

Lead Agency: County Management

Program Contact: Susie Cameron

Program Offer Type: Existing Operating

Related Programs:

Program Characteristics: Climate Action Plan

Executive Summary

Central Payroll is responsible for paying the employees of Multnomah County, ensuring compliance with Federal, State, and local wage and hour laws, withholding and remitting employment taxes and other deductions, issuing wage and tax reporting statements and administering the pension and deferred compensation programs.

Program Description

Payroll produces 24 payrolls per year for regular and on-call employees and is responsible for accurately withholding, reporting, and remitting employment taxes to Federal, State and Local taxing authorities; reporting and remitting pension contributions to the Public Employees Retirement System; administering the County's IRC §457 deferred compensation program; and ensuring that payroll expenditures are in compliance with Federal and State wage and hour laws, labor contracts, and County Administrative guidelines. Payroll processes, reconciles and remits mandated deductions for creditor garnishments, child support, bankruptcies, tax levies, and union dues. Payroll protects County funds by ensuring that employment taxes, wage and tax statements, and pension payments are processed and remitted timely to avoid assessment of fines for noncompliance.

95% of employee's receive payment of wages through electronic disbursements to financial institutions and 91% of these employees participate in paperless notification of their deposits. This countywide process contributes to the Climate Action Plan, Local Govt Operations section, item 18-8 related to reduction of waste.

Performance Measures

| Measure Type | Primary Measure | Previous Year Actual (FY09-10) | Current Year Purchased (FY10-11) | Current Year Estimate (FY10-11) | Next Year Offer (FY11-12) |
|--------------|--|--------------------------------|----------------------------------|---------------------------------|---------------------------|
| Output | Average number of payments issued per period. | 6,683 | 6,800 | 6,700 | 6,800 |
| Outcome | Percent issued without errors. | 99 | 99 | 99 | 99 |
| Output | Percent of employees participating in Deferred Comp program. | 42.0% | 48.0% | 44.0% | 46.0% |
| Quality | Average deferred comp account balance. | 49,000 | 40,000 | 50,000 | 51,000 |

Performance Measure - Description

Output: Number of payments per pay period exceeds number of employees due to many employees having multiple direct deposits.

Output: The percent of employees participating in the deferred comp plan will measure the effectiveness and quality of the educational opportunities offered. The national average for participation is 29%. The national average account balance is \$27,000. The average account balance and participation rate are measures of the quality of the investment options and overall attractiveness of the plan as a voluntary employee benefit.

Legal/Contractual Obligation

Wage payments are mandated by Federal & State wage and hour laws and by 10 union contracts. Withholding and remitting employment taxes is mandated by the Internal Revenue Service. Pension contributions are mandated by union contracts and the Oregon Revised Statutes. Failure to comply with these laws and regulations could result in the County being assessed penalties and fines.

Revenue/Expense Detail

| | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses | 2011 | 2011 | 2012 | 2012 |
| Personnel | \$712,074 | \$0 | \$701,092 | \$0 |
| Contracts | \$10,100 | \$0 | \$19,500 | \$0 |
| Materials & Supplies | \$13,038 | \$0 | \$26,571 | \$0 |
| Internal Services | \$107,320 | \$0 | \$123,462 | \$0 |
| Total GF/non-GF: | \$842,532 | \$0 | \$870,625 | \$0 |
| Program Total: | \$842,532 | | \$870,625 | |
| Program FTE | 7.62 | 0.00 | 7.58 | 0.00 |
| Program Revenues | | | | |
| Other / Miscellaneous | \$112,000 | \$0 | \$154,500 | \$0 |
| Total Revenue: | \$112,000 | \$0 | \$154,500 | \$0 |

Explanation of Revenues

This program is supported by General Fund revenues.

External revenue for the program is contractually negotiated with the County's deferred compensation provider through a revenue sharing agreement. All administrative costs associated with the program are paid for through the agreement. The revenue sharing enables the County to offer the program to employees at no cost to the County. The agreement is for \$120,000 first year (FY12) and CPI-U adjustment for years two through five. FY 2012 also includes a one time only reimbursement of \$34,500 for costs associated with the Request for Proposal (RFP) that was issued in FY 2011.

Significant Program Changes

Last year this program was: #72017, FRM - Payroll/Retirement Svcs