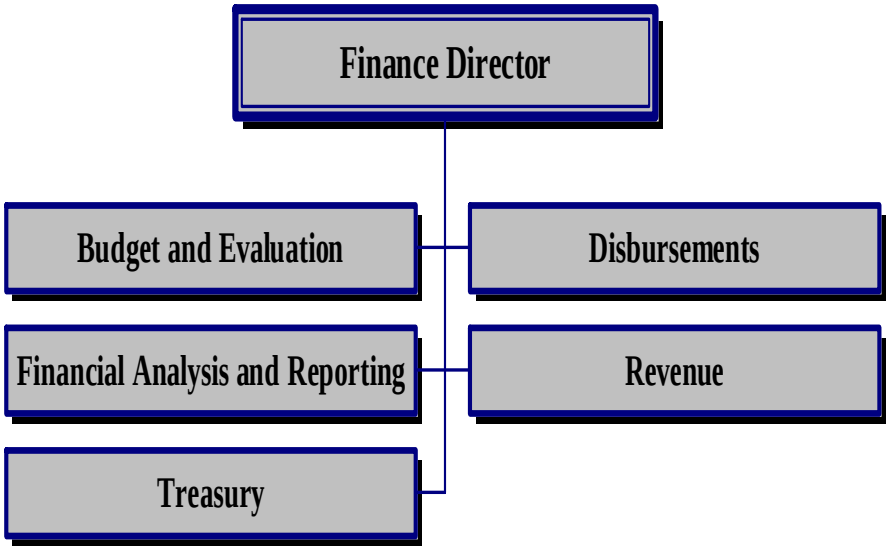


Finance

- Mission Statement
- Budget Summary
- Program Information
- Accomplishments
- Work Plan
- Key Issues
- Position Information
- Major Contracts
- New and Replacement Vehicles

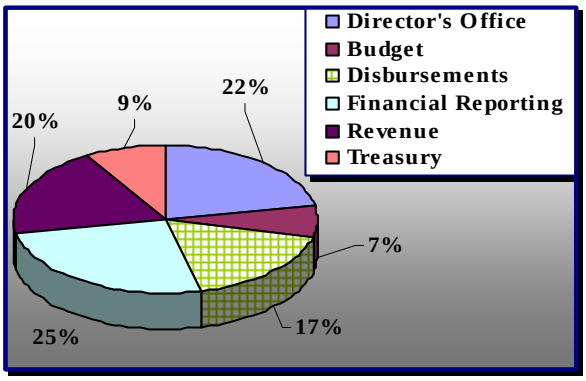
Mission Statement

To maintain the City's high standard of financial excellence by providing the Residents, City Council, City Manager, and City Departments with professional customer service through collection and disbursement of funds, financial reporting, and management of assets.

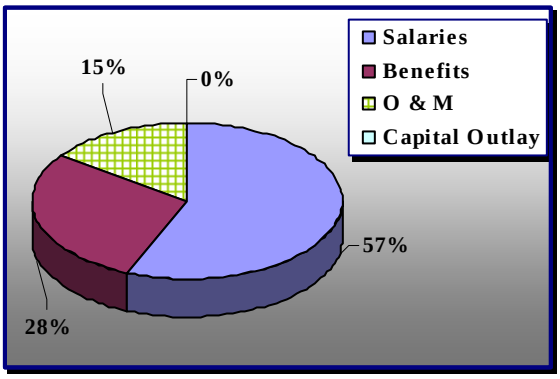
Budget Summary

Expenditure	Actual FY 2003-04	Budget FY 2004-05	Revised FY 2004-05	Proposed FY 2005-06	Change From 04-05 Budget
Salaries	$858,120	$1,122,618	$944,759	$1,269,241	13.06%
Benefits	$398,672	$558,182	$475,305	$638,959	14.47%
Operation & Maintenance	$361,124	$322,767	$519,649	$344,270	6.66%
Capital Outlay	$0	$0	$0	$0	0.00%
Total	$1,617,916	$2,003,567	$1,939,713	$2,252,470	12.42%
Full-Time Positions	18.00	18.00	18.00	20.00	10.53%
Part-Time Positions	0.00	0.00	0.00	0.00	0.00%
Director's Office	$405,657	$448,019	$376,958	$500,326	11.68%
Budget	$82,295	$139,516	$155,841	$153,216	9.82%
Disbursement	$326,194	$364,996	$337,518	$384,345	5.30%
Financial Reporting	$410,594	$496,234	$534,541	$581,534	17.19%
Revenue	$244,490	$363,982	$396,024	$439,786	20.83%
Treasury	$148,685	$190,820	$138,830	$193,263	1.28%
Total	$1,617,916	$2,003,567	$1,939,713	$2,252,470	12.42%
Funding Source					
General Fund	$1,617,916	$2,003,567	$1,939,713	$2,252,470	12.42%
Total	$1,617,916	$2,003,567	$1,939,713	$2,252,470	12.42%

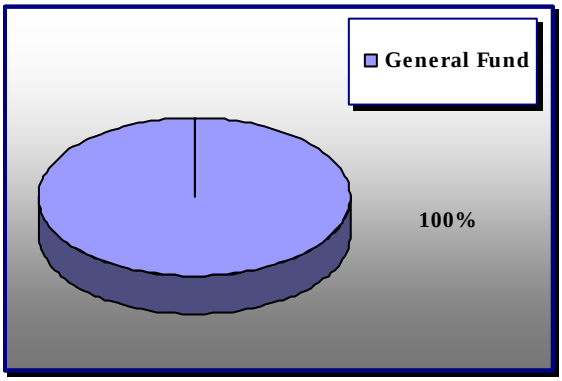
Department by Divisions



Department Expenditure by Category



Department Funding Sources



Program Information

Finance $2,252,470

Director's Office $500,326

The Director's Office is the primary advisor to the City Manager, City Council, and Departments in the areas of financial planning, investments, debt management, financial reporting, accounts payable, payroll, accounts receivable, business licenses and utility billing. It is also responsible for preparing the operating budget, five-year revenue and expenditure projections, and capital improvement plan. This division also provides leadership in the development and implementation of city-wide financial policies. This division serves as the Office of the Treasurer as required by the State Government Code and the Folsom Municipal Code.

Budget and Evaluation $153,216

This division is responsible for preparing the operating budget, five-year revenue and expenditure projections, and the capital improvement plan. It is also responsible for operational and organizational studies as identified by the City Manager, City Council, and department staff, as well as coordinating citizen surveys and evaluating departmental achievement of the City's strategic plan.

Disbursements $384,345

This division processes the City's payroll and accounts payable payments accurately and in a timely manner; and prepares and maintains accurate financial records of all disbursement transactions.

Financial Analysis and Reporting $581,534

The Financial Analysis and Reporting division prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets. The division also reports the financial data of the City according to Generally Accepted Accounting Principals and the Pronouncements of the Governmental Accounting Standards Board in a timely manner.

Revenue $439,786

The Revenue Division collects and records all City revenues; including utility payments, business licenses, sales taxes, property taxes, franchise fees, and transient occupancy taxes. The division also provides customer service to the City's utility customers, including billing, new account set-ups and account inquiries. Collection procedures on delinquent accounts receivable are initiated through this division.

Treasury **$193,263**

The Treasury division is responsible for cash, investment portfolio, debt and special assessment district management. This division also manages the City's banking and other financial services relationships. The cash management program is responsible for ensuring the timely deposit, investment and disbursement of funds. Portfolio management includes investing the City's funds in compliance with the City's Investment Policy. Debt management includes the issuance, and ongoing administration of the City's debt instruments and the debt instruments of the special assessment districts.

FY 2004 – 05 Accomplishments

Director's Office
- Continued implementation of Strategic Goal I
- Completed and presented five-year financial projection for Folsom Redevelopment agency
- Analyzed the fiscal impact of development of Aerojet properties

Budget and Evaluation
- Received Government Finance Officer's Association of the U.S. and Canada (GFOA) and the California Society of Municipal Finance Officer's Association (CSMFO) Distinguished Budget Award for Budget Document for second consequent year
- Evaluated and recommended new rate structure for water, sewer and solid waste for implementation in FY 2006
- Evaluated and planned for impact of State budget deficit on City budgets

Disbursements
- Continued improvement to accounts payable controls by implementing and refining additional reviews of payment requests
- Improved the timeliness of disbursements

Financial Analysis and Reporting
- Received Certificates of Excellence in financial reporting for the City's Comprehensive Annual Financial Report from GFOA, and CSMFO
- Developed and implemented new cost allocation system
- Submitted quarterly financial reports to the City Council

Revenue
- Implemented a revised business license approval process
- Revised water bills to reflect historical usage
- Implemented a new delinquency collection process

Treasury
- Issued Water revenue bond financing for water treatment plant upgrade and expansion
- Secured lease financing for Solid Waste vehicles
- Continued cash management process improvements

FY 2005 – 06 Work Plan

To ensure and promote the long-term financial health of the City of Folsom. (Strategic Plan Goal I)

Objective :
To accurately manage the City's financial capacity to sustain annual operations, including infrastructure maintenance, as analyzed over a five-year period. ***(Strategic Plan Goal I, Objective 3)***

Strategies:

- Prepare and present a five-year financial projection for the Special Revenue Funds, Capital Projects and Parks and Recreation funds, testing economic (growth v. recession) and "build out" assumptions, in order to identify areas for study and corrective actions by June 2006
- Complete the analysis and evaluation of the financial impact of retiree health benefit options by September 2005

Performance Measure	Actual 2004	Projected 2005	Budget 2006
Completion of Five Year Forecast	General Fund	Redevelopment Agency, Water, Sewer, and Solid Waste	Special Revenue Funds, Capital Projects and Parks and Recreation
Completion and submittal of financial analysis of retiree health benefit options	N/A	50%	100% by September 2005

Objective :
To proactively assess the potential economic and fiscal impact of new development South of Highway 50. ***(Strategic Plan Goal I, Objective 5)***

Strategies:

- Complete negotiations with LAFCO of the "fiscal and economic impact" provisions of the annexation agreements for areas South of Highway 50 by December 2005.

Performance Measure	Actual 2004	Projected 2005	Budget 2006
Submit financial analysis to decision makers	N/A	N/A	September 2005
Completion of negotiations with LAFCO	N/A	N/A	December 2005

Objective :
To proactively assess the City's financial capacity to invest in capital improvements, including infrastructure replacement and renovations, over the long term (five years). ***(Strategic Plan Goal I, Objective 5)***

Strategies:

- Establish and implement a CIP monitoring process that gauges the progress of the approved projects by October 2005
- Present quarterly CIP financial reports to decision makers beginning with the quarter ending September 2005

Performance Measure	Actual 2004	Projected 2005	Budget 2006
CIP reporting process established	N/A	50%	Complete by October 2005
Number of CIP financial reports submitted to City Council	N/A	N/A	3 reports by June 2006

Objective :
Improve fiscal oversight and promote accountability by conducting internal audits of City programs and operations and recommend corrective actions. ***(Strategic Plan Goal I, Objective 6)***

Strategies:

- Complete 6 audits and present internal audit recommendations to the City Manager by June 2006

Performance Measure	Actual 2004	Projected 2005	Budget 2006
Recommend process to City Manager	N/A	Complete	N/A
Number of internal audits completed	N/A	N/A	6 audits by June 2006

Key Issues

Director's Office

- Continue the implementation of Strategic Goal I
- Continue to monitor possible State actions and its potential effects on the City's financial health
- Update City wide impact fees
- Evaluate economic impacts of development south of Highway 50
- Provide assistance with the redevelopment and economic development efforts for the City

Budget and Evaluation

- The final FY 2005-06 budget document will be submitted to GFOA and CSMFO as a Distinguished Budget Document
- Conduct three management studies

Disbursements

- Continue to identify and implement financial control measures
- Identify and implement document storage alternatives that comply with the City's record retention requirements

Financial Analysis and Reporting

- Assist in evaluation of City benefits and risk management programs
- CAFR to be completed by October 31, 2005
- Implementation of GASB Statement No. 40 Deposit and Investment Risk Disclosures an amendment of GASB Statement No. 3 (Issued 3/03) required to be effective for periods beginning after June 15, 2004

Revenue

- Implementation of e-commerce
- Assist with implementation of the solid waste recycling roll out

Treasury

- Continue to improve cash, investment and debt management processes
- Work with rating agencies for upgrade of City's bond rating
- Re-financings of existing debt issues if market rates permit debt service savings

Position Information

Position	FY 2004-05	FY 2005-06	Salary Estimate	Benefit	Total
Finance Administration					
Finance Director	1	1	139,740	63,005	202,745
Assistant Finance Director	1	1	104,177	52,106	156,283
Administrative Assistant	1	1	47,633	29,117	76,750
Subtotal	**3**	**3**	**291,550**	**144,228**	**435,778**
Budget & Evaluation					
Budget Manager	1	1	86,986	46,253	133,238
Subtotal	**1**	**1**	**86,986**	**46,253**	**133,238**
Disbursements					
Account Clerk II	1	1	34,021	16,195	50,216
Account Clerk III	1	1	35,547	24,236	59,783
Accountant I	1	1	60,830	30,046	90,876
Disbursements Supervisor	1	1	73,318	36,620	109,938
Subtotal	**4**	**4**	**203,716**	**107,097**	**310,814**
Fiscal Analysis & Reporting					
Accountant I	1	1	46,509	28,765	75,274
Accountant II	1	1	72,070	36,742	108,812
Accounting Technician II	1	1	60,554	26,485	87,039
Financial Analysis & Reporting Manager	1	1	82,846	42,560	125,406
Financial Analyst	0	1	60,424	25,034	85,458
Subtotal	**4**	**5**	**322,403**	**159,586**	**481,989**
Revenue					
Account Clerk II	3	3	110,363	61,653	172,016
Account Clerk III	1	1	43,202	26,718	69,920
Revenue Supervisor	1	1	66,497	36,983	103,480
Revenue Technician	0	1	26,208	21,828	48,036
Subtotal	**5**	**6**	**246,270**	**147,182**	**393,452**
Treasury					
Accountant II	1	1	67,038	27,587	94,625
Subtotal	**1**	**1**	**67,038**	**27,587**	**94,625**
Total	**18**	**20**	**1,217,964**	**631,932**	**1,849,895**

(Overtime, salaries and benefits for temporary labor are not included in the Position Information table.)

Major Contracts (over $25,000)

Financial Advisory Services	$28,000
Banking Services	$50,000
Annual Financial Auditing Services[1]	$53,570

[1] Increase of $3,750 per executed contract

Contracts (Non-General Fund Resources)

Aerojet / South of 50	$30,000
Solid Waste Rate Study	$46,820
Water and Sewer Rates Fund	$53,000
Lock Bock Service	$60,000
Print and Postage Statement	$120,000

New or Replacement Vehicles

None