

***“The great thing about working in an accounting department is that everybody counts.”***



# **San Juan County Auditor's Office**

## **2011 Budget**

# The Team



**From back left: José Domenech, Chief Deputy; Jessica Peacock, Customer Service (now in Sheriff's office); Rhonda Pederson, Chief Accountant; Carlys Allen, Elections; Sandy Roe, Customer Service; Michelle Novak, Payroll Deputy; Jo George, Accounting; Doris Schaller, Elections; Kira Sable, Customer Service; Milene Henley, Auditor; Kim Cox, Accounting. Not pictured: LouAnne Spendiff, Accounting**

# What we do

- Accounting/Finance:
  - Financial Reporting
    - General ledger
    - Annual report
    - Grants reporting
  - Federal Indirect Rate calculation
  - Assembling & monitoring the County budget
  - Accounts Payable, including 1099s
  - Payroll
  - Contract & mandated services for junior taxing districts
    - Printing checks (mandated)
    - Entering invoices, monitoring budgets, generating reports, preparing payroll (by contract)



# What we do



- Customer Service
  - Recording
    - Land & other documents
    - Notary public
  - Vehicle and vessel licensing
  - Dog licensing
  - Marriage licenses
  - Septic loan program

# What we do

## ■ Elections

- Conduct elections for all jurisdictions in the county (except Conservation District)

- Candidate filing
- Voters pamphlet
- Ballot creation
- Vote tabulation
- Certification of election

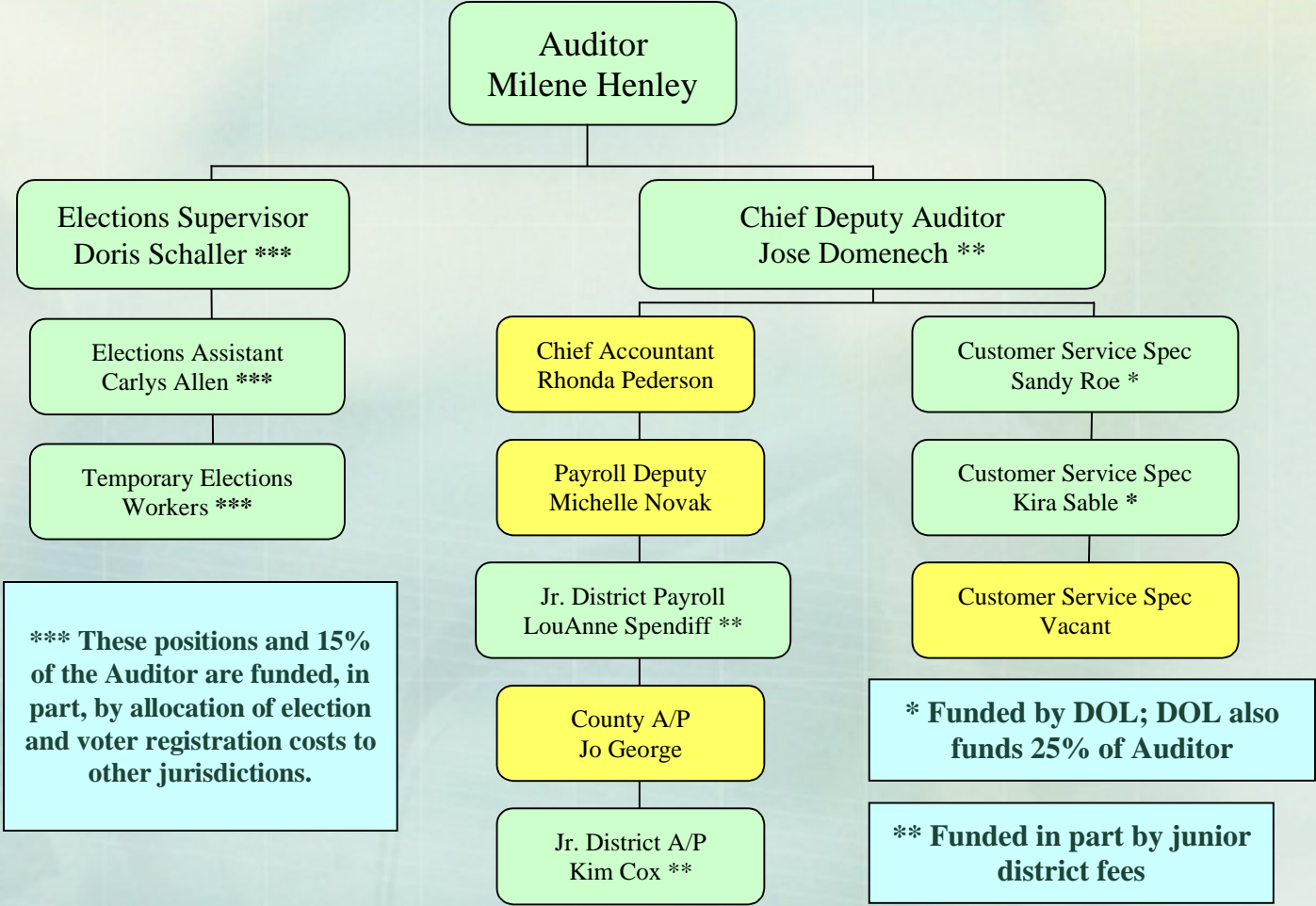


- Maintain voter registrations for all voters in the county
- Voter outreach and education
- In 2011-2012, re-districting and re-precincting

# What we do

- Additional responsibilities
  - Fixed Asset tracking
  - Centralized purchasing of office supplies
  - Surplus personal property management
  - Liaison to Veterans Advisory Board
  - Agent for receipt of claims and lawsuits
  - Stormwater appeals
  - Ferry ticket program
  - Mail distribution
  - Initiatives and referenda
  - Other things nobody else wants to do

# Organization Chart



Positions in green are fully or partially funded by outside revenue sources. 7

# 2011 Auditor Budget by Function

<b>Function</b>	<b>\$</b>	<b>%</b>	<b>FTEs</b>
Financial	507,410	69.26%	6.35
Licensing	130,852	17.86%	2.225
Recording	80,331	10.96%	1.275
Elections	14,078	1.92%	.150
<b>Total</b>	<b>732,671</b>	<b>100.00%</b>	<b>10.00</b>

# 2011 Auditor & Elections Budgets by Function

<b>Function</b>	<b>\$</b>	<b>%</b>	<b>FTE</b>
Financial	507,410	54.47%	6.350
Licensing	130,852	14.05%	2.225
Recording	80,331	8.62%	1.275
Elections	212,882	22.86%	2.150
<b>Total</b>	<b>931,475</b>	<b>100.00%</b>	<b>12.00</b>

# Auditor & Elections Budgets by Year

Dept	2008 Actuals	2009 Actuals	2010 Adjusted Budget	2011 Dept Request	2011 Prelim Budget
Auditor	745,949	686,271	713,229	760,791	732,671
Elections	207,298	168,987	209,313	203,967	198,804
<b>Total</b>	<b>953,247</b>	<b>855,258</b>	<b>922,542</b>	<b>964,758</b>	<b>931,475</b>
% Change from previous year		-10.28%	+7.87%		+0.968%
% Change from 2008		-10.28%	-3.22%		-2.28%

# Goals of the Auditor departments

- Service
  - The best possible
- Response
  - To changing conditions and needs
- Innovation
  - To improve service, increase efficiency, and better meet changing needs

# Accomplishments of 2010

- Implemented Inventory Control system for purchasing
- Made more documents available online; project is ongoing
- Updated the Fixed Assets Accounting Policy & inventoried fixed assets for first time in 5 years
- Added online payment option for election candidates
- Achieved 45-day mailing-ahead target for overseas voters, a Federal requirement for which WA State received a waiver

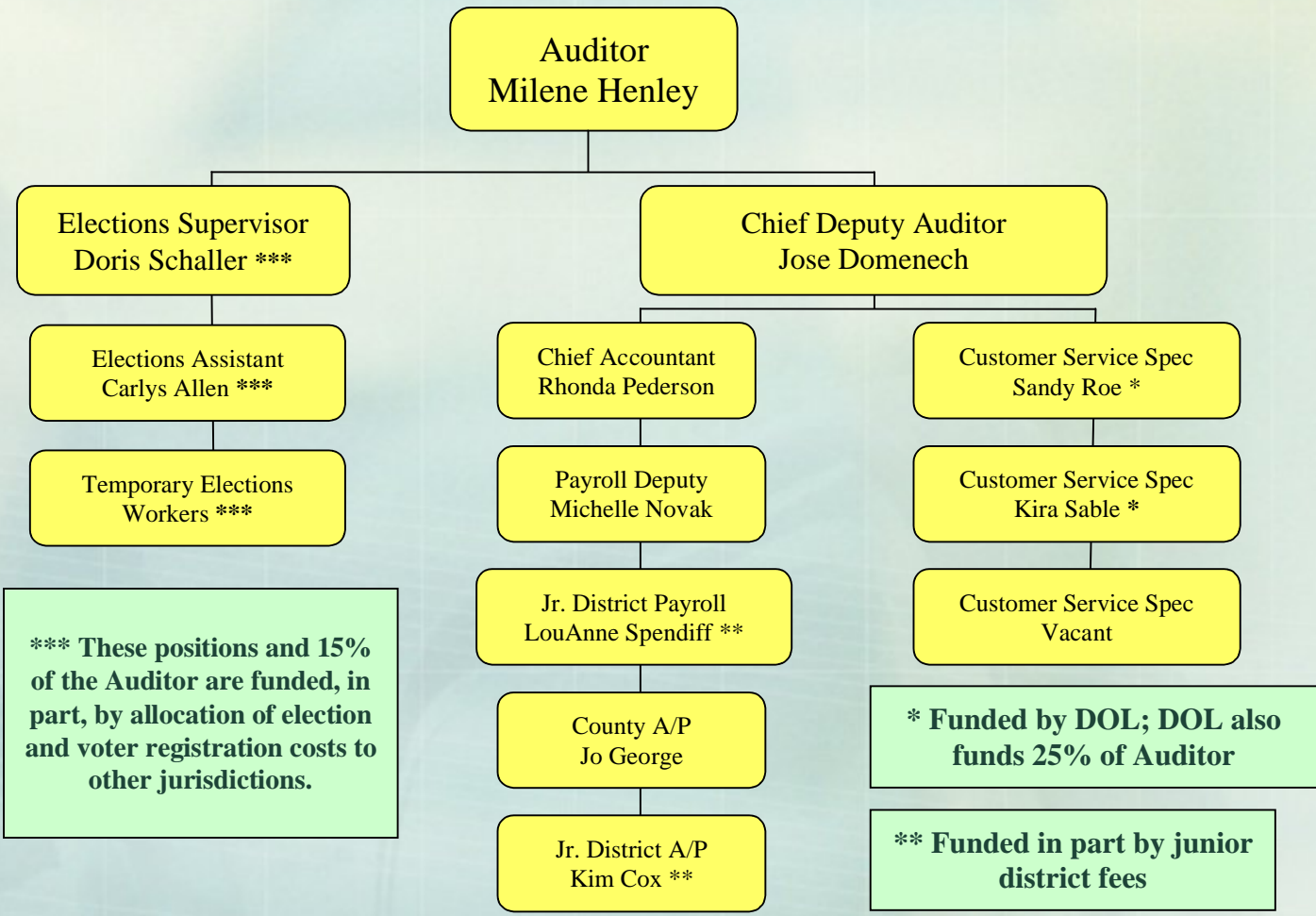
# Objectives for 2011

- Continue to work toward the goal of sound, rational, and fiscally responsible management of the County's resources.
- Improve the County's management of grant revenue and compliance with grant requirements through professional grant administration.
- Facilitate the decennial process of re-districting & re-precincting.
- Reorganize to better meet the changing needs of the County.

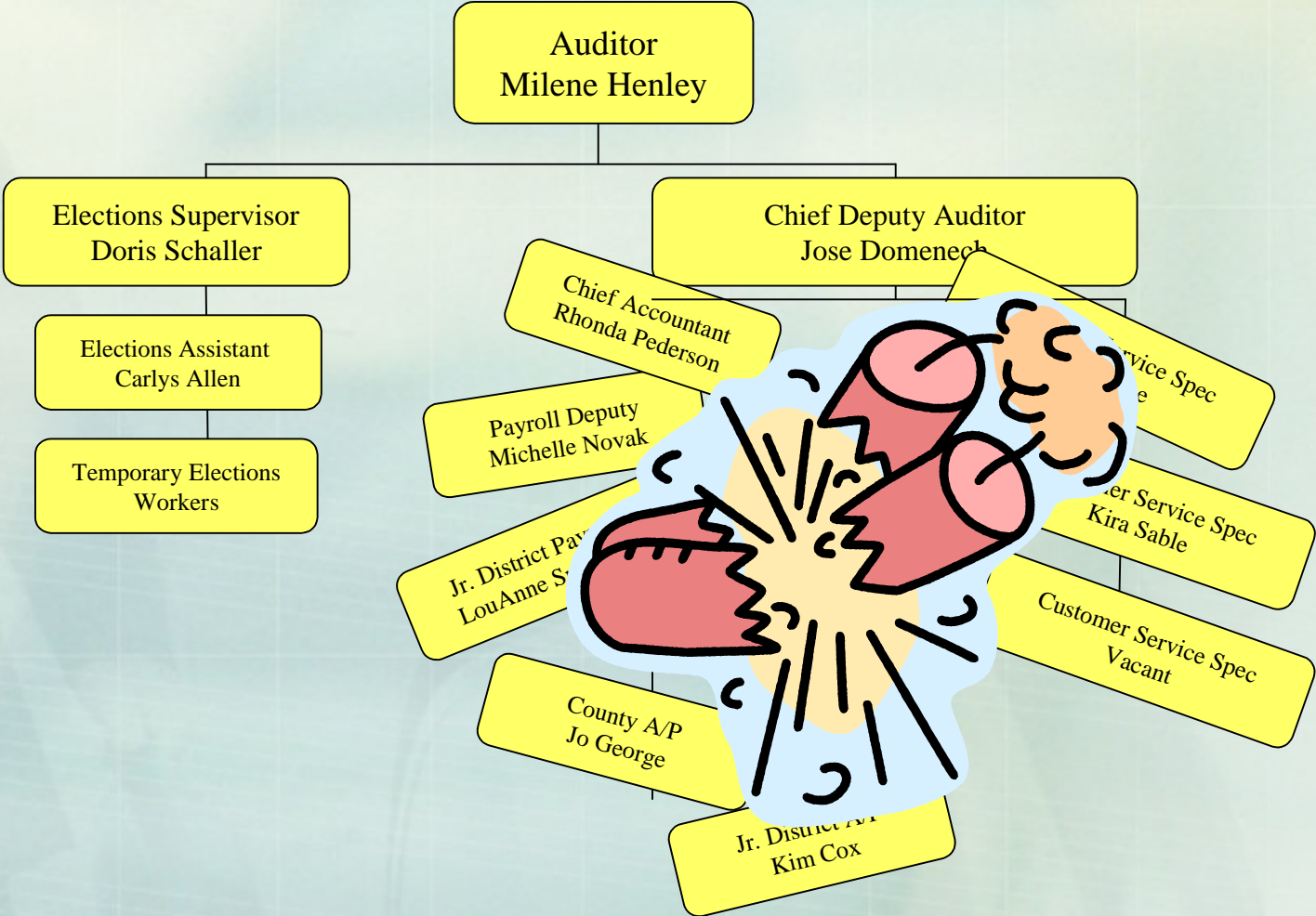
# Biggest current problem

- Uneven distribution of work within the department
  - Caused by:
    - Technology changes, e.g.
      - Accounts payable takes less time
      - Revenue posting takes more time
    - Shifting Revenue sources
      - Grant revenue, and reporting requirements, have grown
  - Resolution is hampered by:
    - Current organizational structure
    - Classification study not being completed

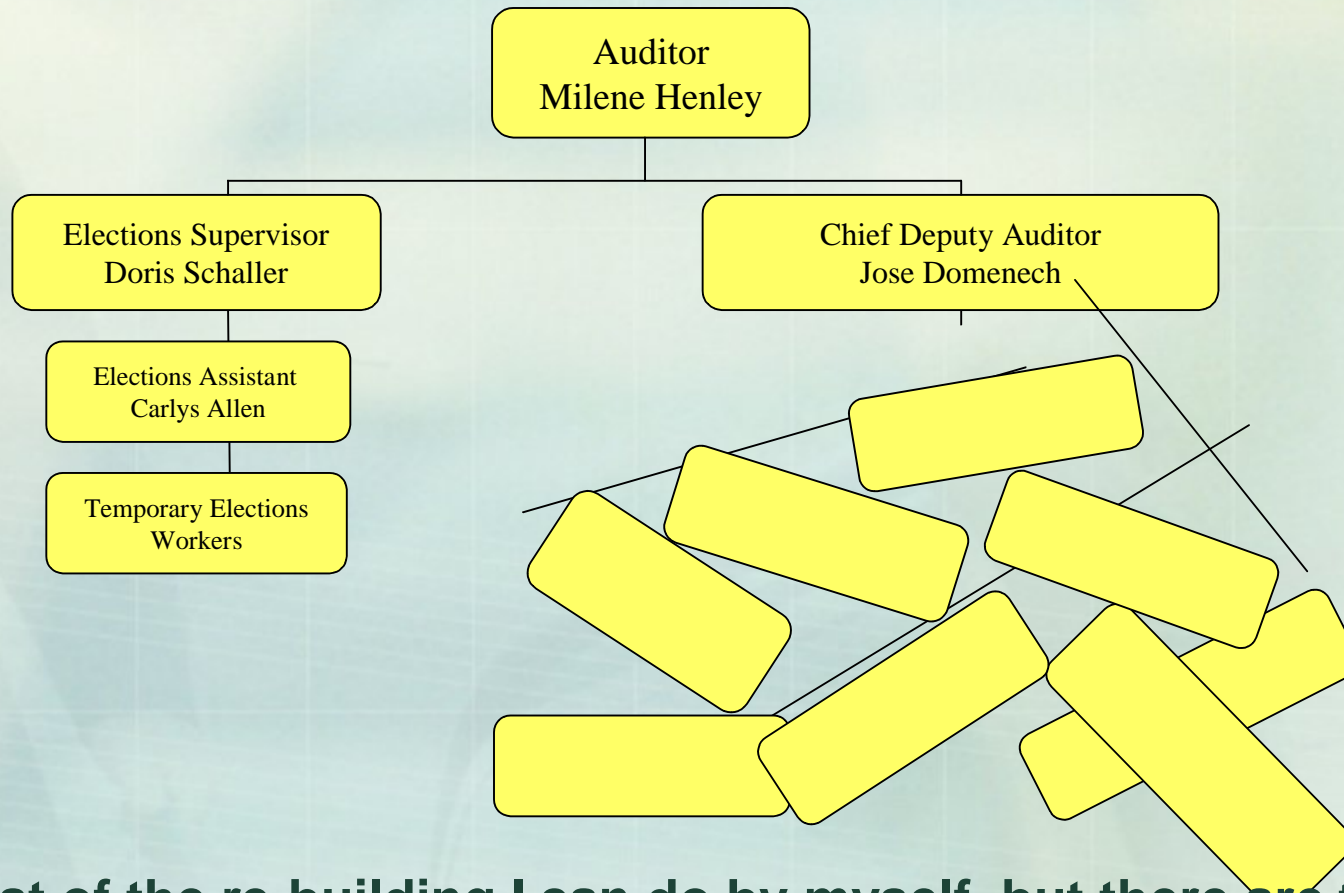
# Current Organization Chart



# Organizational Plans



# Organizational Plans



**Most of the re-building I can do by myself, but there are two changes that require the Council's approval.**

# Proposed Change #1: Grants

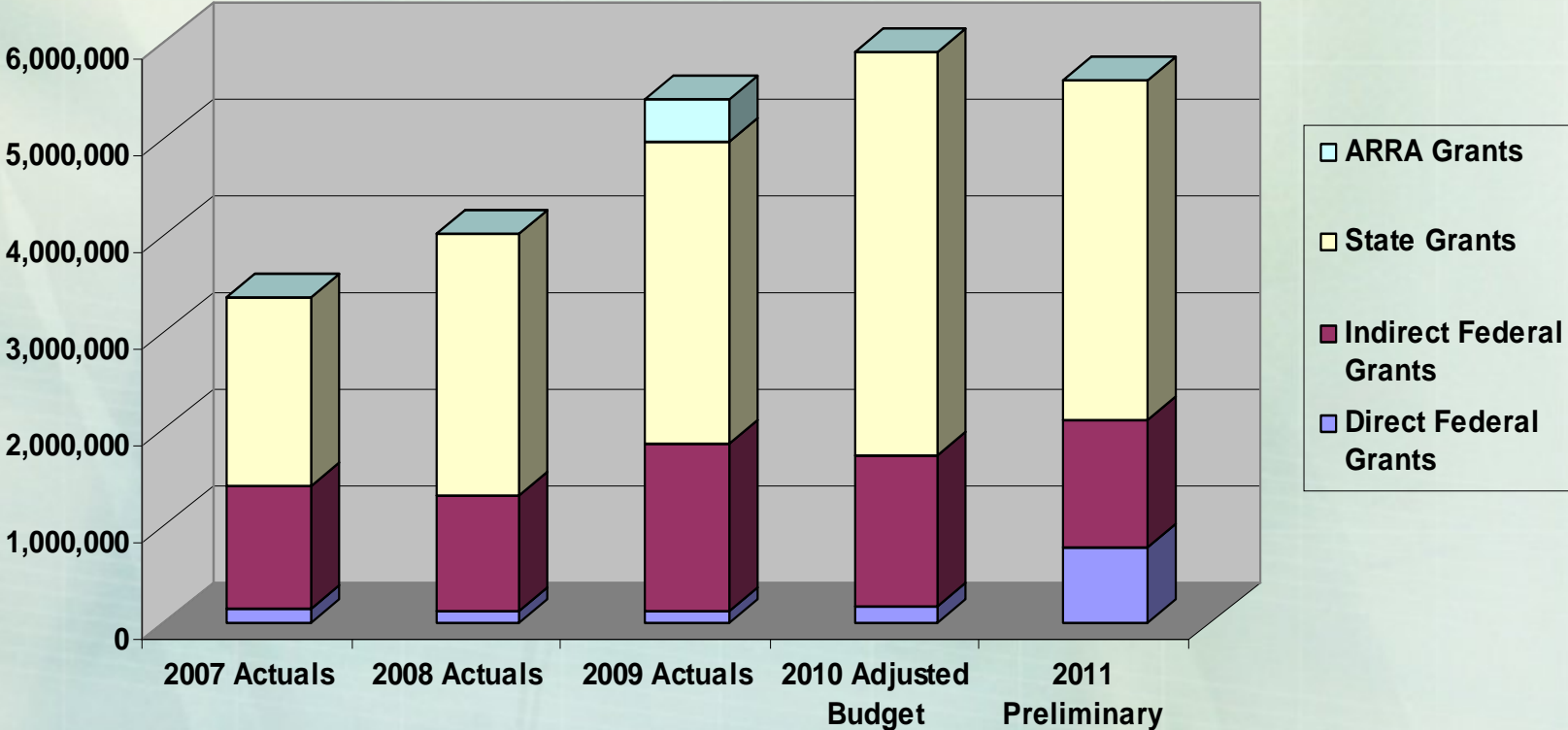
- Grants are applied for and managed at the department level
- Auditor's Office currently assists by:
  - Calculating the Federal Indirect Rate, and assisting departments in requesting indirect cost reimbursement
  - Grant reporting in the annual report
  - Grant accounting/control, e.g. monitoring to assure that reimbursements equal expenditures
  - Grant reconciliation, e.g. resolving problems in grant control, including transferring money between funds to balance reimbursements and expenditures as required

# Grant problems

- Departments don't always tell us they have a grant. This can result in:
  - Inaccurate reporting
  - Failure to recoup indirect costs
  - Compliance issues
- Grant expenditures and revenues are often miscoded, requiring substantial adjustments and making grant reconciliation difficult
- Dispersed nature of grant management means that each grant manager must be familiar with compliance requirements
  - None for 2009, but SJC had grant compliance findings the previous 3 years
- Grant sources are shrinking, while our dependence on them is growing
  - 6% of Current Expense revenue in 2008
  - 8% in 2010, despite increase in taxes from 65 to 71%

# Grant History

### County-Wide Grant Revenue 2007-2011



# Proposal

- Create a new position within the Auditor's Office called "Grants Administrator"
- This position would do:
  - Federal Indirect Rate calculation (required annually)
  - Grant Reporting (annual)
  - Grant Accounting/Control (should be monthly; has been as seldom as annually)
  - Grant Reconciliation
  - Application assistance
  - Compliance assistance and monitoring
  - Grant tracking

# Who is currently doing these tasks?

<b>Task</b>	<b>Current responsibility</b>
Federal Indirect Rate	Auditor
Grant Reporting	Auditor
Grant Accounting/Control	Auditor
Grant Reconciliation	Auditor
Application assistance	Not being done
Compliance monitoring	Not being done
Grant tracking	Administration

# Cost of Grant Administrator position

- No additional FTE
- Reorganize tasks within the Auditor's office
- Replace a G-level position with a J-level (estimated)
- Cost of change: \$9,526
- Position MAY pay for itself by:
  - Securing more grants
  - Securing more revenue to the general fund through indirect cost reimbursement

# Example of new revenue

- CD&P's new EPA grant will generate:
  - \$1,355 indirect cost reimbursement in 2010
  - \$10,783 in 2011
  - \$12,645 in 2012
  - \$5,111 in 2013
- The Federal Indirect Rate was developed by the Auditor in January 2010; without it, this \$29,894 would have been “left on the table”

# Alternative

- Grants Administrator is not in the Preliminary Budget, for 2 reasons:
  - Not a good time to be adding or upgrading positions
  - There is a more immediate need
- County has a problem with reconciliation of bank accounts to General Ledger
  - New software, going in soon, will help
  - Catch-up will be a huge project
  - Treasurer does not have staff to do it
- Reorganizing tasks in Auditor's Office will allow this office to help with that need
- When project is complete (6-12 months), we can look at Grants Administrator position again

# Change #2: Customer Service

- Current Customer Service staffing consists of 3 peers who equally share the responsibilities of the function
- Lack of clear division of responsibilities has caused problems
- Chief Deputy Auditor is the nominal supervisor, but has no experience in the area

# Proposal

- Make one of the 3 Customer Service Specialists a Customer Service Lead
- No additional FTEs
- Estimated level of new position is only one level higher
- Total cost of the change: \$4640, at least 2/3 of which would be reimbursed by DOL
- This proposal IS included in the Administrator's Preliminary Budget

# Other Key Issue for 2011

- Re-districting and re-precincting
  - Council has responsibility to appoint Districting Committee and to adopt districting plan
  - Elections will be verifying current precincts, drawing new precincts, and assisting districting committee
  - This is a significant additional workload, but should be manageable in an odd-numbered year, especially if we have no spring elections

# Questions?

