

The City of Boca Raton Administrative Policies

The City of Boca Raton Administrative Policies provides the basic framework for the overall fiscal management of the City. The policies consist of: operating, revenue, cash management and investments, debt, reserve, capital improvements program, accounting and financial reporting, organizational and financial stability. These policies are used in the development of current activities and planning for future programs.

Operating Budget Policies

1. The City's budget will support City Council goals, objectives and policies in meeting the needs of the community.
 - Public involvement is provided through 2 strategic planning sessions, 1 budget workshop and 2 public hearings prior to the adoption of the budget.
 - The City Council updates the City's Goals and Action Agenda at a strategic planning session. See *page 81* "Strategic Initiatives".
 - All departmental budgets are prepared to support the City Council goals within the budget guidelines as established by the City Manager.
2. The City will continue to support a scheduled level of maintenance and replacement of its infrastructure and fleet.
 - The City's Motor Pool Fund maintains 955 vehicles on an ongoing basis.
 - The City Council approved the replacement of 63 vehicles at a cost of \$1,821,200 in 2008-09.
 - The Approved Capital Improvements Program (CIP) includes infrastructure improvement projects as part of the Capital Improvement Element of the Comprehensive Plan.
3. The City will continuously evaluate its service delivery system according to established efficiency and effectiveness criteria.
 - The City's contracted internal auditor has reviewed a number of operations in which the City is in the process of improving. These areas include:
 - Golf Courses
 - Motor Pool
 - Insurance
 - Facilities Maintenance
 - Building Permits

The City will evaluate its use of intergovernmental service contracts to preclude unwarranted duplication of services in overlapping jurisdictions and assure an effective and efficient service delivery system to the community.

- The City is working with the Greater Boca Raton Beach & Park District (BPD), Florida Inland Navigational District (FIND), Palm Beach County, Boca Raton Community Redevelopment Agency (CRA) and many other agencies to ensure services are provided at a minimum cost to taxpayers.
4. The City will comply with mandatory Federal, State and local laws and when appropriate will comply with industry and professional requirements or standards.
 - The City is in compliance with all Federal, State and local laws and regulations.
 5. The operating impacts of the Capital Improvements Program (CIP) projects will be reviewed prior to any project being included in the operating budget.
 - The CIP includes \$374,067,300 of projects with an estimated \$285,900 operational impact on the City.
 6. The City will develop and maintain accounting and budgetary control systems to adequately safeguard the assets held in public trust.
 - The City has implemented a new state of the art financial system to ensure continued budgetary controls over revenue and expenditure accounts. This system is Year 2000 compliant.
 7. The City will prepare its Budget using a Balanced Budget; each fund's revenues plus other sources equals its expenditures/expenses plus other uses.
 - The City approved a balanced operating budget for all its funds for 2008-09.

Revenue Policies

1. The City will attempt to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and will attempt to minimize the dependence on property taxes.
 - Ad Valorem taxes represent 28.5% of the General Fund revenues in 2008-09 compared to 37.2% in 2007-08.

2. The City will pursue alternative revenue sources as an additional source of funds.
 - The City has budgeted to collect \$67,486,400 from grants and shared revenues in 2008-09.
 3. The City will establish all user charges and fees to recover the partial or full cost of providing a service.
 - The City implemented new fees for sanitation collection.
 - The City implemented, in 2006-07, a fire assessment fee to recover a portion of the operating costs related to fire-rescue services.
 4. The City will review fees/charges periodically to ensure they are fair and equitable to all users.
 - The City conducts a User Fee study on a regular basis to ensure that charges are fair and equitable.
 5. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing fees.
 - The City surveys public and private organizations to ensure new and existing fees are competitive with market rates.
 6. The City will dedicate 1% of the public service tax, excluding telephones, and a percentage of the property taxes collected as a source of funds for the Capital Improvements Program (CIP).
 - In 2008-09 the City has budgeted to contribute \$1,169,000 of public service taxes and 15% of Ad Valorem taxes \$8,428,100 to the CIP.
 7. The City will dedicate 1% of the public service tax collected as a source of funds for the Rights-of-Way Beautification Programs for capital improvements and maintenance.
 - The City has budgeted to contribute \$2,340,400 of public service taxes to the Beautification Program.
2. The City will collect revenues aggressively, including past due bills of any type and may utilize an outside collection agency to accomplish this.
 - The City utilizes a third party collection agency for the collection of past due bills.
 3. The City will deposit all funds within twenty-four (24) hours of receipt.
 - The City utilizes three lockbox operations and ACH deposits in the collection of revenues. All individual cash receipts are deposited within 24 hours.
 4. The Financial Services Department will prepare and present an investment report to the City's Financial Advisory Board on a quarterly basis to review the City's investment/portfolio activities.
 - The Financial Services Department presents an investment report to the City's Financial Advisory Board for the quarters ended December, March, June and September each year.

Debt Policies

1. The City will seek to maintain its current AAA bond rating to minimize borrowing costs.
 - The City maintained an AAA rating on its General Obligation bonds.
 - The City became one of the first Florida cities to receive a AAA rating from all three rating agencies.
2. The City will review and evaluate its existing debt obligations and future borrowing needs annually.
 - The City constantly monitors all existing and potential debt obligations for future impacts to the City. (*See Debt Administration Section of this document located on page 247*)
3. The City will not issue long term debt to finance current operations.
 - The City has not issued any debt to finance current operations.
4. The City will publish and distribute an official statement for each bond and note issued.
 - The City publishes an Official Statement with every bond or note issued by the City.
 - The City will competitively bid all bond issues wherever feasible.

Cash Management and Investment Policies

1. The City will follow its adopted investment/ portfolio policy when handling public funds. The investment/portfolio policy is contained in a separate document.
 - The City strictly adheres to its investment policy. In 2007-08 the City's average monthly investment portfolio was \$234,055,318.

5. The City will adhere to the bond covenant requirements of each debt issuance.
 - The City strictly adheres to the requirements of all bond covenants. This information is audited annually by the City’s external auditors.
 - The City does not have a legal debt limit.
6. Capital projects financed by the issuance of bonded debt will be financed for a period not to exceed the expected useful life of the project.
 - The City has not issued any bonds with an expected life longer than the useful life of a project.
 - The Public Safety Communication System Revenue Bonds were issued for a period of 10 years which coincides with the expected life of the system.
2. All projects in the Comprehensive Improvement Element (CIE) of the City’s Comprehensive Plan will be included in the Capital Improvements Program.
 - The City’s CIP includes all projects mandated by its Capital Improvement Element.
3. The City will dedicate 1% of the public service tax, excluding telephones, and a percentage of the property taxes collected as a source of funds for the Capital Improvements Program.
 - In 2008-09 the City has budgeted \$7,264,300 of public service taxes for the CIP.
4. In the development of the Capital Improvements Program, the City will review the operational impact of each project.
 - The approved 2008-09 / 2013-14 CIP includes operational impacts of \$126,700.

Reserve Policies

1. The City will maintain a reserve in the General Fund which represents a minimum of 10-15% of operating expenditures.
 - The City’s undesignated General Fund balance as of September 30, 2007 was 26%.
2. The City will maintain a reserve in the Water & Sewer and Golf Course which represents forty-five (45) days of the funds’ operating expenditures.
 - The City Water & Sewer Fund had the following operating reserves as of September 30, 2007:

Water & Sewer System	\$4,528,000
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3. The City will maintain all debt service reserve amounts as required by bond covenants.
 - The City maintained the following debt service reserves as of September 30, 2007:

General Debt Service Fund	\$ 606,673
Water & Sewer	13,385,902
5. The Capital Improvements Program committee will review and evaluate each project, based on an established criteria, prior to any project being included in the Capital Improvements Program.
 - The CIP review committee annually evaluates potential projects based on established criteria (*See CIP Operational Impact section on page 256 of this document*).
 - The CIP includes capital expenditures for those projects with a useful life span of 10 years and a cost of at least \$35,000.
 - The CIP includes non-routine capital expenditures

Replace Police Services Building	\$32,000,000
New/Remodeled Fire Stations	3,735,000
Downtown Library	13,223,600
Countess de Hoernle Park	25,000,000
6. A report on the current status of Capital Improvement Projects will be presented to City Council on a quarterly basis.
 - The City presents 4 quarterly CIP Newsletters to the City Council to provide an ongoing update on various projects throughout the City.

Capital Improvements Program (CIP) Policies

1. The City will develop and update a six-year Capital Improvements Program on an annual basis.
 - The City approved a \$374,067,300 CIP for FY 2008-09 / 2013-14.

Accounting and Financial Reporting Policies

1. An independent audit will be performed annually.
 - The City received an Unqualified Audit Report.
2. The City will produce comprehensive annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) within 180 days of the end of the fiscal year.
 - The City presented the 2007 CAFR on April, 2008.
3. The City will maintain an accounting and financial reporting system that conforms to GAAP and State laws.
 - The City is in complete compliance with GAAP and State laws.
 - The City is implementing GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, requiring that the cost of other postemployment benefits (OPEB) be recognized sooner (as promised benefits are being earned) rather than later (when promised benefits are actually paid).

Organizational Policies

1. The City will review the organizational structure regularly to assure that residents receive the highest level of service in the most efficient manner.
 - The City constantly reviews the organizational structure to provide the most cost-effective services to residents.
2. The City will be committed to maintaining and improving the productivity of staff through a productive working environment, appropriate equipment, necessary training, and adequate supplies and materials.
 - The City has budgeted \$537,800 for education, travel and training in 2008-09.
3. Employee compensation will be reviewed regularly to ensure the City is competitive with comparable public entities.
 - The City constantly monitors compensation & benefit packages offered to employees to ensure the City attracts and retain the most qualified professional staff.

Financial Stability Policies

1. The City will update its Long-Range Financial Plan on an annual basis.
2. The City will hold a strategic planning session annually to review long-range goals of the City and to identify goals and objectives for the upcoming fiscal year.
 - The City conducts a 2-day strategic planning session, with staff and citizen input, prior to the beginning of the budget process. The City Council updates the City's goals and specific "Action Agenda Items" for the upcoming fiscal year. (See *pages 7 and 12* of this document) and *page 81* "Strategic Initiatives")
3. The City will review and evaluate its existing debt obligations and future borrowing needs annually.
 - The City constantly monitors all existing and potential debt obligations for future impacts to the City. (*See Debt Administration Section of this document located on page 247*)
4. The City will prepare and update its six-year Capital Improvements Program annually.
 - The City approved a \$374,067,300 CIP for FY 2008-09 / 2013-14.
5. The City will continuously monitor revenues and expenditures to ensure responsible fiscal management of the City.
 - The City has a computerized online monitoring program to track all revenues and expenditures. In addition, detailed monthly analysis statements are provided to all departments.