

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

Lead Agency: County Management
Program Contact: Mindy Harris

Program Characteristics:

Executive Summary

Treasury manages the County's cash assets, investment portfolio, debt, banking services, and broker/dealer relationships, as well as providing responsive and pro-active customer support both internally and externally. Treasury clears and balances bank deposits consisting of payments for property taxes, personal income taxes and excise taxes, as well as processes and transfers bank data and initiates outgoing and processes incoming electronic funds transfers. Treasury also currently manages over 60 individual fiduciary trust accounts.

Program Description

Treasury invests County financial assets while insuring that funds are always available to meet current cashflow requirements. Treasury earns competitive portfolio returns measured against specific benchmarks while complying with all applicable laws, policies, and best practices for the management of public financial assets. Treasury supports the CFO in issuing debt and in interacting with rating agencies, insures timely and accurate debt service payments, and generates IRS arbitrage rebate calculations and reports. Each year Treasury issues short-term Tax and Revenue Anticipation Notes (TRANS) to provide the County with liquidity during the period of cash-flow deficit prior to property tax collections in November. Treasury also 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 that the turnover of tax receipts to other public entities is completed timely and accurately.

Program Justification

Treasury contributes to the Accountability Priority with accurate, secure and cost-effective cash management and banking services. Treasury leverages rapidly changing technology to increase significantly the number, speed and safety of transactions both remitted and received electronically, while substantially reducing the expense of processing and reconciling checks. Treasury assists departments in evaluating, implementing and controlling merchant bankcard services, and works closely with AP in administering an extensive petty cash program. Treasury's investments earn market-rate returns and County debt is carefully managed to protect the County's high long- and short-term debt ratings. Treasury safeguards County financial assets and provides detailed monthly reports to the Chair, County Auditor, CFO and Investment Advisory Board documenting compliance to the investment policy and all pertinent statutes and regulations.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Aggressively manage County funds per the County's Investment Policy Policy	0	1	1	1
Outcome	Investment earnings will exceed borrowing cost of TRANS	1	1	1	1
Outcome	No financial loss due to bank fraud	1	1	1	1
Outcome	Maintain Aa1 Moody's debt rating on County's General Obligation Bonds	1	1	1	1

Performance Measure - Description

As defined in the County Investment Policy, the performance of the County's investment portfolio is measured against the monthly annualized yields of the Local Government Investment Pool (LGIP) managed by the State Treasury. Full compliance with all applicable guidelines, policies and legal requirements is Treasury's primary goal. Treasury also strives to maintain Moody's Investors Service highest MIG-1 rating on the annual Tax and Revenue Anticipation Note (TRAN), and at least Aa1 by Moody's on the County's General Obligation Bonds. Moody's highest long term debt rating is Aaa. Treasury is committed to paying less for borrowed funds of TRANS than is earned on the proceeds. Additionally, Treasury intends to achieve its goal of continuing to suffer no financial losses due to bank fraud, either internally or externally, or electronically or by check.

Measurement Key: 1 = Achieved; 0 = Not Achieved

Legal/Contractual Obligation

Management of the County's cash assets and its investment portfolio requires strict compliance with a range of legal constraints and guidelines that include Oregon Revised Statutes, particularly ORS 294.035, the County's Investment Policy, adopted annually by the BCC, Internal Revenue Service regulations, the Governmental Accounting Standards Board (GASB), Generally Accepted Accounting Principles (GAAP).

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2007	2007	2008	2008
Personnel	\$236,652	\$0	\$248,801	\$0
Contracts	\$100,000	\$0	\$106,753	\$0
Materials & Supplies	\$6,090	\$0	\$8,750	\$0
Internal Services	\$29,465	\$0	\$33,425	\$0
Subtotal: Direct Exps:	\$372,207	\$0	\$397,729	\$0
Administration	\$19,995	\$663	\$19,266	\$3,587
Program Support	\$3,005	\$0	\$3,060	\$0
Subtotal: Other Exps:	\$23,000	\$663	\$22,326	\$3,587
Total GF/non-GF:	\$395,207	\$663	\$420,055	\$3,587
Program Total:	\$395,870		\$423,642	
Program FTE	2.50	0.00	2.50	0.00
Program Revenues				
Fees, Permits & Charges	\$0	\$0	\$0	\$0
Other / Miscellaneous	\$160,000	\$0	\$120,000	\$0
Program Revenue for Admin	\$782	\$0	\$3,587	\$0
Total Revenue:	\$160,782	\$0	\$123,587	\$0

Explanation of Revenues

Treasury's revenues consist of Fines and Forfeitures, which are primarily generated from fees for checks deposited by the County and returned for insufficient funds (NSF) and by earnings of the County's investment portfolio that represent an offset to banking, safekeeping and investment tracking costs.

Conduit financing fees that have been earned in the past are being attributed to a different program offer in the future.

Significant Program Changes

Last year this program was: #72041, Treasury

The cost of banking services to the County are expected to increase even at the same level of service due to the expiration of the five-year, fixed-fee contract on 6/30/2007. A Request for Proposal is expected to attract several bidders for the County's contract but the level and complexity of service has increased markedly since the previous contract was bid. As noted above in Explanation of Revenues, banking, safekeeping and investment tracking costs are deducted from distributed earnings of the investment portfolio.