



Finance

FY 2019-20 Budget Presentation

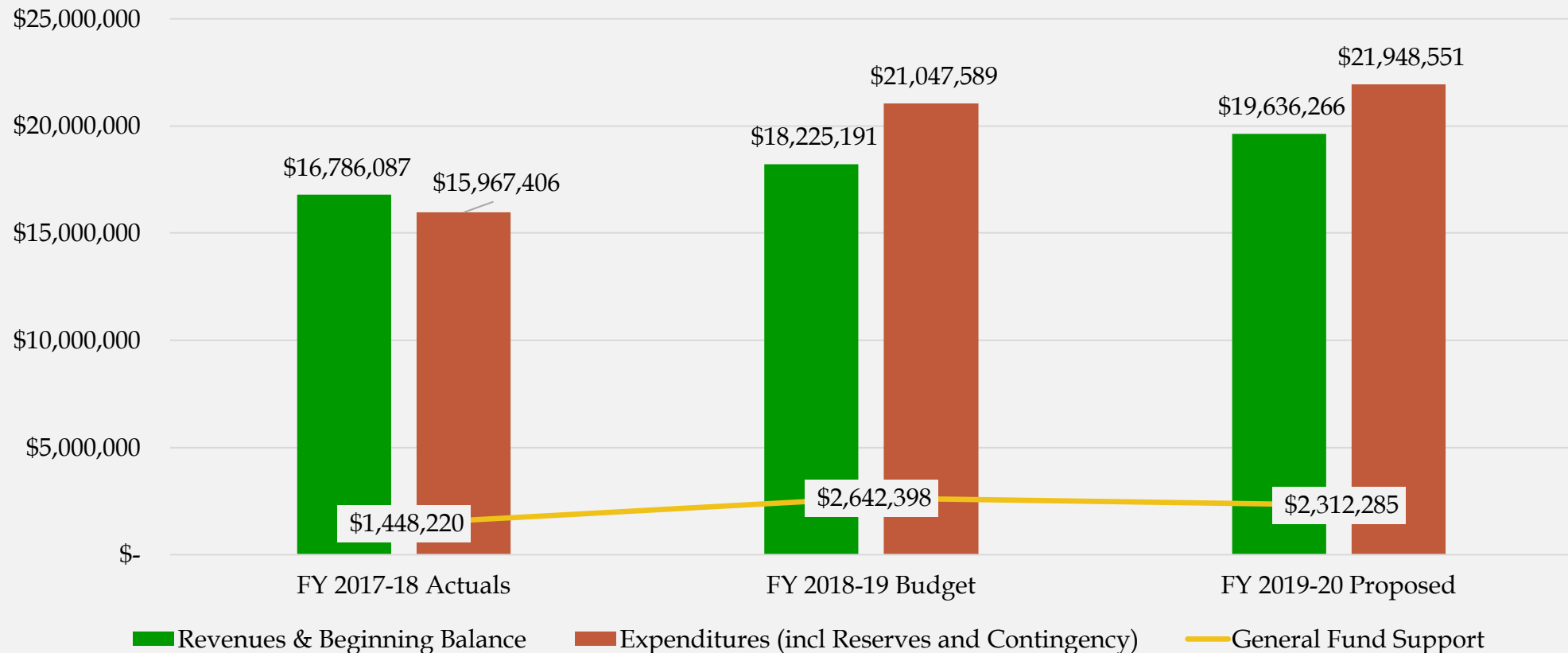
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Department Mission, Vision, Core Values, Services

The mission of the Department of Finance is to provide financial, facilities, procurement, mail and courier services to County departments, other agencies, the Board of County Commissioners, and County employees so they can conduct the public's business in a transparent, financially responsible, and responsive manner.

Departmental Budget Request





Budget Reductions

Finance Department Total Reductions = \$755,000



- Reductions taken to achieve the 2% or 5% general fund target provided by the Budget Office:
 - 2% cut requested and made = \$54,587 cut requested, overall the department took a zero based approach and was able to cut general fund support by \$330,000. Approaches used to achieve these cuts include:
 - Reallocating employees and minimizing the use of contract temp agency staff that cover the finance front office.
 - Reduced materials and services to better align with actual spending by approximately \$60,000
 - Eliminated capital outlay of \$45,000
 - Absorbed personnel service increases through allocation charge increases.
- Additional reductions taken (if applicable):
 - \$5,567 in facilities cuts returned to General Fund
 - \$420,000 in facilities reductions from flattening of staffing returned to departments.

Key Performance Measures & Results - Director's Office & Procurement




- Director's Office

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target	
	Result	Bond rating maintained or improved	Aa1	Aaa	Aaa	Aaa	
	Result	% Finance Divisions/Programs with updated strategic plan performance results	NEW	NEW	75%	0%	100%
	Output	Number of employees that attended PeopleSoft Finance classes	NEW	50	50	28	50




- Procurement

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target	
	Result	% successfully completed procurements (Unsuccessful procurements are projects that are cancelled because no bids, over budget, or the project has been cancelled.)	100%	99%	87%	99%	90%
	Result	% Small contracts (<\$50k) completed within 10 business days	NEW	NEW	85%	93%	85%

Key Performance Measures & Results – Facilities Management

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19- 20 Target
 Result	% Facilities maintained in good to excellent condition	70%	75%	52%	32%	75%
Efficiency	# Square feet maintained per maintenance technician	69,723 sq. ft.	73,293 sq. ft.	50,200 sq. ft.	62,681 sq. ft.	62,681
Result	% of customers rate communication as good or very good.	* New Measure for 2019-2020	* New Measure for 2019-2020	* New Measure for 2019-2020	* New Measure for 2019-2020	75%
Result	% Janitorial inspections that "meet" or "exceed" maintenance and cleanliness standards.	25%	100%	25%	0%	75%
Result	Reduce overall energy intensity (per sq. ft.)	N/A	64.99	71.3	68.28	61.96
Result	% Facilities where evacuation drills are conducted annually	75%	100%	100%	93%	100%
 Result	% of facilities and properties listed in the County Asset Management Program	75%	100%	75%	100%	100%
 Result	# of County facilities listed in an asset management program	New Measure				165

Key Performance Measures & Results – Financial Management

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19- 20 Target	
	Result	% Employees per pay period paid correctly and on time	95%	96%	99%	93%	99%
	Result	% of departmental budgets where expenditures do not exceed appropriations at end of fiscal year.	85%	70%	100%	NA ¹	100%
	Result	% Financial reports filed on or before the due date	New	New	100%	87%	100%
	Result	% of vendor payments issued via ACH	5%	6%	25%	5%	25%

1 NA - Audit results are monitored as of fiscal yearend.

Key Performance Measures & Results – Significant Changes

- After hiring Public Fleet Advisors to review the efficiency & effectiveness of the Fleet Services, we transferred the operation to DTD and merged it with the Heavy Fleet on 1/12/19.
- Facilities revised their MFR plan and measures, aligning the measures with quantifiable data available, while focusing on preventive maintenance and customer services.
- With a new set of management on board, we plan to review and significantly update our entire strategic plan by December 31, 2019.

Emerging Issues – Technology Needs

- Our 20 year old ERP (PeopleSoft) is not meeting our business needs nor our customer's needs. Customers desire access to the accounting system, self service, transparency, and faster processing time. Increasing demands from our customers continue to drive up transactional volume and it necessitates more automation and/or additional staffing to keep pace.
 - Hired HRPMO to conduct a gap analysis of PeopleSoft's capability and these needs. The final report is expected later this summer.
 - In FY19/20 – budgeted for a cost benefit analysis of re-implementing PeopleSoft and adding the required licensing or purchasing a new ERP.
- Our 20+ year budget software (Brass) is reaching its end of life. Brass is most affectionately referred to as a glorified Excel spreadsheet. It has no modeling, forecasting, or long range planning capability. Given the County's current budget, it is time to invest in this critical and mandated function and replace the system with modern software.
 - Budget team is beginning market research.
- Finance has saved \$1.2M of budgeted funds for these 2 initiatives and included it in the proposed budget as contingency in the Office of the Director's budget.

Emerging Issues – Debt Management

- Debt management –
 - Evaluating refinancing existing DSB debt to save on interest costs.
 - Planning to issue new debt for the Development Agency & the proposed Transportation Facility in Spring of 2020. May consider bundling other needs with this debt issuance to maximize efficiency of staff support and cost of issuance.
 - Continuing to evaluate all financing options for the Courthouse.
 - Will be updating our debt policies.

Emerging Issues – Staffing

- Finance is experiencing significant challenges recruiting and retaining qualified staff to prepare the CAFR (audit). This is a mandated function.
- Budget is a critical function for the County and additional resources will be needed to undertake the process of restructuring our budget. We plan to fill 1 vacant position but expect that we may still need additional FTE to meet the demands and expectations of the Budget Committee and the County.
- Facilities staffing has been held flat this year due to budget concerns. However, the OSU building & new Courthouse building are still priority projects. Both projects add considerable square footage to Facilities portfolio and will necessitate hiring additional maintenance technicians when the buildings open.

Questions?

<http://www.clackamas.us/finance/>

