

Proposed Budget Plan Controller's Office



Board of Supervisors
March 30, 2010



Mission Statement

The Controller's Office contributes to the stability and efficiency of the County by having a diverse staff who work collaboratively with County departments, cities, special districts, other local agencies and the taxpayers of San Mateo County to provide high quality accounting, auditing, payroll and tax accounting services and financial information in a courteous, cooperative and cost effective manner.



Controller's Office Divisions

- Administration
- Internal Audit
- Controller Information Systems
- Fiscal Services
- Payroll (includes Payroll-ATKS)
- Property Tax and Special Accounting

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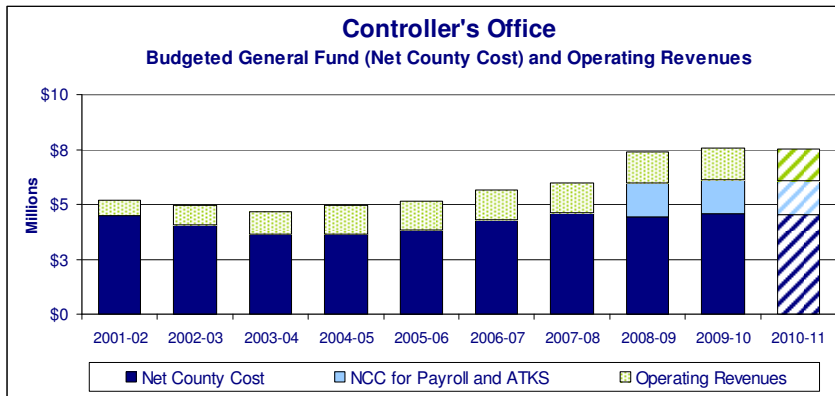
FY 2009-10 Adopted Budget

Total Positions		45
Total Sources		\$8,597,514
Operating Revenues	\$1,444,313	
General Fund (Net County Cost)	\$6,130,807	
Fund Balance (one-time)	\$1,022,394	
Total Uses		\$8,597,514
Operating Expenditures	\$7,846,284	
Reserves (one-time)	\$751,230	

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Ten-Year Funding Trend Operating Revenues and General Fund FY 2002 to Estimated FY 2011



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FY 2010-11 Budget Target General Fund Contribution (Net County Cost)

Base: FY 2009-10 Net County Cost	\$6,130,807
Retirement Increase	\$337,748
Other Salary and Benefits	\$54,498
Revenue Offsets	\$0
Other Adjustments	\$2,817
Reduction Target (10%)	(\$458,980)
<i>Controller's Office NCC (\$4,589,800)</i>	
<i>Payroll - ATKS NCC (\$1,541,007)</i>	
	<u>(\$63,917)</u>
FY 2010-11 Net County Cost	\$6,066,890

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Reductions Already Made FY 2008 through FY 2010 Adopted Budget

- **FY 2008-09: Reduced contracts expenditures by \$53,110**
 - Reduced prices with service providers
 - Found new goods and service providers with lower costs
- **FY 2009-10: Implemented \$42,000 in ongoing annual savings for IFAS shared cost pool**
 - Moved IFAS system offsite with new Application Service Provider (ASP)
 - Reduced IFAS service charges for all departments by 10%
- **FY 2009-10: Increased revenues by \$58,471**
 - Discovered newly-allowed property tax, audit, and payroll fees

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Planning and Priority-Setting Process

- **Who was involved?**
 - Controller, Assistant Controller, Deputy Controller, and Administrative Services Manager prepared the reduction plan, with input from other division managers
- **Budget Scenario Planning Process**
 - Initial plan developed by managers in 2009 and revised in February and March 2010
- **Criteria Used to Develop Budget Reductions**
 - Client impact
 - Core Services Analysis (Mandated vs. Discretionary)
 - Budget Balancing Principles: Preserve high quality of services

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Mandated Services

The Controller's Office MUST Provide:

- Payroll Services
- General Accounting Services
- Controller Information Systems
- Internal Audits
- Property Tax Apportionment and Distribution
- Special Accounting Services
- Controller Administration Services



Discretionary Services

- Some sections of the Comprehensive Annual Financial Report (CAFR)
- Some IFAS upgrades and enhancements
- Some administrative services



FY 2009-10 Mid-Year Budget

1 Position Reduced as of April 5, 2010

- Savings = \$18,679

Accounts Payable Process improvement

- Increase departmental authority to approve invoices from \$2,000 to \$5,000
- Reduces processing time and paperwork with only a minimal increase in financial reporting risk

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Proposed Reductions TOTAL = \$458,980

- **Budget Balancing Strategies used**
 - Eliminate vacant positions
 - Reduce non-core tasks
 - Increase revenues where possible
- **Implementation**
 - Mid-year reduction of Fiscal Office Specialist in FY 2009-10
 - Other reductions will be effective July 1, 2010.
- **Estimated Positions** (3 out of 45 positions eliminated)
 - Fiscal Office Specialist (Fiscal Services)
 - Office Assistant II (Fiscal Services)
 - Senior Internal Auditor (Internal Audit)

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Proposed Reductions TOTAL = \$458,980

- **Long term Impacts**

- Increased IFAS transaction turn-around time
- Adjustments to level of customer services, including Countywide check distribution
- Risk of fewer performance targets met

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Looking Ahead FY 2011-2012 and FY 2012-2013

- **All Controller core services will remain**
- **Further cuts in the next two years would likely result in:**
 - Reduced level of general accounting services
 - Increased risk of errors, which could affect the County's credit rating and availability of grant monies
 - Reduced IFAS training
 - Reduced savings / revenue enhancements from internal audits

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Looking Ahead FY 2011-2012 and FY 2012-2013

- **Major initiatives to continue to meet performance goals**
 - Increase operational efficiencies
 - Increase cross-training
 - Monitor performance measures
 - Monitor and respond to customer survey responses
- **Process moving forward**
 - Determine magnitude of future budget reductions
 - Executive management: re-evaluate and revise 10/20/30 plan
 - All program managers: discuss revisions to plan
 - All staff: explore budget reduction and revenue enhancement options

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DISCUSSION



THANK YOU