

# 9

## **SECTION – 9**

### **CITY TREASURER**

*To provide Banking, Investment, and Debt Financing services for and to protect the fiscal integrity of the City of Sacramento.*

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## DESCRIPTION

Under Article VI, §73 of the City Charter, the **City Treasurer** is responsible for the receipt, investment, disbursement and safekeeping of all City funds. Additionally, City Council has prescribed that the City Treasurer shall also provide public finance and debt issuance services for the City. Typical functions of the department include:

- Manage all investments for the City, the Sacramento Housing and Redevelopment Agency (SHRA), the Sacramento Public Library Authority (SPLA), various trust funds, and the Sacramento City Employees' Retirement System (SCERS).
- Manage the cash flow for City, SCERS, SHRA, SPLA and other trust funds between the bank and the investment pools to both gain interest earnings and provide liquidity.
- Conduct investment activity in compliance with law and regulation and meeting all state and other investment reporting and cash flow requirements.
- Provide banking services for all City departments, Convention and Visitors Bureau, and Gifts to Share.
- Issue debt financings for the City to provide funding for facility development, land purchases, and improvements. This includes analysis of alternative debt structures and other instruments, creation of financing authorities, analysis of the obligation the City assumes with debt financing, and other financial analysis.
- Administer and coordinate activities related to outstanding City bond issues including providing information to investors and rating agencies, compliance with state and federal regulations, and monitoring of proceeds for arbitrage and covenant compliance.

## MORE INFORMATION

Please see the following for more information about the Office of the City Treasurer:

**Web site:** <http://www.cityofsacramento.org/treasurer/>

## PROGRAMS/SERVICE HIGHLIGHTS

- Proactively manage daily investment needs of the City, SHRA, SCERS, and trust funds.
  - Manage daily the cash flow needs of the City and other clients to provide protection of principal, liquidity, and investment yield on available funds.
  - On a daily basis, account for all banking and investment activity of the City and other clients.
  - Report on a monthly, quarterly, and annual basis all investment activity to the City, County, SHRA, SCERS Board and other clients.
  - Continue to monitor and oversee banking services to ensure appropriate fraud and risk protection.
  - Perform lead role in implementation of the PeopleSoft Cash and Deal Management module of the new financial system.
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- Provide debt issuance services, as well as manage and oversee activities related to outstanding debt to include compliance with all applicable state and federal laws and specific bond covenants.
- Provide general administrative support to business lines including processing of accounts payable, preparation of reports, maintenance of records retention and retrieval system.

### **OBJECTIVES FOR FY2009/10**

- Support the Mayor and City Council, the City Manager, and all City Departments.
- Actively manage and monitor City's cash flow position and develop/recommend strategies, including short-term borrowing, to ensure the City has cash to meet its financial obligations and operating needs.
- Continue to monitor the banking services sector in anticipation of issuance of Request for Proposal for Banking Services.
- Continue conversion process of banking services with the City's new financial system to effectively implement the PeopleSoft Cash and Deal Management module to improve cash flow efficiencies.
- Devote increased time to cash management and investment activities as these functions will demand more vigilance over internal and external factors affecting cash positions. This is particularly true due to the present and anticipated turmoil within the local, state, national, and international economies.
- Continue with an investment strategy that results in recovery of some of the investment losses coming with the recent catastrophic declines in investment markets and individual investments, while maintaining a prudent level of risk.
- Develop a more efficient "line of credit" to address short-term borrowing needs for construction/acquisition of improvement and equipment that is not conducive to long-term bond financing.
- Continue to provide quality investment services consistent with adopted investment policies by utilizing experienced lead investment and back-office staff. The continued development of the skilled staff brings depth to investment and back-office functions.
- Continue efforts to improve efficiencies and meet increasingly more complex mandates in debt administration and maintenance activities. This includes more frequent and detailed continuing disclosure, arbitrage rebate calculations, bond fund management, tax levy delinquency management, implementation of an automated debt management module, automated download of third party statements, Web site improvements, development of a debt management policy, and development of a formalized training program.
- Work closely with other City departments to review and realign, if necessary, roles and responsibilities related to management and administration of special districts to include levy development, delinquency management, and construction/acquisition oversight.
- Complete on-site conversion and organization of physical documents to electronic storage system (C<sup>2</sup>M), Integrate existing electronic records storage system into Citywide C<sup>2</sup>M System, and coordinate completion of Records Retention project with City Clerk's Office, thereby reducing off-site storage requirements.

**PROPOSED BUDGET/STAFFING CHANGES**

Service Level Impacts

The Office of the City Treasurer offers the following actions to address the current citywide budget deficit in the General Fund:

- Eliminate 3.0 FTE positions for an expenditure reduction of \$278,000.
- Increase investment management fee by 0.2% – 0.5% for select Pool A participants, resulting in approximately \$250,000 in new revenue.
- Contribute approximately \$400,000 of uncommitted funds from the City Treasurer Reserve CIP as part of the capital program funding scrub.

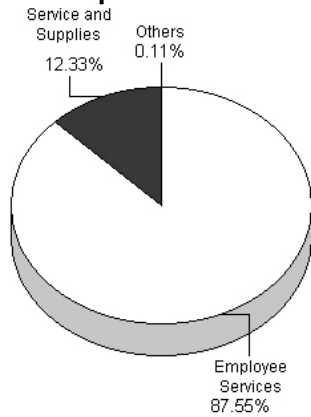
These changes will result in reduced capacity to:

- Conduct special projects.
- Support economic development efforts.
- Provide debt financing support.
- Respond to requests for information.
- Provide timely reporting.
- Enhance e-commerce.

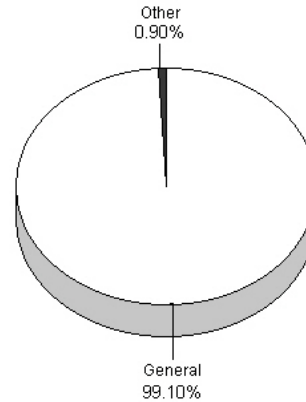
Department Budget Summary

<b>City Treasurer Budget Summary</b>	FY 2007/08 Actual	FY 2008/09 Approved	FY 2008/09 Amended	FY 2009/10 Proposed	Change More/(Less) Proposed/Amended
Funded Positions (FTE)	18.00	15.00	15.00	12.00	(3.00)
<b>Budgeted Expenditures</b>					
Employee Services	2,106,547	1,694,769	1,759,970	1,828,589	68,619
Interdepartmental Transfers	(23,832)	350	360	350	0
Property	5,000	1,000	1,000	2,000	1,000
Service and Supplies	319,641	199,551	349,551	257,600	(91,951)
Total:	<b>2,407,356</b>	<b>1,895,670</b>	<b>2,110,871</b>	<b>2,088,539</b>	<b>(22,332)</b>
<b>Funding Summary by Fund/Special District</b>					
General Fund	2,011,022	1,747,651	1,962,852	2,069,706	106,854
Interdepartmental Service Fund	223,565	148,019	148,019	18,833	(129,186)
Total:	<b>2,407,356</b>	<b>1,895,670</b>	<b>2,110,871</b>	<b>2,088,539</b>	<b>(22,332)</b>

**Budgeted Expenditures - FY2009/10**



**Funding Summary - FY2009/10**



Division Budget Summary

<b>City Treasurer</b> Division Budgets	FY 2007/08 Actual	FY 2008/09 Approved	FY 2008/09 Amended	FY 2009/10 Proposed	Change More/(Less) Proposed/Amended
City Treasurer	2,407,356	1,895,670	2,110,871	2,088,539	(22,332)
<b>Total:</b>	<b>2,407,356</b>	<b>1,895,670</b>	<b>2,110,871</b>	<b>2,088,539</b>	<b>(22,332)</b>

Staffing Levels

<b>City Treasurer</b> Division FTEs	FY 2007/08 Actual	FY 2008/09 Approved	FY 2008/09 Amended	FY 2009/10 Proposed	Change More/(Less) Proposed/Amended
City Treasurer	18.00	15.00	15.00	12.00	(3.00)
<b>Total:</b>	<b>18.00</b>	<b>15.00</b>	<b>15.00</b>	<b>12.00</b>	<b>(3.00)</b>