

# Finance Department

FY 2016-17 Budget Presentation

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## Department Mission Statement

The mission of the Department of Finance is to provide financial, facilities, procurement, mail, and fleet management services to County departments, other agencies, the Board of County Commissioners, and County employees so they can conduct the public's business in a transparent, financially responsible, and responsive manner.

# Finance Department

Administration

Procurement

Fleet Services

Facilities Management

Financial Management

Office of the Director

Procurement

Fleet Management

Facilities Maintenance

Payroll

Courier & Mail Services

Vehicle Maintenance & Repair

Facilities Construction & Projects

Budget Support

Grants Financial Management

Facilities Support Services

Financial Accounting & Reporting

Fire and Life Safety

Facilities Operations

# DEPT ALIGNMENT with BCC strategic goals

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Build public trust through good government

- *Financial Management*

Grow a vibrant economy

Build a strong infrastructure

- *Procurement*
- *Fleet Services*
- *Facilities Management*
- *Financial Management*

Ensure safe, healthy and secure communities

Honor, utilize, promote and invest in our natural resources

## Administration Line of Business (4.6 FTE)

- ▶ Key Results
  - ▶ 100% Complete inventory of Department positions, identifying “key” positions that require workforce planning
  - ▶ 15% Key positions that have workforce planning in place currently
- ▶ Total Line of Business Budget \$899,596
- ▶ General Fund support \$884,596
- ▶ Other sources of revenue
  - ▶ **Other Revenues (Reimbursement for Travel-GFOA)** **\$15,000**

### **Significant Issues/Changes:**

- Increase of approximately 17%, largely due to increases in Materials and Services from the carryforward of the prior policy level proposal for PeopleSoft (previously budgeted in Non-Dept)
- Addition of Assistant Director

## Procurement Line of Business<sub>(10.53 FTE)</sub>

### ► Key Results

- 95% Successfully completed procurements
- Ratio (TBD) of Clackamas County courier cost per stop to other jurisdictions' courier cost per stop

► Total Line of Business Budget	\$1,760,510
► General Fund support	\$325,822
► Other sources of revenue	
► Charges for Service	\$1,434,388

### **Significant Issues/Changes:**

- New Procurement Division Director, George Marlton
- Providing service to WES increased demand by 20% - no new staffing has been added to support this increase.

▶ Key Results	
▶ 49% Vehicles repaired and returned to service within one work day	
▶ 41% County vehicles included in the Vehicle Replacement Fund	
▶ Total Line of Business Budget	\$5,754,107
▶ General Fund support	\$0
▶ Other sources of revenue	
▶ Charges for Service	\$4,087,693
▶ Interfund Transfers	\$1,297,555
▶ Beginning Balance	\$328,859

**Significant Issues/Changes:**

- Expenditures are line with prior year budgets.
- Repair turnaround times have fallen short of targets due to staff shortages (FMLA).

## Facilities Management Line of Business

(38.0 FTE)

- ▶ Key Results
  - ▶ 55% Facilities maintained in good to excellent condition
  - ▶ 72% construction projects completed on-time
  - ▶ 25% Janitorial inspections that meet or exceed maintenance and cleanliness standards
  - ▶ 25% Facilities where evacuation drills are conducted annually
  - ▶ 50/50 Ratio of preventative maintenance to unplanned work orders
- ▶ Total Line of Business Budget \$10,809,816
- ▶ General Fund support \$0
- ▶ Other sources of revenue
  - ▶ **Charges for Service** **\$7,973,669**
  - ▶ **Other Revenues** **\$2,079,040**
  - ▶ **Beginning Balance** **\$757,107**

### Significant Issues/Changes:

- Unable to meet targeted results and customer demands with current level of staffing.

## Facilities Maintenance

- ▶ Key Results
  - ▶ 55% Facilities maintained in good to excellent condition
  - ▶ 5% Facilities inventoried in an asset management program
- ▶ Total Program Budget \$2,952,278
- ▶ General Fund support \$0
- ▶ Other sources of revenue
  - ▶ Charges for services \$2,647,909
  - ▶ Beginning balance \$304,369

### Significant Issues/Changes:

- Currently each technician maintains 65,011 square feet per technician.
- The industry standard is 42,500 square feet per technician.
- Unable to meet industry standards or targets with the current level of staffing. 1 FTE was added to the maintenance level budget.

## Financial Management Line of Business

(25.4 FTE)

### ► Key Results

- 97% Employees paid correctly per pay period
- 80% Department budgets where expenditures do not exceed appropriations at end of fiscal year
- 100% Annual receipt of unmodified (clean) audit opinion
- 99% Grant funding total dollars without audit findings

► Total Line of Business Budget	\$3,273,266
► General Fund support	\$1,066,998
► Other sources of revenue	
► Charges for Service	\$2,206,268

### **Significant Issues/Changes:**

- Received GFOA awards for “Excellence” in both the CAFR and Budget production
- Staffing levels stagnant – unable to meet/provide core services for Federal Grants, MFR implementation, and Financial Software system maintenance

## Grants Financial Management

- ▶ Key Results
  - ▶ 99% Grants managed without audit findings
  - ▶ 75% Grants management policy and manual developed and implemented
- ▶ Total Program Budget \$894,745
- ▶ General Fund support \$377,934
- ▶ Other sources of revenue
  - ▶ **Charges for services** **\$516,811**

### Significant Issues/Changes:

- New regulations and procedures with the implementation of the Uniform Grant Guidance and adoption of County policy.
- No capacity to take on new or additional grant reporting for the County. Staff have an average workload of 30 grants each.
- No software for grants management – work is done manually which is inefficient.

# Financial Accounting & Reporting

- ▶ Key Results
  - ▶ 100% Annual receipt of unmodified opinion (clean audit) report
  - ▶ 67% Books closed on time and delivered to the auditors by requested date
- ▶ Total Program Budget – \$1,234,813
- ▶ General Fund support – \$ 584,250
- ▶ Other sources of revenue
  - ▶ **Charges for services** **\$650,563**

## Significant Issues/Changes:

- Unable to meet increases in customer demands. Processing times are slowing due to growth in customer departments which increases the volume of transactions flowing through Finance.
- Working with old business processes and aging technology – manual processes which are prone to error and inefficient.
- New accounting standards are being issued annually and require dedicated staff for implementation. Lack of capacity to keep up with increasingly difficult requirements. Staffing too thin – with 1 person on leave unable to meet closing deadlines and due dates.

# Department-wide Budget Overview

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- ▶ Total Departmental budget = \$22,497,295
  - ▶ Prior Year budget = \$22,527,722
  - ▶ Total General Fund support = \$2,277,416, 10% of budget
  - ▶ Prior Year budget = \$2,043,332
- ▶ Other revenue sources:
  - ▶ Charges for Service, 70% of budget
  - ▶ Other Revenues, 10% of budget
  - ▶ Interfund Transfers, 6% of budget
- ▶ Major expenditure categories:
  - ▶ Materials & Services, 48% of budget
  - ▶ Personnel Services, 41% of budget
  - ▶ Capital Outlay, 5% of budget

# Financial Trends

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- ▶ Revenue trends
  - ▶ Increase in GF support (partly due to including prior PeopleSoft Policy Level Proposal funding in Office of Director budget as well as carryover in Facilities)
  - ▶ Increase in Charges for service (rising cost allocations)
- ▶ Expenditure trends
  - ▶ Increase in personnel costs (standard COLA's, raises, rising cost of healthcare and PERS)
  - ▶ Increase in materials and services (travel & training, costs of materials, prior PeopleSoft Policy Level Proposal expense budgeted in contracted services)
- ▶ FTE:
  - ▶ FY 2015-16 total FTE = 87.03
  - ▶ FY 2016-17 total FTE = 89.53
  - ▶ Filled existing vacancies and addition of 1 FTE to Financial Management for a dedicated accountant for Tourism (paid for by Transient Lodging Tax revenues).



# FY 2016-17 Policy Level Proposals

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► Facilities Maintenance Staffing	\$322,352
► County Grant Manager & Grants Management Software Solution	\$400,000
► PeopleSoft Financial System Analyst	\$105,000
► MFR Accountant 2 (Multi-dept)	\$95,000
<b>TOTAL PLP FUNDING REQUESTED</b>	<b>\$922,352</b>
► Total departmental budget	\$22,497,295
► Total General Fund support	\$2,277,416
► 10% of departmental budget	

# Questions?

[www.clackamas.us/finance](http://www.clackamas.us/finance)