

**Priority:** Accountability  
**Program Offer Type:** Existing Operating  
**Related Programs:**

**Lead Agency:** County Management  
**Program Contact:** Harry Morton

**Program Characteristics:**

**Executive Summary**

Treasury manages the County's cash, investment portfolio, debt, and banking and broker/dealer relationships. The highest volume responsibilities are clearing bank deposits, i.e., property tax, personal income tax (ITAX) and business income tax (MCBIT) payments, initiating outgoing and processing incoming electronic funds transfers, and processing bank data transfers. Treasury also manages a large number of fiduciary trust accounts.

**Program Description**

Treasury invests County financial assets while assuring that funds are available to meet current obligations. Treasury earns competitive portfolio returns while complying with applicable laws, policies and best practices regarding the management of County financial assets. Treasury assists the Chief Financial Officer in issuing debt and in interaction with rating agencies, insuring timely and accurate debt service, and generating IRS arbitrage rebate calculations and reporting. Annually Treasury issues short-term Tax and Revenue Anticipation Notes (TRANs), providing funding to the County during the period of cash-flow deficit prior to property tax collections. Treasury annually reviews and submits the County's Investment Policy to the Oregon Short-Term Fund Board, the Investment Advisory Board, and to the BCC for adoption. Treasury insures the accurate turnover of tax receipts to other public entities.

**Program Justification**

Treasury contributes to the Accountability Priority with accurate, secure, cost-effective cash management services. Treasury leverages current technology to increase significantly the number of vendor payments remitted and received electronically, reducing the significant expense, delays and risks associated with issuing and processing checks. It assists departments in implementing and controlling the merchant bankcard process that allows customers to pay by bankcard, both on-site and on-line. It assists AP in administering the County's extensive petty cash program. Treasury investments earn market-rate returns and the County debt is managed to maintain the County's high debt ratings. Treasury manages and safeguards County financial assets, providing detailed monthly financial reports documenting adherence to policies and portfolio performance vs benchmarks to the Chair, County Auditor, CFO and the independent citizen Investment Advisory Board.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Attain annualized portfolio yield of .25% (1/4%) more than 91-Day T-Bill	2	2	2	2
Outcome	Attain annualized portfolio yield of .50% (1/2%) less than State Pool(LGIP)	1	1	1	1
Outcome	Maintain Aa1 Moody's debt rating on County's General Obligation Bonds	1	1	1	1
Outcome	Maintain MIG-1 Moody's rating on County's annual TRAN debt issue.	1	1	1	1

**Performance Measure - Description**

The performance of the County's investment portfolio is measured against the monthly yields of the Local Government Investment Pool (LGIP) at the State Treasury. The goal is also to maintain Moody's Investors Service MIG-1 rating on the Tax and Revenue Anticipation Note(TRAN) and at least Aa1 by Moody's on the County's General Obligation Bonds. Moody's raised the County's long-term rating outlook to "Neutral" from "Negative." Moody's highest short-term note rating is MIG-1 and its highest long-term rating is Aaa. Treasury will maintain its goal of not suffering any financial losses due to bank fraud, internally or externally, either electronically or by check. Measurement Key: 1 = Achieved; 2 = Not Achieved

## Legal/Contractual Obligation

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2006	2006	2007	2007
Personnel	\$232,650	\$0	\$239,214	\$0
Contracts	\$119,500	\$0	\$100,000	\$0
Materials & Supplies	\$5,850	\$0	\$6,090	\$0
Internal Services	\$41,137	\$0	\$29,465	\$0
Subtotal: Direct Exps:	<b>\$399,137</b>	<b>\$0</b>	<b>\$374,769</b>	<b>\$0</b>
Administration	\$0	\$0	\$2,281	\$156
Program Support	\$0	\$0	\$3,062	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$5,343</b>	<b>\$156</b>
Total GF/non-GF:	<b>\$399,137</b>	<b>\$0</b>	<b>\$380,112</b>	<b>\$156</b>
Program Total:	<b>\$399,137</b>		<b>\$380,268</b>	
Program FTE	0.00	0.00	2.50	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$0	\$0	\$0
Taxes	\$0	\$0	\$0	\$0
Other / Miscellaneous	\$129,500	\$0	\$160,000	\$0
Program Revenue for Admin	\$0	\$0	\$187	\$0
<b>Total Revenue:</b>	<b>\$129,500</b>	<b>\$0</b>	<b>\$160,187</b>	<b>\$0</b>

## Explanation of Revenues

Treasury revenues consist of Fines and Forfeitures that primarily fees generated by checks deposited by the County that are returned for insufficient funds (NSF) and by Interest Earnings that represent an offset to banking, safekeeping and investment costs.

Treasury receives revenues to act as an "Issuer" of conduit financing for any private college, university, hospital, or non-profit organization that is located in Multnomah County and is eligible to use this type of financing. The County charges a fee of \$1.00 per \$1,000 of bonds issued or \$10,000, whichever is greater, to act as an issuer for the organization. The maximum fee will not exceed \$50,000. This fee offsets administrative costs that may be incurred.

## Significant Program Changes

Last year this program was: #70007, Treasury Office