

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 relationships, and broker/dealer relationships, as well as providing responsive and pro-active customer support and service internally and externally. Treasury clears and balances bank deposits consisting of payments for property taxes, excise taxes, and turnovers from other government entities. Treasury processes and transfers bank data, processes and balances incoming electronic funds transfers and initiates outgoing funds transfers. Treasury manages more than 60 separate individual fiduciary trust accounts per statutory mandate.

Program Description

Treasury invests County financial assets so as to insure that funds are available to meet cash flow needs, earning competitive portfolio returns measured against specific benchmarks in the County's investment policy. Treasury complies with all applicable laws, policies, and best practices for the management of public funds. Treasury supports the CFO in the issuance of debt and interacting with ratings agencies, insures timely and accurate debt service payments, and generates IRS arbitrage rebate calculations and reports. Annually Treasury issues short term Tax and Revenue Anticipation Notes (TRANS) to provide the County with liquidity during the period of cash flow deficit that occurs prior to the collection of property tax payments in November. Treasury annually reviews and submits the Investment Policy to the Oregon Short Term Fund Board, to the Investment Advisory Board and to the BCC for adoption. Working in conjunction with other finance units 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 efficient banking and cash management services. Treasury utilizes evolving technology to increase significantly the safety, speed and volume of electronic as well as manual transactions. This has contributed to effective control of transaction costs in Treasury, Accounts Payable and Payroll. Treasury assesses and manages merchant bankcard services and works closely with Accounts Payable in overseeing the County's extensive petty cash program, including staff training. Treasury consistently earns market-rate returns on the County's investments and County debt is carefully managed to protect the County's high long term and short term debt ratings. Treasury provides detailed monthly reports to the Chair, County Auditor, CFO and Investment Advisory Board documenting results and compliance with the investment policy and pertinent regulations.

Performance Measures

| Measure Type | Primary Measure | Previous Year Actual (FY06-07) | Current Year Purchased (FY07-08) | Current Year Estimate (FY07-08) | Next Year Offer (FY08-09) |
|--------------|---|--------------------------------|----------------------------------|---------------------------------|---------------------------|
| Output | Treasury fully complies with all conditions of the Investment Policy | 1 | 1 | 1 | 1 |
| Outcome | Insure adequate cash flow in order to meet all anticipated cash needs | 1 | 1 | 1 | 1 |
| Outcome | Maintain County's Aa1 Moody's debt rating on County's General Obligation Bonds. | 1 | 1 | 1 | 1 |
| Outcome | Manage funds in a manner designed to protect principal value | 1 | 1 | 1 | 1 |

Performance Measure - Description

The County's Investment Policy requires full compliance with guidelines for investing County funds including benchmarks for investment returns such as the monthly annualized yield of the State's Local Government Investment Pool (LGIP). Compliance with all applicable guidelines, best practices, policies and legal requirements is Treasury's primary investment goal. Treasury strives to maintain Moody's Investors Service highest rating of MIG-1 on the annual Tax and Revenue Anticipation Notes (TRANS), as well as not lower than Aa1 by Moody's on the County's General Obligation Bonds. Moody's highest long term debt rating is Aaa. Treasury will strive to achieve its goal of protecting the principal value of the County's investments against loss due to asset devaluation.
 Measurement Key: 1 = Goal Achieved; 0 = Not Achieved

Legal/Contractual Obligation

Management of the County's financial assets requires strict compliance with a broad range of constraints and guidelines that include Oregon Revised Statutes, particularly ORS 294.035, the County's Investment Policy which is adopted annually by the BCC, published policies and procedures, Internal Revenue Service regulations, Governmental Accounting Standards Board (GASB) statements, and Generally Accepted Accounting Principles (GAAP). In addition contractual obligations are negotiated regularly to insure that the County's costs and requirements are well-managed.

Revenue/Expense Detail

| | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|---------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses | 2008 | 2008 | 2009 | 2009 |
| Personnel | \$247,606 | \$0 | \$300,390 | \$0 |
| Contracts | \$106,753 | \$0 | \$71,000 | \$0 |
| Materials & Supplies | \$8,750 | \$0 | \$8,250 | \$0 |
| Internal Services | \$33,425 | \$0 | \$33,745 | \$0 |
| Subtotal: Direct Exps: | \$396,534 | \$0 | \$413,385 | \$0 |
| Administration | \$19,266 | \$3,587 | \$18,744 | \$3,034 |
| Program Support | \$3,060 | \$0 | \$4,200 | \$0 |
| Subtotal: Other Exps: | \$22,326 | \$3,587 | \$22,944 | \$3,034 |
| Total GF/non-GF: | \$418,860 | \$3,587 | \$436,329 | \$3,034 |
| Program Total: | \$422,447 | | \$439,363 | |
| Program FTE | 2.50 | 0.00 | 3.00 | 0.00 |
| Program Revenues | | | | |
| Fees, Permits & Charges | \$0 | \$0 | \$0 | \$0 |
| Other / Miscellaneous | \$120,000 | \$0 | \$120,000 | \$0 |
| Program Revenue for Admin | \$3,587 | \$0 | \$3,034 | \$0 |
| Total Revenue: | \$123,587 | \$0 | \$123,034 | \$0 |

Explanation of Revenues

Treasury's revenues consist of fines and forfeitures, primarily derived from fees earned from deposited checks returned for insufficient funds (NSF) and by earnings on the County's investment portfolio and bank deposits, which represent an offset to banking, safekeeping and investment tracking costs.

Significant Program Changes

Last year this program was: #72011, Treasury