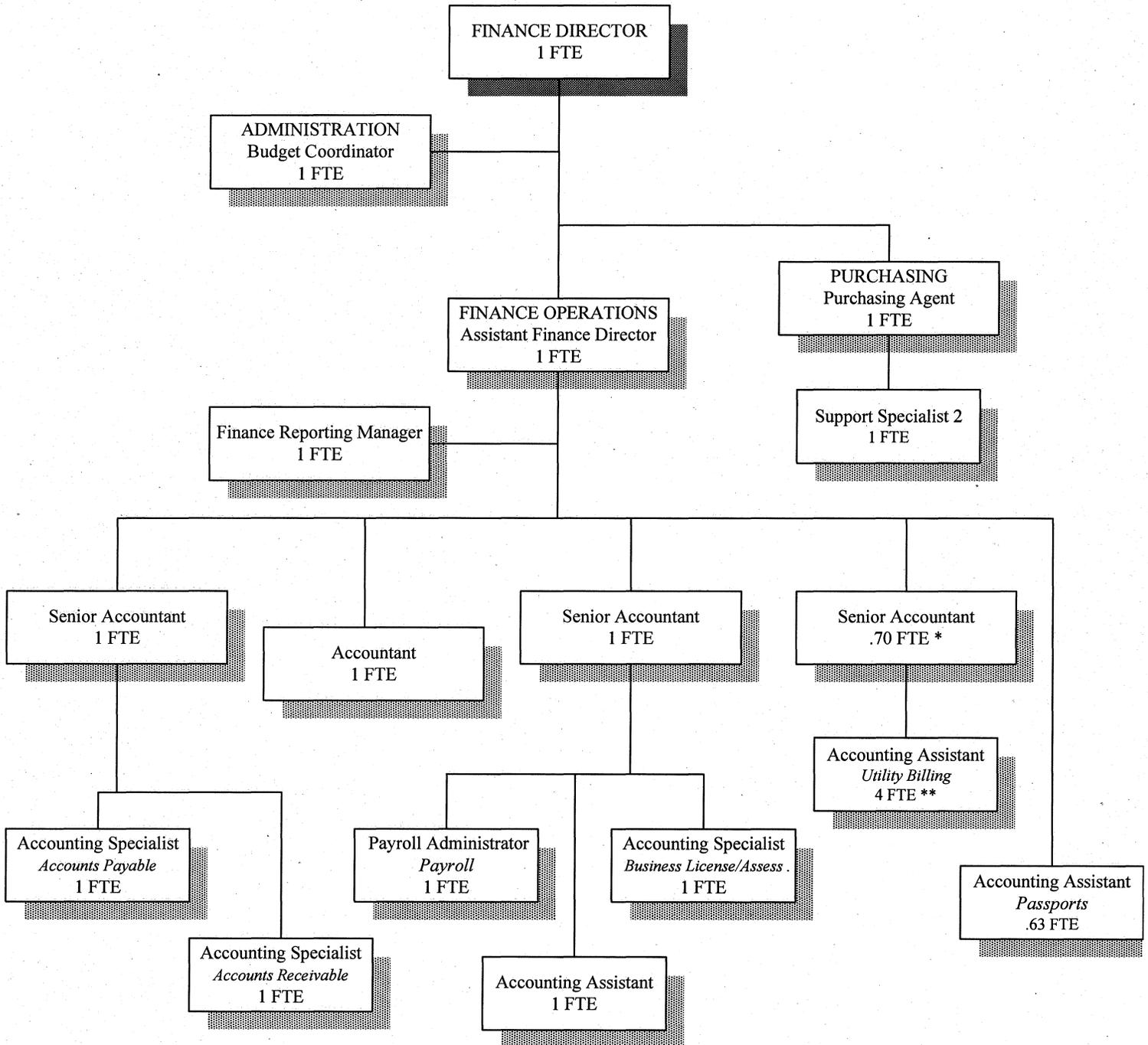


# Finance Department

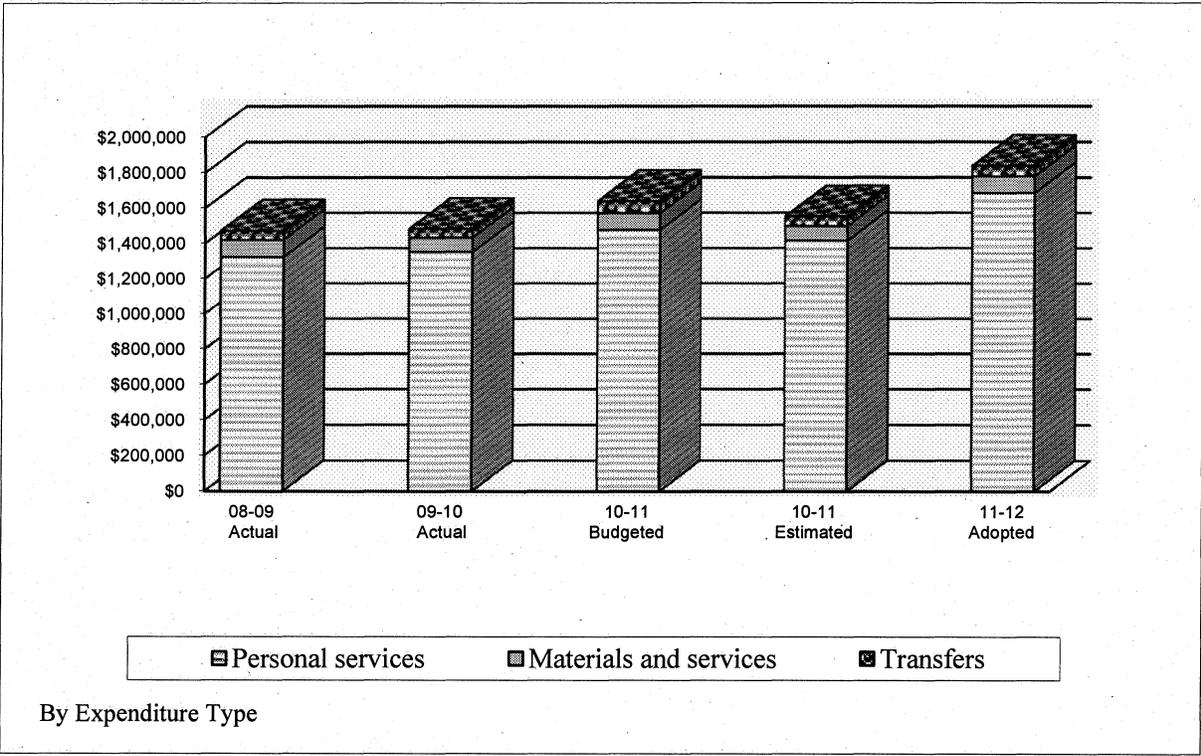
FY 2011-12 BUDGETED POSITIONS



\* .30 FTE Funded in Water/Sewer/Storm Drain Funds

\*\* Funded in Water/Sewer/Storm Drain Funds

**GENERAL FUND  
FINANCE DEPARTMENT  
ADOPTED FY 2011-12**



CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE	

**MISSION STATEMENT:**

The Finance Division's mission is to preserve and maintain the City's financial integrity and trustworthiness. This is achieved by ensuring the timeliness of financial information, the adequacy of internal accounting and budgetary controls and the safeguarding of the City's assets. The mission is further maintained by providing financial administrative support to the City's operating departments to facilitate efficient and effective municipal services and providing quality service to all internal and external customers. *(Council Goal #2: Maintain the City's long-term financial stability; #4: Support City employees in providing customer-oriented, quality service.)*

REQUIREMENTS	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGETED	FY 2011-12 PROPOSED	FY 2011-12 ADOPTED
POSITION	14.96	14.96	14.33	15.33	15.33
PERSONAL SERVICES	\$1,323,533	\$1,352,272	\$1,478,458	\$1,677,506	\$1,687,398
MATERIALS & SERVICES	97,584	80,391	93,425	92,742	92,742
CAPITAL OUTLAY	0	0	0	0	0
TRANSFERS	51,416	51,837	68,452	59,366	59,366
<b>TOTAL</b>	<b>\$1,472,533</b>	<b>\$1,484,500</b>	<b>\$1,640,335</b>	<b>\$1,829,614</b>	<b>\$1,839,506</b>

**Trends, Services and Issues:**

The Finance Department consists of 19.63 FTE employees; 15.33 employees in the General Fund and 4.30 employees in the Enterprise Funds. The major program areas include Financial Reporting, Budgeting, Accounting, Purchasing, Payroll, Accounts Receivable and Payable, Treasury Management, and Utility Billing and Customer Service. The Department's mission has challenged the staff to review all our internal processes in eliminating unnecessary or non-beneficial procedures and activities and to provide valuable and timely financial reporting to the operating departments. This past year, we have achieved the following improvements in efficiency, services and reporting:

- Implemented an on-line time sheet reporting and leave request system to three additional departments for a total of five departments on the new reporting system. The remaining departments to transition to the new system are police administration and the library. The new system includes an upload to the payroll system for time entry.
- Maintained our underlying General Obligation bond ratings from Standard and Poor's (AA+) and from Moody's (Aa1). Insured ratings are AAA and aaa respectively.
- Maintained our underlying Water Revenue bonds ratings from Standard and Poor's (AA+) and from Moody's (Aa2). Insured ratings are AAA and aaa respectively.
- Received the Distinguished Budget Presentation Award from the Government Finance Officer's Association for the FY 2010-11 Budget Document.
- Received an Unqualified Audit Opinion and the Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2010.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE	

**Trends, Services and Issues (continued):**

The department's mission provides support for both internal and external customers. Financial services that relate to public trust are among our highest priorities. These services assure that City finances are conducted in a manner to foster trust and confidence by the public, that City policies and procedures are fair and that all practices are open and above board. The financial system, comprised of accounting, purchasing, cash management, treasury services and budgeting are managed to provide maximum assurance of adherence to those high standards.

The trends related to the public's interest in City finances include a higher level of interest in disclosures and greater public discussion about the use of property taxes. The department is continually improving its ability to provide timely analytical data about financial transactions and their related implications. We also expect to develop ways to maximize the use of public funds by encouraging productivity and to enhance cost containment in the development and managing of budgets while minimizing risk and managing accountability for results. Information Systems improvements will continue to be our highest priority to address these needs.

Finance is pursuing greater automation and improved business practices in procurement to contain or reduce our cost of services provided while maintaining procedures that meet code requirements. The Finance Department's key to success is creating an environment where employees are willing to take risks, and become a stakeholder in our processes by being accountable and taking initiative. Customer satisfaction, both internal and external is critical to our success and must become an integral part of our daily activities.

**Budget Highlights:**

The Finance Department has proposed an additional position that will provide greater depth in the finance division's operations. The new position is a Finance Operations Manager that will assume some responsibilities of the Assistant Finance Director and will be the central coordinator for our general ledger, grant, and budgeting systems. In addition, the division has projected slight increases in spending to improve service to our internal and external customers. We continue devoting resources to staff training and equipment that will continue our direction of outstanding customer service and team building. Additionally, specific functional training funding is allocated to keep our financial staff current with the professional requirements of municipal government finance. *(Council Goal #2: Maintain the City's long-term financial stability; #4: Support City employees in providing customer-oriented, quality service.)*

The FY 2010-11 Budget continues a .63 full time equivalent position to assist with our US Passport Processing Services. In previous years, the department processed 6,400 passport applications and generated \$180,000 in revenues. However with the current economic environment and with the US Department of State reducing the City's processing fee from \$30 to \$25, we have seen a decline in applications and revenues. In FY 2011-12 we are expecting to process 3,240 applications and generate \$81,000 in revenues. The community values this service and the City will continue to staff this function.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Budgeted	FY 2011-12 Adopted
Finance Budget Cost Per Capita	\$17.08	\$17.09	\$18.76	\$20.46
Finance Budget as Percent of Total Budget	1.613%	1.535%	1.692%	1.150%

**CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES**

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0541 FINANCIAL ADMINISTRATION	<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE

**Program Goal:**

To ensure timeliness of financial information, to provide sound financial advice on matters relating to fiscal policies, debt management and treasury management, and to ensure the adequacy of the City's internal accounting and budgetary control. (Council Goal #2: Maintain the City's long-term financial stability.)

REQUIREMENTS	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGETED	FY 2011-12 PROPOSED	FY 2011-12 ADOPTED
POSITION	2.00	2.00	2.00	2.00	2.00
PERSONAL SERVICES	\$264,419	\$266,432	\$277,166	\$296,678	\$296,678
MATERIALS & SERVICES	7,588	6,329	11,168	10,573	10,573
CAPITAL OUTLAY	0	0	0	0	0
TRANSFERS	15,786	16,170	21,685	18,477	18,477
<b>TOTAL</b>	<b>\$287,793</b>	<b>\$288,931</b>	<b>\$310,019</b>	<b>\$325,728</b>	<b>\$325,728</b>

**Program Objectives (services provided):**

- Continue developing multi year Financial Plans for the General Fund, Street Fund, Building Fund, and Library Fund. (Council Goal #2: Maintain the City's long-term financial stability.)
- Review the finance department's information systems to eliminate duplication and ineffective, non-beneficial procedures, including electronic time sheet approvals to eliminate the production, manual signing and storage of paper time sheets.
- Continue to participate in the Distinguished Budget Presentation Award Program.
- Continue to monitor our debt management, administration and debt service coverage.
- Continue to refine the City's cost allocation plan that distributes overhead costs to the operating departments.
- Assist the Engineering Department with the City's Capital Facilities Plan especially regarding Street, Water, Sewer and Storm Water System Development Charges and Storm Water Quality and Quantity Fees.
- Maintain an active role regarding financial operations of two regional utility providers of which the City is a partner; the Joint Water Commission and Clean Water Services.

**Prior Year Accomplishments:**

- Deployed web-based On-Line Utility Bill presentment and payment system in December 2010
- Deployed Pilot Electronic Travel Authorization System in July 2010
- Deployed Assessment Program – Local Improvement District
- Received clean audit opinion for FY 2009-10
- Submitted June 30, 2010 Comprehensive Annual Finance Report (CAFR) Including GASB 51 Implementation for the Certificate of Achievement Award Program.
- Received the Distinguished Budget Document Presentation Award for FY 2010-11 Budget Document
- Developed a local deposit initiative program resulting in \$7.2 million of the City's investment portfolio being deposited in to eight local financial institutions.

**New Year Action Plan:**

- Revise and update the City's Investment Policy to current investment standards
- Dedicate staff time for analysis in replacing our financial systems (Cash Receipting, Purchase Order, Accounts Receivable, Accounts Payable, and General Ledger)

**CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES**

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0541 FINANCIAL ADMINISTRATION	<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE

**New Year Action Plan (Continued):**

- Dedicate staff time for re-write of Business License system
- Deploy On-Line Travel Advance application city-wide
- Submit the upcoming June 30, 2011 Comprehensive Annual Finance Report (CAFR) Including GASB 51 Implementation for the Certificate of Achievement in Financial Reporting Awards program by December 15, 2011.
- Submit the upcoming FY 2011-12 Budget Document for the Distinguished Budget Document Presentation Award program by September 14, 2011.

<b>Workload Measures:</b>	<b>FY 2008-09 Projected/Actual</b>	<b>FY 2009-10 Projected/Actual</b>	<b>FY 2010-11 Budgeted/Revised</b>	<b>FY 2011-12 Adopted</b>
	Objective / Achieved	Objective / Achieved	Objective / Achieved	Objective
Maintain the Distinguished Budget Presentation Award from GFOA				
City's Population	86,750 / 86,205	86,600 / 86,860	87,500 / 87,440	88,017
General Obligation Bond Debt (in 000's at end of fiscal year):				
2005 Issue – Library Building Refunding	\$13,110	\$11,945	\$10,740	\$9,495
G. O. Bond Debt Per Capita:				
2005 Issue – Library Building Refunding	\$151.12 / \$152.08	\$137.93 / \$137.52	\$122.74 / \$122.83	\$107.88
Revenue Bond Debt (in 000's @ end of FY)	\$21,440	\$19,535	\$17,495	\$15,380
Revenue Bond Debt Per Capita	\$247.15 / \$248.71	\$225.58 / \$224.90	\$199.94 / \$200.08	\$174.74
Property Tax Levy for General Operations (within permanent rate)	\$28,195,100	\$29,239,500	\$30,308,900	\$31,249,700
City's Taxable Assessed Valuation (in 000's)	\$7,140,505 / \$7,288,432	\$7,542,085 / \$7,392,624	\$7,647,402 / \$7,638,692	\$7,920,392
General Operations Tax Levy Rate Per Thousand of Taxable Assessed Value (tax value)	\$4.02 / \$3.87	\$3.88 / \$3.96	\$3.96 / \$3.97	\$3.94
City's Permanent Levy Rate Authority	\$4.62	\$4.62	\$4.62	\$4.62
Future Capacity in Tax Levy Authority	\$0.60 / \$0.75	\$0.74 / \$0.66	\$0.66 / \$0.65	\$0.68
Future Capacity in Tax Dollars	\$4,299,298 / \$5,463,408	\$5,590,948 / \$4,899,831	\$5,006,754 / \$4,966,678	\$4,973,214
General Operations Tax Levy Per Capita	\$330.55 / \$327.07	\$337.64 / \$336.63	\$346.39	\$355.04

**Performance Outcomes and Program Trends:**

The City's budget receives a national award that demonstrates the commitment to provide our citizens a budget document serving as an operations guide and as a financial plan.

The trend in the levy for general operations demonstrates the City's ability to meet citizens' demands for services while maintaining a stable tax burden and providing the ability to levy additional tax resources for future year's operations. The City operates under a state-wide measure that established a permanent levy rate for each public entity that levies property taxes. The City cannot levy more than its permanent rate of \$4.62 per thousand of taxable assessed valuation. For FY 2011-

**CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES**

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0541 FINANCIAL ADMINISTRATION	<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE

**Performance Outcomes and Program Trends (continued):**

12, the City is projecting a tax levy rate of \$3.97, which is only 86% of its maximum permanent levy rate authority. Levying the full permanent rate would produce and additional \$5 million in property tax revenues.

The trend in interest rates continues to challenge us in accurately projecting interest earnings on the investment portfolio. Last year, our strategy was to place investments on a short-term basis such that at maturity the proceeds are available for re-investment at improved earnings rates. We expect this trend to continue in FY 2011-12 and interest earnings are based upon an earnings rate of .50% on a portfolio averaging \$60 Million. Included in the General Fund's revenue stream are funds from the State of Oregon entitled "State Shared Revenues". As the State reviews its future appropriation requirements, the City may see some reductions in this revenue source in the years to come. As such, the City has been proactive and has not relied on this revenue source to fund current operations. These funds are used for awarding funding to Social Service Agencies and other one-time expenses.

Compared to FY 2007-08 levels, the FY 2011-12 Budget anticipates continuing reductions in the City's various revenue streams including, telephone franchise fees, business license fees, cigarette taxes, hotel and motel taxes, planning and site development permit fees, lien search fees, passport processing fees, investment interest earnings, county gas tax receipts, building permit fees, and system development fees for streets, water, sewer and storm-water systems. The reduced revenue streams have been reflected in the various budgets. In addition, we expect a continuation of our citizen's inability to pay for water, sewer and storm services and have doubled the City's contribution to assist with utility payment hardships from FY 2008-09 levels.

The department will continue to enhance the financial reporting to the operating departments and monthly monitoring of revenue streams that are susceptible to the current economic downturn. Interdepartmental cooperation and communication will be one of the highest priorities for this fiscal year as we refine the overhead cost allocation method and the multi-year capital facilities plan. We look forward to the challenges and opportunities ahead.

The following is a table of the various average monthly residual utility costs for the utility services provided by the City and our partner Clean Water Services, which provides regional facilities for sewer and storm water functions.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
<b>Water Using 8CCF:</b>				
Base	\$8.00	\$8.00	\$8.00	\$8.00
Consumption	<u>16.56</u>	<u>17.76</u>	<u>18.96</u>	<u>19.76</u>
Total	<u>\$24.56</u>	<u>\$25.76</u>	<u>\$26.96</u>	<u>\$27.76</u>
<b>Sewer Using 8CCF of Water</b>				
<b>Winter Water Average:</b>				
Base	\$20.12	\$21.30	\$22.46	\$23.47
Use	<u>10.83</u>	<u>11.36</u>	<u>12.00</u>	<u>12.54</u>
Sub Total	30.95	32.66	34.46	36.01
Surcharge	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total	<u>\$32.95</u>	<u>\$34.66</u>	<u>\$36.46</u>	<u>\$38.46</u>
<b>Storm Drain:</b>				
Base	\$4.00	\$4.25	\$4.75	\$5.25
Surcharge	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total	<u>\$6.00</u>	<u>\$6.25</u>	<u>\$6.75</u>	<u>\$7.25</u>

**CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES**

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0542 PURCHASING	<b>PROGRAM MANAGER:</b> TERRY L MURALT

**Program Goal:**

To ensure that supplies, services and equipment are acquired at the lowest possible cost comparable with the quality required, to award contracts in the best interest of the City based on quality, to ensure legal and contractual compliance on all contracts and purchases, and to continue working with the Intergovernmental Cooperative Purchasing Committee for combining bids to obtain the lowest costs for the City. *(Council Goal #2: Use City resources efficiently to ensure long-term financial stability; #4: Provide responsive, cost effective service to the community.)*

REQUIREMENTS	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGETED	FY 2011-12 PROPOSED	FY 2011-12 ADOPTED
POSITION	2.00	2.00	2.00	2.00	2.00
PERSONAL SERVICES	\$170,896	\$171,929	\$183,208	\$190,494	\$190,494
MATERIALS & SERVICES	3,112	6,710	5,624	5,684	5,684
CAPITAL OUTLAY	0	0	0	0	0
TRANSFERS	4,979	3,920	7,002	5,966	5,966
<b>TOTAL</b>	<b>\$178,987</b>	<b>\$182,559</b>	<b>\$195,834</b>	<b>\$202,144</b>	<b>\$202,144</b>

**Program Objective (services provided):** (All objectives relate closely to Council Goal #2)

- To process all purchasing transactions in a timely manner.
- To ensure that procurement of goods and services adhere to the current purchasing policies and State laws.
- Ensure that bids/requests for proposals are obtained for all goods and services that exceed \$50,000.
- To process all requests for bid procedure within five working days from date of receipt.
- Maintain listing of all surplus property and supervise disposal of surplus items.
- Monitor use of open purchase orders for compliance and necessity.

**Prior Year Accomplishments**

Purchasing worked with Information Systems to convert the current access contract database to a new design in an SQL system that will integrate with the new financial package. The integration with the general ledger and accounts payable system allows tracking of budget funds and expenses on all contracts.

Purchasing began working with Information Systems to develop a new financial package which started with the purchasing/accounts payable system. This has included updating internal processes in the PO/AP system, design/layout of the data entry, conversion of over 12,000 vendor names and address into the new purchasing/accounts payable system and the redesigning of the purchase order form. The new purchase order system will incorporate many changes one of which will be a paperless system, i.e. the purchase orders can be sent directly from the system electronically.

**New Year Action Plan**

Purchasing will continue to work with Information Systems to finalize the new purchasing/accounts payable system.

Purchasing will review all Senate and House Bills passed by the 2011 Legislature that affect the Oregon Public Contracting Code ORS 279, 279A, 279B and 279C and make the necessary changes to the Beaverton Purchasing Code.

**CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES**

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0542 PURCHASING	<b>PROGRAM MANAGER:</b> TERRY L MURALT

<b>Workload Measures:</b>	<b>FY 2008-09 Projected/Actual</b>	<b>FY 2009-10 Projected/Actual</b>	<b>FY 2010-11 Budgeted/Revised</b>	<b>FY 2011-12 Adopted</b>
Number of purchase orders issued and processed	2,000 / 1,894	2,500 / 1,784	2,500 / 2,000	2,000
Number of immediate purchase authorizations issued	50 / 31	100 / 30	50 / 40	35
Number of sealed bids and requests for proposals processed	20 / 18	20 / 28	20 / 20	20
Number of contracts issued	90 / 133	100 / 123	130 / 125	125
Total dollar amount paid through Purchase orders	\$18,000,000 / \$17,637,619	\$18,000,000 / \$19,144,818	\$18,000,000 / \$18,000,000	\$18,000,000 0
<b>Performance Measures:</b>	<b>FY 2008-09 Projected/Actual</b>	<b>FY 2009-10 Projected/Actual</b>	<b>FY 2010-11 Budgeted/Revised</b>	<b>FY 2011-12 Adopted</b>
Percentage of purchase orders processed within 24 hours	100%	100%	100%	100%
Percentage of rush purchase authorizations issued compared to regular purchase orders	3% / 2%	.0168%	2%	2%

**Performance Outcomes and Program Trends:**

The program places formal bids and purchase awards in conformance with purchasing policies and with the assurance that the best price was obtained through market place competition.

Use cooperative purchasing with other agencies whenever possible.

Solicit bids and request for proposals for all public contracts that exceed \$50,000. Ensure that purchasing needs of City departments are handled in a timely manner and ensure acquisition of the best quality products and services at the lowest possible cost.

Centralize disposal of surplus property. Advertise for bid, or sell at public auction, as required by City Code and provisions of the Oregon Revised Statutes.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0548 FINANCE OPERATIONS	<b>PROGRAM MANAGER:</b> J.J. SCHULZ

**Program Goal:**

To ensure internal control and financial integrity of the City's accounting and budgetary system and to provide quality and innovative financial service by being good stewards of public funds and effectively serving citizens, City Council and City departments. *(Council Goal #2: Use City resources efficiently to ensure long-term financial stability.)*

To publish an accurate and complete Comprehensive Annual Financial Report (CAFR) that is in compliance with Generally Accepted Accounting Principles (GAAP) and all other applicable statutes and regulations. To maintain and or improve the City's current bond ratings.

REQUIREMENTS	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGETED	FY 2011-12 PROPOSED	FY 2011-12 ADOPTED
POSITION	10.96	10.96	10.33	11.33	11.33
PERSONAL SERVICES	\$888,218	\$913,911	\$1,018,084	\$1,190,334	\$1,200,226
MATERIALS & SERVICES	86,884	67,352	76,633	76,485	76,485
CAPITAL OUTLAY	0	0	0	0	0
TRANSFERS	30,651	31,747	39,765	34,923	34,923
<b>TOTAL</b>	<b>\$1,005,753</b>	<b>\$1,013,010</b>	<b>\$1,134,482</b>	<b>\$1,301,742</b>	<b>\$1,311,634</b>

**Program Objective (service provided):**

- Provide financial services and reports to the Council, Mayor and other departments.
- Monitor and analyze revenue sources to ensure timely collection and effective use of cash flow.
- Invest cash resources within guidelines of the City's investment policy.
- Ensure proper accounting treatment and compliance with regulations for all grants secured by the City.
- Continue to provide accounting services in a cost-effective and efficient manner by evaluating daily operations and activities. *(Council Goal: #4: Provide responsive cost-effective service to the community.)*
- Continue to provide Finance personnel with training and equipment to provide excellent customer service. *(Council Goal: #8: Provide and support a highly qualified and motivated City work force.)*

**Prior Year Accomplishments:**

- Successful deployment of Pilot Electronic Travel Authorization System
- Implemented New Assessment Program for Local Improvement District billings
- Successful upgrade of major payroll human resources software system
- Modified the payroll system to accommodate the new post-employment health savings account
- Automatic Upload of Time Reporting into the Payroll system for Operations department
- Modified the payroll system to reflect reduction in employee's social security contributions from 6.2% to 4.2%
- Modified Budget Preparation and the Payroll Systems to accommodate the new Economic and Capital Development Services Department and the other staff changes
- Successfully negotiated franchise fee audit settlements for Verizon 1999 Audit \$309,537, Verizon 2005 Audit \$104,463, and Qwest 2005 Audit \$50,000
- Upgrade payroll report writer (Discoverer) to the new web based system
- Deployed web-based bank card processing system (Virtual Merchant) to Library and Court operations
- Upgraded the On-Line Business License Renewal payment process.

**CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES**

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0548 FINANCE OPERATIONS	<b>PROGRAM MANAGER:</b> J.J. SCHULZ

**New Year Action Plan:**

- Convert from Bi-Monthly billing of water consumption to monthly billing
- Revise the City's Investment Policy to current investment practice standards
- Dedicate staff time for analysis of financial systems replacement (cash receipting, PO, AR, AP, and GL)
- Dedicate staff time for re-write of Business License system
- Upgrade payroll self-service application to report the bi-weekly pay stub (DAS) electronically instead of printing 535 paystubs per pay period.
- Deploy On-Line Travel Advance application city-wide.
- Upgrade payroll application to accommodate new third party vendor for federal and state tax calculations.

<b>Performance Measures:</b>	<b>FY 2008-09 Projected/ Actual</b>	<b>FY 2009-10 Projected/ Actual</b>	<b>FY 2010-11 Budgeted/ Revised</b>	<b>FY 2011-12 Adopted</b>
Receive Unqualified Audit Opinion and Certificate of Achievement for Excellence in Financial Reporting.	Submitted	Objective	Objective	Objective
<b>Bond Ratings (underlying ratings)</b>				
<b>General Obligation Bonds</b>				
Moody's	Aa2 / Aa2	Aa1	Aa1	Aa1
Standard & Poor's (S&P)	AA / AA+	AA+	AA+	AA+
<b>Water Revenue Bonds</b>				
Moody's	A1 / A1	Aa2	Aa2	AA2
Standard & Poor's (S&P)	AA / AA+	AA+	AA+	AA+
Average annual yield on investment Portfolio	2.25% / 2.91%	1.25%	.75%/.50	.50
Average annual yield on State Investment Pool (used as a benchmark)	2.25% / 2.0%	1.0%	.75%	.50%
Average Monthly Investment Portfolio (in thousands)	\$62,000	\$68,000	\$69,000	\$69,000
Revenue generated from passport processing	\$160,000 / \$128,779	\$100,000 / \$100,000	\$95,000 / 81,000	75,000
Number of passport applications processed	6,400 / 5,151	4,000 / 4,000	3,800 / 3,240	3,000

**Performance Outcomes and Program Trends:**

The award for excellence in financial reporting and the unqualified audit opinion demonstrates the City's effective financial management especially for use in credit assessments by rating agencies.

The City's current bond ratings and the increased rating from S&P in November 2008 strongly reflect the City's financial condition as a result of our fiscal policy. The ratings will assist the City securing favorable interest rates on future bond issues.

**CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2011-12 BUDGET  
CURRENT LEVEL OF SERVICES**

<b>FUND:</b> 001 GENERAL	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0548 FINANCE OPERATIONS	<b>PROGRAM MANAGER:</b> J.J. SCHULZ

**Performance Outcomes and Program Trends (continued):**

The City's investment portfolio yield demonstrates earning rates that are comparable to the yield of the State Investment Pool, which is used as a benchmark

The department will continue to evaluate all finance functions to streamline daily operations and activities. We will continue customer service improvements through training, empowering staff, and improved technology.

Although the Passport program continues to be popular; the current economic situation reduced the number of passport customers who are applying for passports these last couple of years. The City's revenue was also reduced due to the decrease in the passport processing fee from \$30 to \$25 by the U.S. Department of State.

The Payroll system underwent a major upgrade in April 2010. The third party vender (Highline) upgraded their application from a client-server based application to a web browser application (E-Personality) as part of their future technology strategy, i.e. all future development would be on the web browser plat form. This change improved the overall payroll functionality and efficiency. On the self service payroll website employees are able to view their bi-weekly pay information, view their personal information, tax information status and additional withholdings any supervisors are able to view their employee information, leave balances and leave history.

During FY 2010-11 we upgraded the Business License Online Payment System. The process streamlined the on-line application process which resulted in a more efficient way for staff to handle and receipt business license fees and applications.

More and more business owners are taking advantage of using the Web for their on-line renewal process and the ability of using their credit cards.

We are also rolling out changes for the handling of credit card payments for both Court and Library during the last part of FY 2010-2011. Court migrated from standard visa machines to a web based "Virtual Terminal" application which allows payments to be processed in a more efficient way and at more terminals by more Court staff. Library currently does not take credit cards for book fines or lost books, it will be convenience to Library patrons to be able to use their credit cards when Library goes live with "Virtual Terminal".

The Assessment program went live during FY 2010-2011 which resulted in a more efficient and user friendly application and easier and better monthly reporting programs.

The Finance Department has been recognized for its excellence in financial reporting and distinguished budget preparation and we will continue to submit the Comprehensive Annual Financial and Budget Reports to GFOA for these awards. We will continue to maintain the City's long-term financial stability by maximizing the City's short-term and long-term financial strength. The credit ratings by Standard & Poor's and Moody's, reflect the City's strong and stable financial management, solid fiscal policies, and moderate and manageable debt levels. We will continue to strive to maintain the City's current bond ratings.