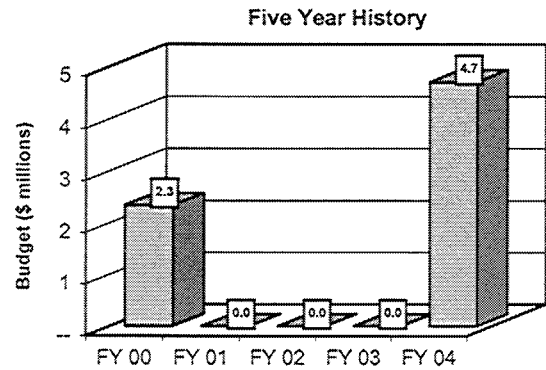


# TREASURER

## 2003 - 2004 Proposed Budget

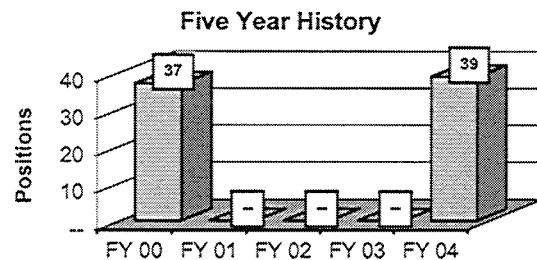
### FUNDING

	2002-03 Estimated	2002-03 Budget	2003-2004 PROPOSED	
			Amount	%Change
Salaries	\$ -	\$ -	\$ 2,581,634	100.0%
Expense	-	-	2,173,925	100.0%
Equipment	-	-	8,965	100.0%
Special	-	-	--	-- %
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,764,524</b>	<b>100.0%</b>



### STAFFING

	June 30, 2003 Projected Staffing	2002-2003 Adopted Budget	2003-2004 PROPOSED	
			Authorized Staffing	%Change
Regular	39	--	39	100.0%



### BUDGET HIGHLIGHTS

	Direct Cost	Positions
◆ 2002-03 Employee Compensation Adjustment	\$ 18,450	--
◆ 2003-04 Employee Compensation Adjustment	65,220	--
◆ Restoration of Office of the Treasurer	2,485,805	34
◆ Transfers of Fiscal and Accounting Support	(262,296)	(4)
◆ Transfers of Clerical Support	93,648	2
◆ Additional Investment Staff	219,851	2
◆ Banking Fees	1,700,000	--
◆ Financial Manager	103,163	1
◆ Treasurer Support	261,049	4

## Recapitulation of Changes

	Adopted Budget 2002-03	Total Budget Changes	Budget Appropriation 2003-04
<b>EXPENDITURES AND APPROPRIATIONS</b>			
<b>Salaries</b>			
Salaries General . . . . .	-	2,575,821	2,575,821
Overtime General . . . . .	-	5,813	5,813
<b>Total Salaries</b> . . . . .	<b>-</b>	<b>2,581,634</b>	<b>2,581,634</b>
<b>Expense</b>			
Printing and Binding . . . . .	-	6,413	6,413
Contractual Services . . . . .	-	321,836	321,836
Transportation . . . . .	-	6,000	6,000
Bank Service Fees . . . . .	-	1,732,000	1,732,000
Office and Administrative . . . . .	-	101,662	101,662
Operating Supplies . . . . .	-	6,014	6,014
<b>Total Expense</b> . . . . .	<b>-</b>	<b>2,173,925</b>	<b>2,173,925</b>
<b>Equipment</b>			
Furniture, Office and Technical Equipment . . . . .	-	8,965	8,965
<b>Total Equipment</b> . . . . .	<b>-</b>	<b>8,965</b>	<b>8,965</b>
<b>Total Treasurer</b> . . . . .	<b>-</b>	<b>4,764,524</b>	<b>4,764,524</b>

## SOURCES OF FUNDS

General Fund . . . . .	-	4,308,100	4,308,100
Sewer Construction & Maintenance Fund (Sch 14) . . . . .	-	456,424	456,424
<b>Total Funds</b> . . . . .	<b>-</b>	<b>4,764,524</b>	<b>4,764,524</b>
Percentage Change . . . . .			.%
Positions . . . . .	-	39	39

## Treasury Financial Administration

This program provides for the custody and disbursement of funds and securities belonging to the City and its affiliated entities, and the investment of those funds not immediately required to pay current obligations.

Program Changes	Direct Cost	Posi- tions	Total Cost
<b>Changes in Salaries, Expense, Equipment and Special</b>			
<b>Obligatory</b>			
1 . <b>2002-03 Employee Compensation Adjustment</b> Related costs consist of employee benefits. SG \$18,450 Related Costs: \$2,327	18,450	-	20,777
2 . <b>2003-04 Employee Compensation Adjustment</b> Related costs consist of employee benefits. SG \$65,220 Related Costs: \$8,224	65,220	-	73,444
3 . <b>Salary Step Plan and Turnover Effect</b> Related costs consist of employee benefits. SG \$81,677 Related Costs: \$10,299	81,677	-	91,976
4 . <b>Change in Number of Working Days</b> One more working day. Related costs consist of employee benefits. SG \$7,390 Related Costs: \$932	7,390	-	8,322
<b>Workload</b>			
5 . <b>Additional Investment Staff</b> Funding and position authority for one Chief Investment Officer and one Investment Officer I are provided to manage the City's \$4 billion investment portfolio. Both positions are eligible for partial funding from the Sewer Construction and Maintenance Fund and a portion of their cost will be offset from the increased revenue they generate to the City. The Chief Investment Officer will be responsible for developing and directing the implementation of investment strategies consistent with established investment policies; and developing comprehensive cash flow and float analyses, including proprietary department, special pool and bond activity. The Investment Officer I is continued from 2002-03 approved under C.F. 02-1250-S211. These positions will assist the Treasurer to more actively manage the portfolio and optimize the return on investment. Funding for investment tracking contractual services and equipment is provided. Related costs consist of employee benefits. SG \$200,832; EX \$17,734; EQ \$1,285 Related Costs: \$37,716	219,851	2	257,567

<b>Program Changes</b>		<b>Direct Cost</b>	<b>Posi- tions</b>	<b>Total Cost</b>
<b>Changes in Salaries, Expense, Equipment and Special Workload</b>				
<b>6</b>	<b>Treasurer Support</b> Funding and position authority for one Senior Systems Analyst I, one Systems Analyst II, one Senior Personnel Analyst I, and one Accounting Clerk I are provided for administrative support to the newly restored Office of the Treasurer. The Senior Personnel Analyst I and Accounting Clerk are for personnel and payroll. The Systems positions will assist in the development, planning and integrating of a new Banking Management System as well as provide continuing support and maintenance of all other Treasury systems. The Senior Systems Analyst I position was approved under C.F. 02-2285 to be the lead in the selection of a consultant to upgrade the current Treasurer's Banking Management System which is outdated and unreliable. The Systems positions are partially funded from the Sewer Construction and Maintenance Fund. Related costs consist of employee benefits. <i>SG \$253,104; EX \$2,400; EQ \$5,545</i> Related Costs: \$56,688	261,049	4	317,737
<b>7</b>	<b>Financial Manager</b> Funding and position authority for one Financial Manager II are provided to oversee banking operations within the Treasurer's Office, which include the processing of over 122,000 deposits annually, wire transfer processing and monitoring the bad checks system. The duties include the implementation of new bank services and initiatives which would result in lower costs and greater operational efficiency. Related costs consist of employee benefits. <i>SG \$100,428; EX \$600; EQ \$2,135</i> Related Costs: \$18,852	103,163	1	122,015
<b>Transfers Between Departments</b>				
<b>8</b>	<b>Restored Office of Treasurer</b> The functions of the Treasurer are transferred from the Office of Finance and restored as its own department. This item transfers the Treasurer's 2002-03 budget base (See Office of Finance Item 16). Related costs consist of employee benefits. <i>SG \$2,031,601; SOT \$5,813; EX \$448,391</i> Related Costs: \$464,748	2,485,805	34	2,950,553
<b>9</b>	<b>Transfers of Fiscal And Accounting Support</b> Funding and position authority for an Accountant II, Senior Accountant I, Senior Accountant II and a Fiscal Systems Specialist I are transferred from the Office of the Treasurer to the Office of Finance to reflect the internal reorganization that occurred in 2002-03. These four positions are partially funded from the Sewer Construction and Maintenance Fund. See Office of Finance Item 8. Related costs consist of employee benefits. <i>SG \$(259,896); EX \$(2,400)</i> Related Costs: \$(57,552)	(262,296)	(4)	(319,848)

<b>Program Changes</b>		<b>Direct Cost</b>	<b>Posi- tions</b>	<b>Total Cost</b>
<b>Changes in Salaries, Expense, Equipment and Special</b>				
<b>Transfers Between Departments</b>				
10 .	<b>Transfer of Clerical Support</b> Funding and position authority for two Senior Clerk Typists are transferred from the Office of Finance to the Office of the Treasurer to provide additional support personnel. These positions will be utilized by the Treasurer for personnel, payroll and other administrative duties. Also, funding to cover the Treasurer's annual vehicle allowance totaling \$6,000 is transferred. See Office of Finance Item 9. Related costs consist of employee benefits. SG \$86,448; EX \$7,200 Related Costs: \$23,280	93,648	2	116,928
<b>Other Changes or Adjustments</b>				
11 .	<b>Managed Attrition</b> Funding is reduced to reflect the continuation of a hard hiring freeze throughout fiscal year 2003-04. Vacant positions with salaries equal to the amount of attrition will be deleted from the fiscal year 2004-05 budget. Related costs consist of employee benefits. SG \$(9,433) Related Costs: \$(2,181)	(9,433)	-	(11,614)

<b>Program Changes</b>	<b>Direct Cost</b>	<b>Posi- tions</b>	<b>Total Cost</b>
<b>Changes in Salaries, Expense, Equipment and Special</b>			
<b>Other Changes or Adjustments</b>			
12. <b>Banking Fees</b>	1,700,000	-	1,700,000
<p>Funding is provided to pay \$1,000,000 in banking fees directly from the Treasurer's operating budget instead of paying through "compensating balances". This change transitions the City from utilizing compensating balances as a primary method of payment for banking services which currently requires the City to retain a certain amount of funds in an idle state instead of investing those funds in yielding instruments. Under the current economy the dividends earned on compensating balances held at each bank have been insufficient to cover costs and thus the City has continued to increase the balance of funds held at each bank to combat the effect of lower interest rates. Also, the bank service charges have increased due to increased usage of credit cards by various payees to the City. This cost will be offset from the increased revenue it generates to the City due to additional interest earnings on the City's portfolio that will be generated.</p> <p>Funds totaling \$700,000 is included to cover the cost of providing the public with the convenience of making payments to the City by credit cards. This funding covers the fees charged to the City by the banks, in accordance with VISA and MasterCard regulations, for credit card transactions made through telephonic Interactive Voice Response systems or the Internet. This funding is offset by a commensurate amount of revenue to the City.</p> <p><i>EX \$1,700,000</i></p>			
<b>TOTAL TREASURY FINANCIAL ADMINISTRATION</b>	<u>4,764,524</u>	<u>39</u>	
2002-03 Program Budget	-	-	
Changes in Salaries, Expense, Equipment and Special	<u>4,764,524</u>	<u>39</u>	
<b>2003-04 PROGRAM BUDGET</b>	<u>4,764,524</u>	<u>39</u>	

## INDICATORS OF WORKLOAD

	ACTUAL 1997-98	ACTUAL 1998-99	ACTUAL 1999-00	ACTUAL 2000-01	EST. 2001-02	EST. 2002-03	EST. 2003-04
<b>TREASURY</b>							
Average percentage of available cash funds invested	98.68%	98.68%	98.79%	96.24%	93.83%	94.00%	94.00%
Number of investment purchases	1,052	903	1,212	1,070	582	550	600
Number of investment sales	*	*	279	216	125	60	100
Proceeds from securities lending	\$ 1,437,540	\$1,567,325	\$ 1,502,871	\$ 1,098,274	\$ 749,900	\$ 800,000	\$ 1,200,000
Annual turnover of core portfolio	*	*	*	*	*	3X	3X
Number of individual portfolios managed	*	*	*	*	*	13	16
Portfolio performance relative to core benchmark (rate of return)	*	*	*	*	*	105.00%	100.00%
Portfolio performance relative to reserve benchmark (rate of return)	*	*	*	*	*	100.00%	100.00%
Market-average value of general pool managed annually (billions)	\$ 2.8	\$ 2.6	\$ 3.0	\$ 3.1	\$ 3.4	\$ 3.0	\$ 4.0
Interest earned - General Fund only (millions)	\$ 29.5	\$ 22.7	\$ 22.3	\$ 30.0	\$ 27.5	\$ 27.0	\$ 27.0
Interest earned - Total of all funds (millions)	\$ 191.1	\$ 185.6	\$ 189.8	\$ 240.0	\$ 212.0	\$ 187.0	\$ 200.0
Annual earned income yield	5.75%	5.57%	5.70%	6.30%	5.31%	4.75%	5.00%
New Street Bonds	-	-	-	18	168	557	400
Number of cash receipts processed	13,344	12,693	12,793	12,720	14,600	16,800	19,300
Number of registered bonds and coupons audited and paid	2,921,519	2,314,568	2,562,574	2,100,629	2,400,000	2,100,000	2,100,000
Number of bearer bonds and coupons audited and paid	113,359	27,929	33,000	21,556	16,000	17,000	17,000
Number of new bond issues	3	5	5	6	4	5	5
Number of bank deposits processed	*	80,052	64,819	102,606	111,090	122,200	134,400
Number of fed wires processed	*	2,572	3,177	3,113	3,405	3,700	4,100
Number of ACH transfers	*	20,300	24,682	31,130	*		
Number of bad checks received	*	12,061	10,482	9,900	9,216	9,000	8,000
Lockbox deposits processed	*	*	5,938	*	*	*	*
Bank adjustments processed	*	*	3,407	*	*	*	*
Teller checks written	*	*	1,716	*	*	*	*
Total incoming cash flow (billions)					23	24	24
Total outgoing cash flow (billions)					23	23	23

\*Data is not available

