

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 and Pension Trust Plan. It administers the Pension and Volunteer LOSAP Trust Plans, 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	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget
Personnel Services	\$1,000,121	\$1,006,128	\$1,254,744	\$1,248,697
Materials and Services	408,642	398,986	457,848	495,979
Total Expenditures	\$1,408,763	\$1,405,114	\$1,712,592	\$1,744,676

PERSONNEL SUMMARY

Position	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 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

2013-14 SIGNIFICANT CHANGES

The Personnel Services budget reflects projected wages and benefits of all employees, including projected PERS and medical insurance increases offset by non-recurring expenses for employee accrual payments at retirement.

Within Materials and Services, office supplies were reduced as the ERP system has supported a significantly more paperless environment. Account 5400, Insurance Premium, provides funding for District-wide property and liability coverage, and the increase reflects increased coverage in property, liability limits, and industry cost increases. Other Professional Services, account 5414, funds the costs of actuarial studies performed. 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.

Finance, continued

STATUS OF 2012-13 SERVICE MEASURES

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

Goal(s)/Call(s) for Action: VI/A; VI/4; 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 ratings agencies when evaluating an agency's financial stability and creditworthiness.
Status or Outcome: Complete and ongoing. The GFOA awards for both the June 30, 2011 CAFR and the 2012-13 Annual Budget Document were received during the 2012 calendar 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: VI; 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.
Status or Outcome: Complete for 2012-13 and ongoing. The District filed all continuing disclosure documents required by the bond covenants to the marketplace and the public.

- 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: Complete for the year ended June 30, 2012.

- Manage the Single Audit process as it relates to recent federal grant revenues.

Goal(s)/Call(s) for Action: VII
Service Type(s): Mandatory
Measured By: Clean audit opinion for the Single Audit.
Status or Outcome: Following the June 30, 2012 Single Audit, the District received a federal audit finding in regard to the UASI grant. During the process, several areas were noted where the District has room for improvement. Federal compliance training was conducted by the District's audit firm and the auditor's suggestions have been incorporated into the grant management program. Primarily, the Planning Division will have greater oversight of all grants, regardless of whether they are federal, state, or local. Grant management cannot reside with any one department as there are both financial and program components to every grant. Preplanning for all future grants will originate with the Planning Division prior to moving forward. The financial aspect, including the audit function, will remain with the Finance Division. Involved divisions will work closely together on all grants from preplanning through grant closure to ensure compliance with all requirements.

STATUS OF 2012-13 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 2 of 3
Budget Description: Not applicable
Partner(s): Fire Chief's Office initially, then District-wide, depending on models selected.
Status or Outcome: The Fire Chief's Office continues to create and revise deployment models as part of future strategic planning.

- **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.

Goal(s)/Call(s) for Action: VIII/2
Budget Impact: Resource neutral
Duration: Year 1 of 1
Budget Description: Not applicable
Partner(s): Information Technology
Status or Outcome: Dozens of SQL Server Reporting Services (SSRS) reports have been created to inform, educate, and empower the Budget Managers in their segment of the business. The MUNIS Dashboard has made processing of transactions more user friendly and much easier to access. The MUNIS budget module, which was rolled out in December 2012, caused the budget process to be more interactive and necessitated more ownership of individual budgets. Employee Self Service has also brought more information to all employees' fingertips. As more is discovered about the MUNIS program, and as staff find themselves maturing with it, more improvements will come.

- **Build out several scenarios around various community economic risks** to specifically understand, plan, and prepare for potential impacts to service objectives.

Goal(s)/Call(s) for Action: VIII/4
Budget Impact: Resource neutral
Duration: Year 2 of 3
Budget Description: Not applicable
Partner(s): Fire Chief's Office
Status or Outcome: Viewing value loss of properties within District boundaries, staff is using downloaded data from Washington, Clackamas, and Multnomah counties to actively share the results with local partners in order to bring awareness to the property value loss discussion on a statewide basis to effect change.

Finance, continued

STATUS OF 2012-13 CHANGE STRATEGIES, CONTINUED

- **Implement the Electronic Funds Transfer (EFT) module** - Implement the MUNIS module for electronic funds transfer for all employee and volunteer reimbursements and work toward making vendor payments electronic.

Goal(s)/Call(s) for Action: VII/3
Budget Impact: Resource neutral
Duration: Year 1 of 3
Budget Description: Not applicable
Partner(s): None required
Status or Outcome: Implemented for both vendors and employees.

- **Convert the timekeeping system from a manual system to an electronic system.** Implement the MUNIS module for electronic timekeeping for non-line personnel to include the use of workflow for approvals.

Goal(s)/Call(s) for Action: VII/3
Budget Impact: Resource neutral
Duration: Year 1 of 1
Budget Description: Not applicable
Partner(s): Information Technology
Status or Outcome: Not implemented yet. The MUNIS timekeeping module has drawbacks that were not anticipated. Research continues to determine the best solution to the paper timekeeping system currently in use. This Change Strategy will continue into fiscal year 2013-14.

- **Implement the financial side of a new labor contract.** Depending on what the finalized contract brings, 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 1 of 3
Budget Description: Salaries and benefits
Partner(s): Fire Chief's Office, Human Resources
Status or Outcome: Partially implemented. All contract changes that were mandated and settled for the 2012-13 fiscal year have been implemented in the payroll system. Changes for fiscal year 2013-14 will occur as scheduled.

- **Implement changes to the Volunteer LOSAP plan as directed by the Board of Directors.** A recent change approved by the Board to make lump-sum payouts to volunteers who have left the service of the District will be applied. Other changes are still being considered. These changes are designed to limit ongoing and costly liability to the District.

Goal(s)/Call(s) for Action: VIII/4
Budget Impact: Unknown
Duration: Unknown
Budget Description: Pension benefits
Partner(s): Fire Chief's Office, Human Resources, Board of Directors
Status or Outcome: Partially implemented. The 1998 LOSAP plan was closed and the eligible participants were paid the present value of their benefit. A new plan was put into place for the active volunteers in December 2012. The closed 1992 LOSAP plan is currently under additional review for payout options.

ADDITIONAL 2012-13 ACCOMPLISHMENTS

- Implemented the MUNIS budget module to include direct input from the Captain level through the top of the organization.
- Implemented MUNIS approval and notification email links and workflow self-forwarding.
- Partnered with Occupational Health to implement MUNIS work order and inventory module.
- Provided electronic W-2s to employees for the 2012 year through the MUNIS payroll module.
- Improved MUNIS training with use of video, face-to-face, and written documentation.

2013-14 SERVICE MEASURES

	2010-11 Actual	2011-12 Actual	2012-13 Estimated	2013-14 Projected
Accounts receivable invoiced	747	848	930	960
Cash receipts processed	2294	2308	2,200	2,350
Payroll pays issued	10,344	10,992	11,400	11,600
Requisitions processed	5,835	9,148	8,700	9,000
P-Card requisitions processed	2,986	2,504	2,300	2,400
Approvals through workflow	6,033	5,818	5,200	5,500
Notifications through workflow	12,214	16,846	15,800	16,000
Purchase orders processed	5,914	6,263	5,800	6,000
Accounts payable transactions	12,544	12,680	10,800	12,000
Accounts payable checks	5,542	6,249	5,900	5,100
A/P Electronic Fund Transfers (EFT) processed	-	468	2,045	2,400
Average length of time to approve requisitions	-	-	13 hours	unknown
Award for Excellence in Financial Reporting	✓	✓	✓	✓
Award for Distinguished Budget	✓	✓	✓	✓

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

Goal(s)/Call(s) for Action: VI/A and 4; 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.

Finance, continued

2013-14 SERVICE MEASURES, CONTINUED

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

Goal(s)/Call(s) for Action: VI/A; 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.

- **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.

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

Goal(s)/Call(s) for Action: VII; VII/7
Service Type(s): Mandatory
Measured By: Clean audit opinion for the Single Audit.

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

- **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

2013-14 CHANGE STRATEGIES, CONTINUED

- **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

- **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

- **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.

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

- **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

- **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

Finance, continued

	Actual Prior FY 2011	Actual Prior FY 2012	Budget Prior FY 2013	Budget Proposed FY 2014	Budget Approved FY 2014	Budget Adopted FY 2014
10210 General Fund						
5002 Salaries & Wages Nonunion	621,024	598,210	683,916	696,604	696,604	696,604
5004 Vacation Taken Nonunion	29,485	41,516	52,416	53,382	53,382	53,382
5006 Sick Taken Nonunion	15,666	5,144	10,483	10,680	10,680	10,680
5008 Personal Leave Taken Nonunion	1,704	447	4,493	4,580	4,580	4,580
5010 Comp Taken Nonunion	1,520	1,263				
5015 Vacation Sold	3,609	10,767	22,000	21,996	21,996	21,996
5016 Vacation Sold at Retirement		5,533	44,000			
5021 Deferred Comp Match Nonunion	10,852	21,945	29,952	30,507	30,507	34,192
5121 Overtime Nonunion	642		800	800	800	800
5201 PERS Taxes	122,208	119,161	160,842	177,159	177,159	177,159
5203 FICA/MEDI	50,967	49,850	61,645	63,156	63,156	63,156
5206 Worker's Comp	12,567	18,268	14,505	14,857	14,857	14,857
5207 TriMet/Wilsonville Tax	4,629	4,588	5,655	5,897	5,897	5,897
5208 OR Worker's Benefit Fund Tax	232	221	336	368	368	368
5211 Medical Ins Nonunion	91,114	93,168	117,716	119,373	119,373	119,373
5221 Post Retire Ins Nonunion	7,275	7,580	8,550	8,550	8,550	8,550
5230 Dental Ins Nonunion	13,517	13,563	16,278	16,585	16,585	16,585
5240 Life/Disability Insurance	7,349	6,116	10,717	10,518	10,518	10,518
5290 Employee Tuition Reimburse		3,027	4,680	3,040	3,040	3,040
5295 Vehicle/Cell Allowance	5,760	5,760	5,760	6,960	6,960	6,960
Total Personnel Services	1,000,121	1,006,128	1,254,744	1,245,012	1,245,012	1,248,697
5300 Office Supplies	1,959	1,009	2,850	1,500	1,500	1,500
5301 Special Department Supplies	240	557	1,200	1,000	1,000	1,000
5330 Noncapital Furniture & Equip	145					
5340 Software Licenses/Upgrade/Host	150					
5350 Apparatus Fuel/Lubricants	96	163		200	200	200
5367 M&R Office Equip	4,177	4,576	4,062	4,800	4,800	4,800
5400 Insurance Premium	266,623	313,163	324,526	355,000	355,000	355,000
5412 Audit & Related Filing Fees	27,034	12,905	46,000	45,000	45,000	45,000
5414 Other Professional Services	43,461	15,650	18,000	21,000	21,000	21,000
5415 Printing	1,379	1,196	3,000	2,900	2,900	2,900
5417 Temporary Services	12,059					
5418 Trustee/Administrative Fees	24,744	26,859	32,800	33,600	33,600	33,600
5461 External Training	4,735	3,520	5,000	8,750	8,750	8,750
5462 Travel and Per Diem	1,376	3,477	5,830	7,230	7,230	7,230
5484 Postage UPS & Shipping	158	53	200	200	200	200
5500 Dues & Subscriptions	3,341	3,858	4,280	4,799	4,799	4,799
5570 Misc Business Exp	9,297	9,555	2,200	3,500	3,500	3,500
5572 Advertis/Public Notice	7,668	2,443	7,900	6,500	6,500	6,500
Total Materials & Services	408,642	398,986	457,848	495,979	495,979	495,979
Total General Fund	1,408,763	1,405,114	1,712,592	1,740,991	1,740,991	1,744,676