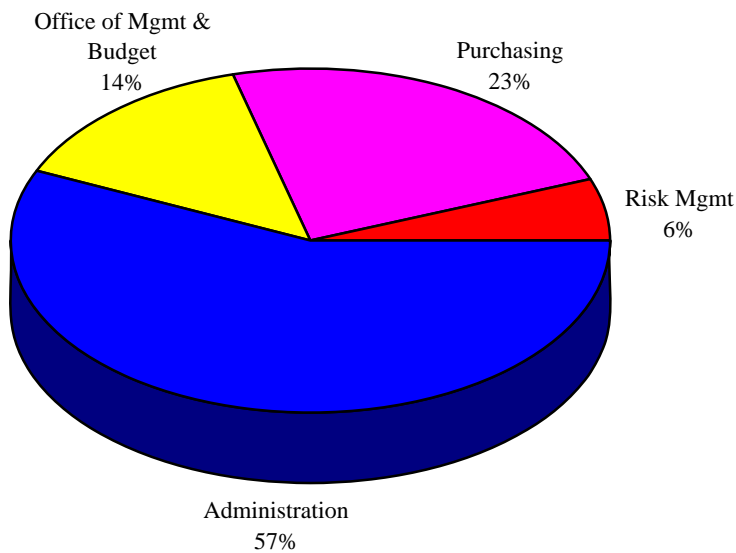


FINANCIAL SERVICES

Mervyn C. Timberlake, Jr., C.P.A., Financial Services Director
Linda C. Davidson, C.P.A., Deputy Financial Services Director

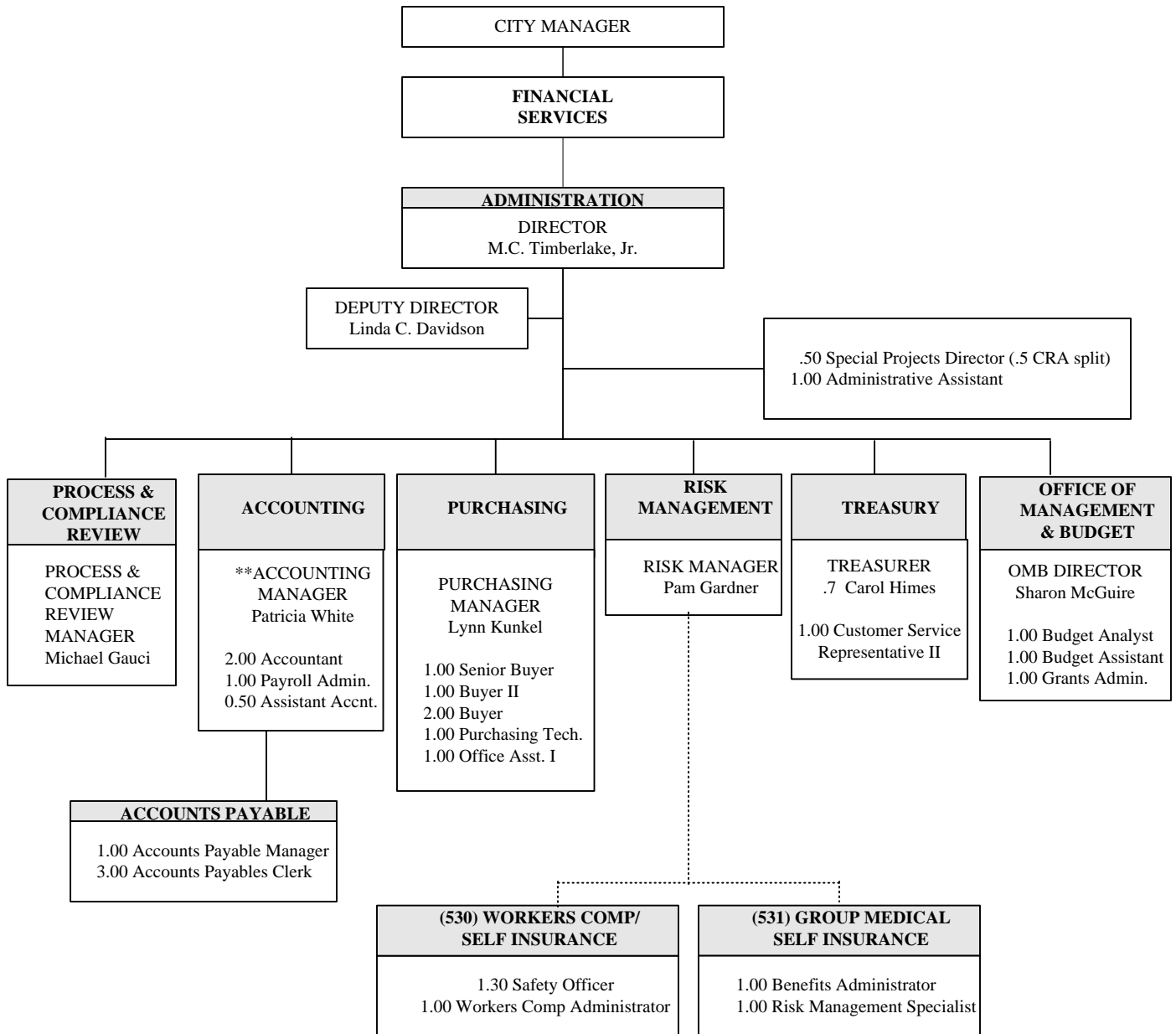
The mission of the Financial Services Department is to provide competent and comprehensive financial services for the City Administration to enable all departments to work in the best interests of our community and to instill the City’s value system among all employees to foster innovative solutions achieving an outstanding level of service. Financial Services manages the City’s financial resources in the most cost effective and efficient manner. The Department provides relevant, timely financial information to the public, decision makers and to City management. Financial Services is responsible for the safeguarding of the City’s assets through appropriate controls.

The activities of Financial Services include Administration, Office of Management and Budget, Purchasing, Risk Management and Customer Service.



DIVISION	APPROVED 2008-09 BUDGET
Administration	\$ 1,669,800
Office of Mgmt & Budget	412,200
Purchasing	690,100
Risk Management	171,600
TOTAL	\$ 2,943,700

EXPENDITURE BY CATEGORY	ACTUAL 2006-07 BUDGET	APPROVED 2007-08 BUDGET	REVISED 2007-08 BUDGET	APPROVED 2008-09 BUDGET
Personal Services	1,627,848	2,277,400	2,277,400	2,388,400
Other Operating	473,474	525,200	529,400	519,400
Supplies	24,532	35,600	36,500	35,900
Capital Outlay	11,112	-	33,200	-
Transfers	19,000	-	-	-
TOTAL	2,155,966	2,838,200	2,876,500	2,943,700
Full-time Employees	25.70	25.70	25.70	25.70



** Position funded by Utility Services (not in General Fund count)

* Alarm Billing Representative (Treasury) reclassified to Customer Service Rep. II

Approved Positions FY 07/08	25.70
Revised Positions FY 07/08	
Personnel Changes FY 08/09	
Approved Positions FY 08/09	25.70

ADMINISTRATION

EXPENDITURE BY CATEGORY	ACTUAL 2006-07 BUDGET	APPROVED 2007-08 BUDGET	REVISED 2007-08 BUDGET	APPROVED 2008-09 BUDGET
Personal Services	967,903	1,188,100	1,188,100	1,269,300
Other Operating	366,594	386,600	385,400	382,400
Supplies	14,115	15,800	18,000	18,100
Capital Outlay	11,112	-	33,200	-
Transfers	2,000	-	-	-
TOTAL	1,361,724	1,590,500	1,624,700	1,669,800

Description of Division and Activity

Administration provides direction to the Financial Services divisions and manages the City's financial resources in the most cost effective and efficient manner and provides relevant, timely financial data to the public and City management.

Goal

To provide a high standard of comprehensive financial services to City Departments, the public, bond rating agencies and other governmental agencies while safeguarding the City's financial assets and physical assets through appropriate controls.

Objectives 2008-09

- Implement new banking services contract to improve operations in bank reconciliation and electronic payment options.
- Implement new GASB Statement No. 45 on Other Post Employment Benefits (OPEB) with information provided in actuarial study.
- Implement electronic processing of procurement card transactions.
- Explore automation of the travel voucher process.
- Participate in implementation of sanitation fee.
- Review interlocal agreements with Greater Boca Raton Beach and Park District and provide cost allocation process for other administrative services.
- Continue updating departmental policies and procedures to ensure accurate performance and provide a vehicle for cross training staff.
- Provide for management transition when the Financial Services Director retires.
- Create an Internal Control Risk Assessment tool to assist in determining the types of process and compliance reviews to be initiated.
- Implement burglar alarm permitting procedures.
- Explore other options to increase interest revenues.
- Revise investment policy to allow 207 money markets, longer term investments for bond reserves to increase interest revenues.

Achievements 2007-08

- Implement an electronic payment program versus issuance of a paper check for high volume vendors.
Accounts Payable established a pilot program to test and implement the electronic payment program for high volume purchases.
- Review emergency medical billing and collection procedures in place with third party billing vendor, ADPI both before and after implementation of new EMS hardware and software.
The implementation of the new EMS hardware and software was completed and revisions were made to the billing and collections procedures which provided additional revenues to the City.
- Prepare a City administrative policy on the level of fund balances in accordance with the Government Finance Officers Best Practices.
An internal fund balance policy was developed that incorporated best practices from the GFOA and recommended balances from the bond rating agencies.
- Prepare a City administrative policy on the issuance and level of debt in accordance with the Government Finance Officers Best Practices.
A debt policy was developed to clarify the City's existing debt practices and appropriate uses and level of debt.
- Perform succession planning to ensure continuity and training for critical position, as staff reaches retirement age.
The Office of Management and Budget was transferred from the City Manager's office into the Financial Services Department to provide operational efficiency. A work plan was developed to assist in the transition of staff due to upcoming retirements.
- Continue updating departmental policies and procedures to ensure accurate performance and provide a vehicle for cross training staff.
A new grants administrative policy was issued and the City updated its travel policy, capital replacement costs policy
- Implement false alarm permitting procedures and implement new alarm software.
Implemented new false alarm software.
- Perform compliance/process review to increase City revenue by looking for ways to enhance collection of existing fees
 - A financial and operational procedural review of independent contractors in the Recreation Services Dept. was performed. Changes were made to improve internal controls, limit liability, and increase efficiency.
 - A citywide audit was performed on most petty cash and operation cash registers. The petty cash policy was revised to enhance internal controls. All petty cash custodians were trained on the new policy.
 - Police salary incentive payments – Semi annual procedures were established to ensure reconciliation of the internal payroll system to the FDLE required reporting system.
- Explore outsourcing a portion of the City's core operating portfolio to professional money managers to invest in corporate bonds in order to maximize interest earnings.
The City Treasurer will be exploring this option and will be making recommendations in the future.
- Provide monthly financial statements in a paperless format to departments requesting this format.
Increased timeliness of financial statement distribution while decreasing distribution and storage cost (cost of paper and man hours). We've reduced distribution time by at least 3 days. It previously took a day to print, another to sort and dissect, another to deliver.
- Improve bad debt collections for false alarms.
Collected \$52,000 in old debt by researching addresses, in addition to \$95,000 in current alarm fees.
- Purchase and implement Procurement Card software to streamline accounting and payment processes for procurement cardholders as well as Accounts Payable staff.
The City implemented the procurement card software module which reduced the accounting and payment processing staff time citywide and for Accounts Payable staff.

Achievements 2007-08
<p>Other Achievements:</p> <ul style="list-style-type: none"> • Reaffirmed the City’s AAA general obligation bond rating with Moody’s, Standard and Poor’s and Fitch and Received an upgrade from AA to AAA Water and Sewer Revenue and from Standard and Poor’s • Issued the 12th Long Range Financial Plan with revisions based upon current economic environment. • Issued RFP for auditing services and completed audit with new external auditors and improved year end process. • Participated in negotiations for general employees and police officers with new union contracts. • Issued \$40m Water and Sewer Refunding and Improvement Bonds with a savings of 5.68%. • Provided revenue updates to City Council • Implemented improved customer friendly letters to customer service. • Implemented new methods in both Customer Service and Meter Reading to proactively address repeat estimated utility bills. • Implemented e-billing to allow utility customers to receive utility bill via e-mail. • Completed five (5) year AMR program in four (4) years, installing AMR’s in backyard easements and commercial properties to allow reduction of meter reading workforce by one (1) position. • A policy was developed to comply with the state mandated requirement of notifying individuals in writing of the City’s purpose in collection and usage of their social security numbers.

PERFORMANCE MEASURES Strategic Initiatives:	FY 2006-07		FY 2007-08		FY 2008-09
	Goal	Actual	Goal	Estimated	Target
Financially Sound City Government					
Treasury: Available funds in interest-bearing investments	100%	100%	100%	100%	100%
Treasury: Meet or exceed benchmark	67%	80%	67%	85%	85%
Number of Petty Cash Audits Performed	2	2	3	3	5
Accounting: Reduce number of post-closing journal entries required during the annual audit by 50% per year to a target of 0 entries.	8	32	4	15	10
Percentage of time GFOA Certificate for Excellence in Financial Reporting received.	100%	100%	100%	100%	100%
Complete CAFR within 5 months of year end.	6 months	6 months	5 months	5 months	5months
Percentage of bank reconciliations completed within 20 days of month end.	75%	75%	75%	75%	75%
Number of internal compliance reviews performed and recommendations made.	4	0	5		
Desired general obligation bond rating received from the three rating agencies	AAA	AAA	AAA	AAA	AAA
Percentage of monthly financial statements issued within 15 days of month end.	75%	25%	75%	70%	75%
Number of process reviews performed for internal Financial Services functions	1	0	2	4	7
Perform procurement card audits to ensure compliance to the policy.	20	25	30	35	35
Number of capital asset inventories to be performed on an annual basis.	3	1	3	3	5

PERFORMANCE MEASURES Strategic Initiatives:	FY 2006-07		FY 2007-08		FY 2008-09
	Goal	Actual	Goal	Estimated	Target
<i>Word Class Municipal Services</i>					
Accounting: Number of training sessions performed that increase Financial Services staff's knowledge of each division's responsibilities.	1	1	3	4	6
Accounts Payable - Issue vendor checks within 30 days of invoice date	95%	90%	95%	95%	95%
Number of Vendors Paid via ACH in lieu of check.	5	0	10	1	50

PURCHASING

EXPENDITURE BY CATEGORY	ACTUAL 2006-07 BUDGET	APPROVED 2007-08 BUDGET	REVISED 2007-08 BUDGET	APPROVED 2008-09 BUDGET
Personal Services	518,871	576,700	576,700	586,700
Other Operating	86,127	91,300	91,700	95,400
Supplies	7,622	8,000	8,700	8,000
TOTAL	612,620	676,000	677,100	690,100

Description of Division and Activity

The Purchasing Division is responsible for the procurement of materials, supplies, equipment and services for all Departments in accordance to State Statute, City ordinances and the procurement code. The Division also supervises the disposition of surplus property and provides mail services for the City Departments.

Goal

To procure materials, supplies, equipment, and services at the lowest possible cost consistent with the quality needed to provide the very best service to the public.

Objectives 2008-09

- Development of training programs for City employees on policies and procedures.
- Implement new Procurement Card Web based transaction and reporting software and train City staff.
- Implement new Contract Management Module software and train City staff.
- Review and analyze the operational procedures for surplus property disposition. Implement any identified changes to increase efficiency in processing items for surplus.

Achievements 2007-08

- Continue evaluation of the Procurement Code and make recommendation for changes.
Procurement Codes from other agencies were obtained for review and analysis. A detailed listing of procedures and operational policies that need to be changed or added was developed.
- Review the electronic bidding system and operational procedures to assure software is being used to fullest capacity.
Purchasing staff submitted reports on functionality of the system. New ideas and concepts were submitted to the developer of the software for review and possible implementation into the next software release.
- Implementation of an HTE/Procurement users group with membership from all City Departments.
Key personnel from each Department were identified and an agenda was developed related to procurement related topics with intent that meetings will occur three times per year.
- Analyze current filing systems and implement changes where appropriate to take advantage of electronic media storage.
Purchasing is continuing to analyze the filing system in conjunction with the new contract management software module that will be available in FY 08/09. Areas were identified for use of scanned documents and the electronic bidding system versus making photo copies.

Other Achievements:

- Implementation of new Sole Source Form.
- Recipient of the 2008 Award for Excellence from the Florida Association of Public Purchasing Officers.
- Set-up of procurement cardholders and development of procedures to utilize new procurement card transaction processing software.

Achievements 2007-08

- Participation in South East Florida Chapter NIGP reverse trade show.

PERFORMANCE MEASURES Strategic Initiatives:	FY 2006-07		FY 2007-08		FY 2008-09
	Goal	Actual	Goal	Estimated	Target
<i>Financially Sound City Government</i>					
Provide twelve procurement card training sessions per fiscal year.	83%	83%	83%	83%	83%
Increase percentage of annual procurement card rebate by promoting procurement card usage.	10%	12%	7%	7%	5%
All new year blanket purchase orders processed by November 1 st , of the current fiscal year.	85%	85%	85%	85%	85%
<i>Strong Partnership with Our Stakeholders</i>					
Percentage of sealed bids prepared and solicited for term contracts within 30 days from receipt of department's requisition and final specifications.	95%	90%	98%	85%	85%
Percentage of sealed bids prepared and solicited for construction contracts within 20 days from receipt of department's requisition and final specifications.	95%	90%	98%	85%	85%
Percentage of sealed bids prepared and solicited for equipment and services within 30 days of receipt of requisition and final specifications.	90%	85%	95%	85%	80%
Percentage of sealed RFP's prepared and solicited within 30 days from receipt of department's memorandum request and receipt of requisition.	90%	90%	90%	85%	85%
Percentage of expiring term contracts re-bid 60 days prior to contract expiration.	80%	80%	85%	70%	80%

RISK MANAGEMENT

EXPENDITURE BY CATEGORY	ACTUAL 2006-07 BUDGET	APPROVED 2007-08 BUDGET	REVISED 2007-08 BUDGET	APPROVED 2008-09 BUDGET
Personal Services	141,076	134,800	134,800	149,100
Other Operating	20,753	18,800	18,800	19,200
Supplies	2,605	3,800	3,800	3,300
Transfers	17,000	-	-	-
TOTAL	181,434	157,400	157,400	171,600

Description of Division and Activity

The Risk Management Division maintains open and effective communication with employees to assist them with their health benefits, deferred compensation plans, and flexible spending accounts. This Division is also responsible for employee safety, liability issues, workers' compensation claims and service.

Goal

Goals are primarily employee oriented. Continue to educate employees regarding their benefits, safety, and maintain a safe working environment. Provide good medical care for all employees. Liability issues will be managed in a cost effective and efficient manner.

Objectives 2008-09

- Provide quality, cost-effective health insurance for all employees.
- Continue to work with the Property Insurance Broker in order to lower the cost of insurance for all City properties.
- Provide safety training to all employees in order to help keep the number of accidents and injuries down.
- Enhance medical providers for the workers' compensation program who will assist the City in lowering costs for the program.
- Add new segments to the Wellness Program which will save the City money on their health insurance premiums.
- Educate the employees on the flexible spending plan, which should help the employees save money and result in a tax savings for the City.

Achievements 2007-08

- Negotiate a cost effective health insurance rate maintaining quality benefits.
This was done and a one digit increase was negotiated. This is ongoing at all times.
- Help Departments identify their liabilities and put procedures in place to mitigate dangers to employees and citizens.
This is an ongoing project but many departments have identified risks and worked on procedures to mitigate them.
- Provide appropriate safety training for issues as they arise.
Safety training goes on daily but the number of accidents has decreased this year which should be attributed to the training the employees receive.
- Continue required yearly safety training to help employees stay safe and certified.
We have many more employees certified in various classes than in previous years.

Achievements 2007-08	
<ul style="list-style-type: none"> Provide training to Safety Committee Members and Accident Review Board Members to help them perform their duties as Board members more effectively. The Safety Committee members and ARB members feel more secure in their safety jobs because they have had extensive training. Work with Property Broker to make sure our schedule of properties is accurate so we can purchase the most cost effective insurance. Inspections were done this year on many of the properties to make sure they were in compliance with insurance company specifications so that the City would be able to qualify for a lower rate. Continue Wellness Program by introducing more nutrition seminars and adding exercise components. Several really good seminars were given and more employees are getting the wellness message. 	
Other Achievements:	
<ul style="list-style-type: none"> Planned a very successful health, benefits and safety fair. Won a sprinkler liability car accident case. Reduced the number of accident and injuries in several departments. Continued to education employees on their health insurance benefits so that they could become better consumers. Workers' compensation has continued to reduce costs per each claim. The Safety Officers have been successful in bringing training classes to the City for no cost. 	

PERFORMANCE MEASURES Strategic Initiatives:	FY 2006-07		FY 2007-08		FY 2008-09
	Goal	Actual	Goal	Estimated	Target
<i>Financially Sound City Government</i>					
Percentage of Subrogation Claims filed and recovered in the fiscal year.	75%	82%	80%	88%	90%
Percentage of accidents/injuries investigated within 48 hours of notification	75%	80%	80%	85%	90%
Percentage of liability claims settled within the reserved amount	80%	80%	85%	80%	80%
Percentage of health insurance problems resolved within two weeks of notification.	80%	90%	87%	90%	90%
Increase participation in the flexible spending account	1%	2%	2%	3%	4%
Under state managed care program, percentage reduction of workers' compensation injuries.	10%	15%	11%	15%	10%

OFFICE OF MANAGEMENT & BUDGET

EXPENDITURE BY CATEGORY	ACTUAL 2006-07 BUDGET	APPROVED 2007-08 BUDGET	REVISED 2007-08 BUDGET	APPROVED 2008-09 BUDGET
Personal Services	-	377,800	377,800	383,300
Other Operating	-	28,500	31,500	22,400
Supplies	-	8,000	8,000	6,500
TOTAL	0	414,300	417,300	412,200

Description of Division and Activity

The Office of Management and Budget is responsible for integrating City Policy objectives through the administration and preparation of the annual operating and capital improvements budgets. The Office of Management and Budget is also responsible for the coordination of city-wide grant activity.

Goal

Provide for the effective and efficient management of the City's resources through constant monitoring of appropriations and management analysis.

Objectives 2008-09

- Prepare and manage a balanced budget.
- Implement new Budget preparation system and revise training citywide.
- Acquire extensive knowledge on the City's defined benefit pension plans and assist in union negotiations with pension issues.
- Publish budget books by December 15, 2008.

Achievements 2007-08

- Develop strategy for long-term budget planning in response to statewide property tax reform.
Staff continues to review and analyze proposed legislation on tax reform. The budget was prepared in compliance of the tax reform passed. The City reduced its property tax rate by 7.88% and did not raise other user fees in response to statewide property tax reform. The City accomplished this property tax reduction by laying off 72 full time positions and 70 part time positions as well as eliminating and reducing several operating programs to reduce on-going expenses.
- Explore acquisition of new budget preparation system.
OMB has researched software solutions and issued a Phase 1 RFP to help in evaluation of systems available.
- Perform fire assessment analysis and any fee recommendations.
Staff prepared cost information and analysis for the City Manager's report to council on the Fire Services Assessment. The City reviewed the data supporting the fire assessment fee and did not recommend any changes to the fee.
- Assist in financial feasibility study to implement Multi Modal Transportation District policies.
OMB is attending meeting and providing input on the financial feasibility.
- Review long-term financial impact of pension plans.
As part of the union negotiations for general employees the City developed alternative options for a new defined contribution plan and a reduced defined benefit plan which should produce savings in the future.

Achievements 2007-08
<p>Other Achievements:</p> <ul style="list-style-type: none"> • Incorporated statewide property tax reform into adopted budget for FY 2008-09. • Produced 4th annual “Your Property Taxes Explained” brochure with updated and timely information for residents. • Received the Distinguished Budget Presentation Award from GFOA for the 26th consecutive year.

PERFORMANCE MEASURES	FY 2006-07		FY 2007-08		FY 2008-09
Strategic Initiatives:	Goal	Actual	Goal	Estimated	Target
Financially Sound City Government					
Receive the GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes	Yes
% of grant applications submitted that receive funding.	N/A	N/A	N/A	N/A	100%
World Class Municipal Services					
Weeks to complete Proposed Budget	11	11	10	10	10
Budget Training Classes	6	6	6	6	6
% of Budgets submitted by the deadline.	100%	92%	100%	95%	100%
% of Budget Transfers processed within 15 days.	100%	100%	100%	100%	100%
Strong Partnership with Our Stakeholders					
Production of Approved Budget documents (hard copy and City website accessible)	Yes	Yes	Yes	Yes	Yes

CUSTOMER SERVICE

Description of Division and Activity
Customer Service reads the water meters, and prepares and collects utility billings for all accounts served by the City. Customer Service also serves as the centralized cash receipts for all revenues of the City and is responsible for miscellaneous receivables owed to the City including special assessments.

Goal
To provide an outstanding level of customer service while generating, collecting, and accounting for all revenues due to the City.

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|--|
| Objectives 2008-09 |
| <ul style="list-style-type: none"> • Implement cross-training program to ensure seamlessness in staff turn-over or absence. • Implement routine verification of disconnection of accounts terminated for non-payment. • Implementation of billing and collections for alternate revenues. |

- | |
|---|
| Achievements 2007-08 |
| <ul style="list-style-type: none"> • Send delinquent false alarms to collections.
A process was implemented to provide delinquent false alarms to the City’s external collection agency. • Prepare to open City Hall at Town Center.
Due to statewide property tax reform and expenditure reductions the City Hall at Town Center project was eliminated. • Perform utility revenue enhancement study with consultant.
A utility rate study was performed and results were presented to the City Council. A 12% rate increase was approved effective January 1, 2008 which provides for operating cash flow and to fund required capital improvements funded by the water and sewer improvement and refunding bonds. |

PERFORMANCE MEASURES	FY 2006-07		FY 2007-08		FY 2008-09
Strategic Initiatives:	Goal	Actual	Goal	Estimated	Target
<i>Financially sound City government</i>					
Reduce the number of delinquent false alarm accounts	90%	n/a	90%	75%	90%
Maintain a less than 1% delinquency rate on utility billings of greater than 60 days	90%	90%	90%	90%	95%
Error free daily cash balance	95%	94%	99%	99%	100%
Percentage of utility bills mailed within 1 day of target date	95%	80%	95%	95%	95%