

Program Description

The Finance Department provides financial accounting, budgeting, and reporting services; treasury and investment management; risk management; and strategic forecasting services. It manages debt issuance and legal services, and provides full financial accounting services and tax return preparation for the Tualatin Valley Fire and Rescue Volunteer Association. It also administers the Pension and Volunteer LOSAP Trust Plan payments, Deferred Compensation Plans (457 and 401(a)), Post Employment Health Plans, and the Jeffrey D. Johnson Community Assistance Trust Fund, a non-profit entity.

Special Recognition: Tualatin Valley Fire and Rescue has received prestigious awards from the Government Finance Officers Association of the United States and Canada annually since 1987, for both its annual budget document and Comprehensive Annual Financial Report (CAFR). The District was the first fire district in the nation to have ever received these distinguished awards and recognition.

Budget Summary

Expenditures	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Budget
Personnel Services	\$ 1,006,128	\$ 1,177,593	\$ 1,248,697	\$ 1,254,815
Materials and Services	398,986	405,209	495,979	483,506
Total Expenditures	\$ 1,405,114	\$ 1,582,801	\$ 1,744,676	\$ 1,738,321

Personnel Summary

Position	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Budget
Controller	1.00	1.00	1.00	1.00
Financial Operations Manager	1.00	1.00	1.00	1.00
Purchasing Manager	1.00	1.00	1.00	1.00
Financial Systems Analyst	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Payroll Manager	1.00	1.00	1.00	1.00
Accounting Specialist	2.00	2.00	2.00	2.00
Sr. Payroll/Accounting Specialist	1.00	1.00	1.00	1.00
Administrative Assistant	0.50	0.50	0.50	0.50
Total Full-Time Equivalents (FTE)	9.50	9.50	9.50	9.50

2014-15 Significant Changes

The Personnel Services budget reflects projected wages and benefits of all employees.

Within Materials and Services, supplies in accounts 5300 and 5301 were reduced as the ERP system has supported a significantly more paperless environment. Account 5367 reflects the allocated costs of the shared copy machine/printer. Account 5400, Insurance Premium, provides funding for District-wide property and liability coverage. Other Professional Services, account 5414, funds the costs of actuarial studies performed and reflects the scheduled pension plan and LOSAP actuarial work for 2014-15. Trustee Administration fees reflect banking fees resulting from FDIC fees and low interest revenue available to offset banking fees, as well as third-party administration costs for the FSA and HRA benefit plans. External Training and Travel reflects enhanced training for the new Financial Operations manager, as well as continuing education for the Controller and staff.

Finance, continued

Status of 2013-14 Service Measures

- Continue to prepare award winning budget document and Comprehensive Annual Financial Report (CAFR).

Goal(s)/Call(s) for Action:	VIII/D
Service Type(s):	Essential
Measured By:	Receipt of Government Finance Officers Association Budget and Comprehensive Annual Financial Report awards. These awards are highly regarded by rating agencies when evaluating an agency's financial stability and creditworthiness. Achieving these awards is evidence that the District's formal documents are recognized as transparent and go beyond the minimum requirements of generally accepted accounting principles.
Status or Outcome:	Complete and ongoing. The awards for the CAFR and the Budget Document were received during the 2013-14 fiscal year.

- Manage the District's finances and provide externally required disclosures to continue the highest bond and credit ratings.

Goal(s)/Call(s) for Action:	VIII/D
Service Type(s):	Essential
Measured By:	Maintaining Moody's highest credit rating, which in turn allows the District to achieve successful bond sales and the best available interest rates on debt instruments. While the District's credit rating is not renewed annually, maintaining the current Aaa rating requires annual disclosures. TVF&R is in full compliance with all disclosures.
Status or Outcome:	Complete and ongoing. All municipal disclosures and financial statements were filed timely with the Municipal Securities Rulemaking Board.

- Monitor to ensure overall expenditure growth does not exceed growth rates of primary revenue sources.

Goal(s)/Call(s) for Action:	VIII/A
Service Type(s):	Essential
Measured By:	Maintaining the General Fund reserves that will sufficiently fund operations during the five-month dry period before property tax revenues begin to be received.
Status or Outcome:	The rates of expenditures have not exceeded the property tax revenues, the primary revenue source for the last five years.

- Manage the Single Audit process as it relates to recent Federal grant revenues and expenditures.

Goal(s)/Call(s) for Action:	VII/7
Service Type(s):	Mandatory
Measured By:	Clean audit opinion for the Single Audit.
Status or Outcome:	The Single Audit report representing the period ended June 30, 2013 resulted in zero audit findings. This was a significant improvement to the prior year, when one audit finding was reported to the federal government and five additional conditions were discussed with staff by the District's auditor, all of which needed improvement.

Status of 2013-14 Change Strategies

- Plan for differing deployment models in financial forecasts to explore different service delivery models; collaborate with Union leadership to achieve mutual goals for the District and employee financial stability.

Goal(s)/Call(s) for Action:	VIII/E and 3
Budget Impact:	Resource neutral
Duration:	Year 3 of 3
Budget Description:	Not determined
Partner(s):	Fire Chief's Office primarily, then District-wide, depending on models selected
Status or Outcome:	The Chief Financial Officer, Executive Staff, and the Planning Division have prepared exhaustive models that explore varying service deliveries as a result of the Local Option Levy planning process. These models are currently running out through the year 2026, as this group seeks to understand the costs associated with varying models. Local 1660 has been involved in these discussions and supports the planning underway in preparation for the replacement levy election.

- Build out several scenarios around various community economic risks to specifically understand, plan, and prepare for potential impacts to service objectives. Model Local Option Levy scenarios to finalize Local Option Levy renewal strategies for an expected May 2014 election.

Goal(s)/Call(s) for Action:	VIII/4
Budget Impact:	Resource neutral
Duration:	Year 3 of 3
Budget Description:	Not applicable
Partner(s):	Fire Chief's Office
Status or Outcome:	Models have been developed that look at changing Assessed Value versus Real Market Value to prepare for differing collection rates of property taxes. Deployment models have been developed to present varying deployment strategies and ideas. All models have been delivered with costing scenarios to provide decision makers with the best data for their planning decisions.

- Implement the financial side of a new labor contract. The payroll function must interpret and adapt the payroll system to deliver an accurate and timely product.

Goal(s)/Call(s) for Action:	VI/5
Budget Impact:	Resource neutral
Duration:	Year 2 of 3
Budget Description:	Salaries and benefits
Partner(s):	Fire Chief's Office, Human Resources
Status or Outcome:	All financial components required for the 2013-14 year have either been implemented or are in place and ready for implementation.

Finance, continued

Status of 2013-14 Change Strategies, continued

- Expand reporting mechanisms that can be easily understood and shared among employees and Budget Managers, thereby communicating the financial "health" of the District and allowing managers to effect positive financial change. This Change Strategy has been extended due to additional functionality in Munis as staff matures through the various modules.

Goal(s)/Call(s) for Action: VIII/2
Budget Impact: Resource neutral
Duration: Year 2 of 5
Budget Description: Not applicable
Partner(s): Information Technology
Status or Outcome: Monthly financial statements were improved to reflect comparative data for a two-year period. This has proven to be an easy-to-read format and seems to be assisting management in identifying any concerns with revenues and spending trends in a timely fashion. Additional SSRS reports have been delivered, further enabling budget managers to manage their budget.

- Convert the timekeeping system from a manual system to an electronic system. Continue research to solve current concerns with the Munis electronic timekeeping module for non-line personnel. In the event the Munis module is unable to meet the District's needs, staff will explore, research, and implement different software for electronic timekeeping.

Goal(s)/Call(s) for Action: VI/4 and 6; VII/1 and 2
Budget Impact: Increase required - potential cost of \$10,000 for a separate solution
Duration: Year 2 of 2
Budget Description: Materials and Services
Partner(s): Information Technology
Status or Outcome: This Change Strategy has proven difficult to accomplish. The Munis system has been less than effective in allowing staff to capture timesheet data in the desired format. This strategy will likely get extended another year as staff continues to explore the options. Desiring to use the system that the District already owns, staff are more invested in the Munis solution and are avoiding the purchase of a separate solution.

- Participate in the GFOA Popular Annual Financial Report (PAFR) program to extract information from the Comprehensive Annual Financial Report and produce a high quality report specifically designed to be easily understandable to the general public without a background in public finance.

Goal(s)/Call(s) for Action: VIII/1
Budget Impact: Increase required
Duration: Year 1 of 2
Budget Description: Materials and Services
Partner(s): Information Technology, Fire Chief's Office
Status or Outcome: The Finance Division produced the first PAFR for the period ended June 30, 2013, and delivered it to the GFOA for review. It is expected that the PAFR will become one of the annual reports, always seeking to meet the needs of the District in its current environment.

Status of 2013-14 Change Strategies, continued

- Raise awareness of federal compliance requirements for grants to better position the District for a clean audit opinion and to maintain the ability to apply for future grant opportunities.

Goal(s)/Call(s) for Action:	VIII/7
Budget Impact:	Resource neutral
Duration:	Year 1 of 1
Budget Description:	Not applicable
Partner(s):	Planning, Fire Chief's Office
Status or Outcome:	Many meetings and discussions have occurred with those who are in the loop to procure federal grant funds. The Planning and Finance Divisions have partnered to raise awareness between each other and to those who are in many of the grant circles. While awareness has been raised, there is still a sense of unease about the UASI grant, which has its own share of monitoring problems at the state level.

Additional 2013-14 Accomplishments

- Increased participation in electronic W-2s for most employees and vendor electronic funds transfer transactions. These processes have saved staff time and mailing costs.
- Offered a lump-sum payout for the 1992 LOSAP plan. Approximately 80% of the recipients elected to take the payout, eliminating a significant portion of long-term commitment for a life-time defined benefit.
- Migrated Third Party Administrators for non-Union HRAs and FSAs.
- Partnered with Supply, Information Technology, and numerous vendors to test and implement the Munis e-procurement "punch-out" module, simplifying the order and requisition entry process of special order and virtual inventory items.

2014-15 Service Measures

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimated	2014-15 Projected
Accounts receivable invoiced	747	848	854	935	1,000
Cash receipts processed	2,294	2,308	2,077	1,960	1,900
Payroll pays issued	10,344	10,992	10,840	12,150	12,000
Requisitions processed	5,835	9,148	8,837	10,500	10,500
P-Card requisitions processed	2,986	2,504	2,377	2,600	2,700
Approvals through workflow	6,033	5,818	5,330	5,550	5,700
Notifications through workflow	12,214	16,846	16,482	13,900	14,000
Purchase orders processed	5,914	6,263	6,035	6,500	6,700
Accounts payable transactions	12,544	12,680	12,653	13,500	13,700
Accounts payable checks	5,542	6,249	5,871	5,900	6,000
Cellular tower leases managed ¹					8
A/P Electronic Fund Transfers (EFT) processed	-	468	2,090	2,400	2,600
Average length of time to approve requisitions	-	-	13:29 hours	13:40 hours	13:45 hours
Award for Excellence in Financial Reporting	✓	✓	✓	✓	✓
Award for Distinguished Budget	✓	✓	✓	✓	✓

¹ Cell tower lease management moved from Communications

Finance, continued

2014-15 Service Measures, continued

- Continue to prepare award winning budget document and Comprehensive Annual Financial Report.

Goal(s)/Call(s) for Action: VII/C
Service Type(s): Essential
Measured By: Receipt of Government Finance Officers Association Budget and Comprehensive Annual Financial Report awards. These awards are highly regarded by rating agencies when evaluating an agency's financial stability and creditworthiness. Achieving these awards is evidence that the District's formal documents are recognized as transparent and go beyond the minimum requirements of generally accepted accounting principles.



- Monitor to ensure overall expenditure growth does not exceed growth rates of primary revenue sources.

Goal(s)/Call(s) for Action: VII/A, B, and 3
Service Type(s): Essential
Measured By: Maintaining the General Fund reserves that will sufficiently fund operations during the five-month dry period before property tax revenues begin to be received.

- Model unpredictable future healthcare costs to include the impacts of the Affordable Care Act (ACA) as it is implemented over the next four years.

Goal(s)/Call(s) for Action: VII/B and 1
Service Type(s): Essential
Measured By: Successful implementation of new healthcare requirements that are modeled and budgeted for accurately and in advance. This will require staying ahead of the ACA timeline and adapting to any modifications that are applied by the federal government.

2014-15 Change Strategies

- Implement the financial aspects of the Union labor contract during 2014-15, and model scenarios to disseminate and inform the negotiation team that will meet during 2014-15. The payroll function must interpret and adapt the payroll system to deliver accurate and timely results that impact the workforce. The Fire Chief's Office will rely on forecasts prepared by Finance for negotiations.

Goal(s)/Call(s) for Action: VII/2 and 3
Budget Impact: Resource neutral
Duration: Year 3 of 3
Budget Description: Salaries and benefits
Partner(s): Fire Chief's Office, Human Resources

2014-15 Change Strategies, continued

- Expand reporting mechanisms that can be easily understood and shared among employees and Budget Managers, thereby communicating the financial "health" of the District and allowing managers to effect positive financial change. This change strategy has been extended due to additional functionality in Munis as staff matures through the various modules.

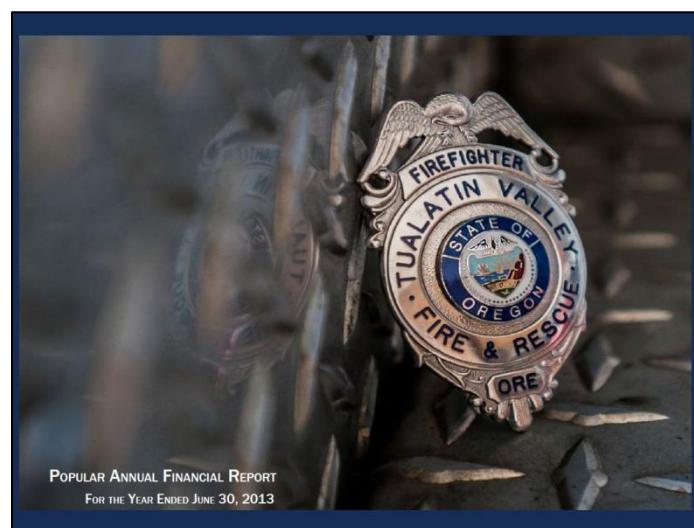
Goal(s)/Call(s) for Action: VII/E
Budget Impact: Resource neutral
Duration: Year 3 of 5
Budget Description: Not applicable
Partner(s): Information Technology

- Convert the timekeeping system from a manual system to an electronic system. Continue research to solve current concerns with Munis electronic timekeeping module for non-line personnel. In the event the Munis module is unable to meet the District's needs, staff will explore, research, and implement different software for electronic timekeeping. This Change Strategy was brought forward from fiscal year 2013-14.

Goal(s)/Call(s) for Action: VI/1 and 2
Budget Impact: Increase required - potential cost of \$10,000 for a separate solution
Duration: Year 3 of 3
Budget Description: Materials and Services
Partner(s): Information Technology

- Participate in the GFOA Popular Annual Financial Report (PAFR) program to extract information from the Comprehensive Annual Financial Report and produce a high quality report specifically designed to be easily understandable to the general public without a background in public finance.

Goal(s)/Call(s) for Action: VII/3 and 5
Budget Impact: Increase required
Duration: Year 2 of 2
Budget Description: Materials and Services
Partner(s): Information Technology, Fire Chief's Office



Finance, continued

		Actual Prior FY 2012	Actual Prior FY 2013	Budget Prior FY 2014	Budget Proposed FY 2015	Budget Approved FY 2015	Budget Adopted FY 2015
10210 General Fund							
5002	Salaries & Wages Nonunion	\$ 598,210	\$ 677,451	\$ 696,604	\$ 711,755	\$ 711,755	\$ 711,755
5004	Vacation Taken Nonunion	41,516	41,591	53,382	54,530	54,530	54,530
5006	Sick Taken Nonunion	5,144	8,717	10,680	10,911	10,911	10,911
5008	Personal Leave Taken Nonunion	447	1,314	4,580	4,678	4,678	4,678
5010	Comp Taken Nonunion	1,263	624				
5015	Vacation Sold	10,767	21,303	21,996	18,725	18,725	18,725
5016	Vacation Sold at Retirement	5,533	1,015				
5017	PEHP Vac Sold at Retirement			40,045			
5021	Deferred Comp Match Nonunion	21,945	27,045	34,192	38,951	38,951	38,951
5121	Overtime Nonunion			800	800	800	800
5201	PERS Taxes	119,161	135,475	177,159	169,009	169,009	169,009
5203	FICA/MEDI	49,850	55,067	63,156	64,779	64,779	64,779
5206	Worker's Comp	18,268	11,490	14,857	15,241	15,241	15,241
5207	TriMet/Wilsonville Tax	4,588	5,174	5,897	6,218	6,218	6,218
5208	OR Worker's Benefit Fund Tax	221	258	368	362	362	362
5211	Medical Ins Nonunion	93,168	111,703	119,373	108,034	108,034	108,034
5221	Post Retire Ins Nonunion	7,580	8,675	8,550	8,550	8,550	8,550
5230	Dental Ins Nonunion	13,563	14,262	16,585	14,782	14,782	14,782
5240	Life/Disability Insurance	6,116	6,751	10,518	10,730	10,730	10,730
5290	Employee Tuition Reimburse	3,027	3,222	3,040	10,400	10,400	10,400
5295	Vehicle/Cell Allowance	5,760	6,410	6,960	6,360	6,360	6,360
Total Personnel Services		1,006,128	1,177,593	1,248,697	1,254,815	1,254,815	1,254,815
5300	Office Supplies	1,009	828	1,500	1,150	1,150	1,150
5301	Special Department Supplies	557	60	1,000	575	575	575
5350	Apparatus Fuel/Lubricants	163	192	200			
5367	M&R Office Equip	4,576	4,606	4,800	4,950	4,950	4,950
5400	Insurance Premium	313,163	321,091	355,000	350,000	350,000	350,000
5412	Audit & Related Filing Fees	12,905	32,945	45,000	44,225	44,225	44,225
5414	Other Professional Services	15,650	7,373	21,000	12,000	12,000	12,000
5415	Printing	1,196	1,556	2,900	2,900	2,900	2,900
5418	Trustee/Administrative Fees	26,859	17,204	33,600	33,850	33,850	33,850
5461	External Training	3,520	4,970	8,750	9,355	9,355	9,355
5462	Travel and Per Diem	3,477	6,556	7,230	11,091	11,091	11,091
5484	Postage UPS & Shipping	53	81	200	200	200	200
5500	Dues & Subscriptions	3,858	3,153	4,799	3,260	3,260	3,260
5570	Misc Business Exp	9,555	2,602	3,500	5,200	5,200	5,200
5572	Advertis/Public Notice	2,443	1,991	6,500	4,750	4,750	4,750
Total Materials & Services		398,986	405,209	495,979	483,506	483,506	483,506
Total General Fund							
		\$ 1,405,114	\$ 1,582,801	\$ 1,744,676	\$ 1,738,321	\$ 1,738,321	\$ 1,738,321