

Priority: Accountability

Lead Agency: Finance Budget & Tax

Program Offer Type: Existing Operating

Program Contact: Dave Boyer

Related Programs:

Frameworks:

Executive Summary

The Treasury office manages the County's cash, investment portfolio, debt, and the County's banking relationships while providing an array of rapidly evolving banking services to the large number of County entities requiring them. Treasury also manages trust accounts as a fiduciary.

Program Description

Treasury invests County funds while providing a high level of safety, adequate liquidity to meet the County's obligations, and the highest possible yield that is consistent with insuring the safety of principal. Treasury insures compliance with all applicable laws, statutes and policies regarding the management of County financial assets. Treasury assists the Chief Financial Officer in the issuance of debt and inter-action with ratings agencies, as well as timely and accurate debt service, and arbitrage rebate calculations and reporting. It is responsible for issuing the annual short term Tax and Revenue Anticipation Note (TRAN), providing funds to the County during the period of cash flow deficit prior to property tax collections. Annually Treasury also reviews and submits the County's Investment Policy to the Oregon Short Term Fund Board, the Investment Advisory Board and to the BCC for approval and adoption. Treasury insures the timely turnover of property tax and excise tax receipts to local public entities.

Program Justification

Treasury contributes to the Accountability Priority by providing safe, reliable, responsive, accurate and cost-effective cash management services, by investing funds at market rate returns and by managing the debt of the County to maintain high bond ratings and high short-term note ratings. Treasury effectively manages and safeguards County financial assets and generates monthly financial reports that include compliance documentation, as well as portfolio performance and structure versus benchmarks and constraints. The investment performance is reviewed by an independent citizen board that meets monthly.

Performance Measures

The performance of the County's portfolio is measured against the monthly yields of the Local Government Investment Pool and the 90-day Treasury Bill. The County's goal is to maintain a portfolio yield that is not more than 1/2 percent (.5%) lower than that of the Local Government Investment Pool, and is not less than 1/4 percent (.25%) higher than the 90-day Treasury Bill yield. County maintains Moody's Investors Service MIG-1 rating on the County Tax Revenue Anticipation Note. The County's General Obligation Bond rating is Aa1 by Moody's.

Moody's highest General obligation bond rating is Aaa. Moody's highest short term note rating is MIG-1.

Summary of last year's program results and this year's expected results

Current year results are projected to replicate or exceed last year's program results. Moody's highest short term note rating of MIG-1 was maintained in FY04 and FY05. The General Obligation Bonds rating of Aa1 (second highest bond rating) was also maintained in FY04 and FY05. The investment portfolio yield met or exceeded the monthly benchmarks in performance measures throughout the year.

Program Mandate: 2 Mandated Program with Funding/Service Level Choice

ORS 294 and 295, US Federal Tax Code, Multnomah County Code and County Charter. The current 2.5 FTE level pose challenges to create operating efficiency and to maintain procedural safeguards, internal controls, integrity, and redundancy.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
Program Expenses				
Personnel	\$216,046	\$0	\$232,650	\$0
Contracts	\$115,000	\$0	\$119,500	\$0
Materials & Supplies	\$4,450	\$0	\$5,850	\$0
Internal Services	\$21,775	\$0	\$41,137	\$0
Subtotal: Direct Exps:	\$357,271	\$0	\$399,137	\$0
Administration	\$0	\$0	\$10,061	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$10,061	\$0
Total GF/non-GF:	\$357,271	\$0	\$409,198	\$0
Program Total:	\$357,271		\$409,198	
Program FTE	0.00	0.00	2.50	0.00
Program Revenues				
Other / Miscellaneous	\$125,000	\$0	\$129,500	\$0
Program Revenue for Admin	\$0	\$0	\$1,670	\$0
Total Revenue:	\$125,000	\$0	\$131,170	\$0

Explanation of Revenues

This program is supported by General Fund revenues. Treasury generates revenues through interest earnings of the County's investment portfolio and fines and forfeitures, which are generated by fees assessed against deposits returned to the County due to NSF, account closed and other reasons.

Significant Program Changes

Current service level budget. A major change is the transfer of internal service charges (+\$19,362) that were centrally budgeted in FBAT's cost center to the program within the division, including Treasury. In addition FBAT administration is spread to programs it supports.