



2011 Budget Review

Department/Agency: Fiscal Office

Presentation: 1

Date: June 29, 2011



Fiscal Office Operations

The Cuyahoga County Fiscal Office services 1,275,709 residents, 516,059 parcels, 8,684 employees, 59 municipalities, 33 school districts, 9 library systems, and 4 County taxing authorities. The investment portfolio is in excess of \$700 million and the amount of taxes collected annually exceeds \$1.5 billion.



Fiscal Office Facts and Figures

Property Valuation (75 Employees)

- *Appraise and maintain property valuation for 516,059 parcels
- *Perform sexennial mass appraisals
- *Perform triennial updates

Records & License (157 Employees)

- *Recording Division scans 180,000 documents annually
- *Real Estate Services performs 42,400 Transfers
- *Weights and Measures inspects 10,400 pumps and scales
- *General Services processes approximately 79,500 dog licenses



Fiscal Office Facts and Figures

(cont.)

*Title Division: Issued approximately 376,300 Titles; 65,200 Memorandum of Titles; 24,900 Duplicate Titles; 3,000 Watercraft Titles

Tax Assessment (53 Employees)

*Real Property processes all changes in value for real property from appraisal and Board of Revision

*Hotel/Motel collects the 5.5% County Bed Tax and conducts countywide audits to approximately 145 current establishments

General Accounting (37 Employees)

*Produces financial statements

*Processes 450,000 checks annually



Fiscal Office Facts and Figures

(cont.)

Office of Budget and Management (14 Employees)

*Prepares and monitors operating and capital improvement budgets, reports estimates of resources and expenditures for all County agencies

Budget Commission (4 Employees)

*Audits annual tax budgets of 105 taxing authorities in the County

*Distributes tax revenues collected to 28 cities, 19 villages, 2 townships, 33 school districts, 9 library systems, and 4 County taxing authorities

Treasury (62 Employees)

*Manages a portfolio of more than \$700 millions and earns more than \$12 million a year in interest

*Collects more than \$1.5 billion in taxes annually



Fiscal Office Facts and Figures

(cont.)

Board of Revision (42 Employees including 8 loaned staff)

*Hears an average of 8,000 cases annually

Internal Audit Department (4 Employees proposed by the Transition Advisory Group)

*To provide all levels of County management with sufficient, relevant, and useful information that will help them assure reliability and integrity of the financial and operational information

Office of Procurement and Diversity (14 Employees)

*Responsible for the procurement of equipment, materials, supplies, construction and services for the County



The Challenge.....

- To create a new financial enterprise from four totally autonomous former offices of elected officials and three other departments
- To eliminate duplicate positions and systems
- To implement process improvement and functional design
- To improve customer services and timeliness of responses



The Goal...

The objective is to design a framework to begin to structure a strong fiscal entity that will serve as a world class model for others.



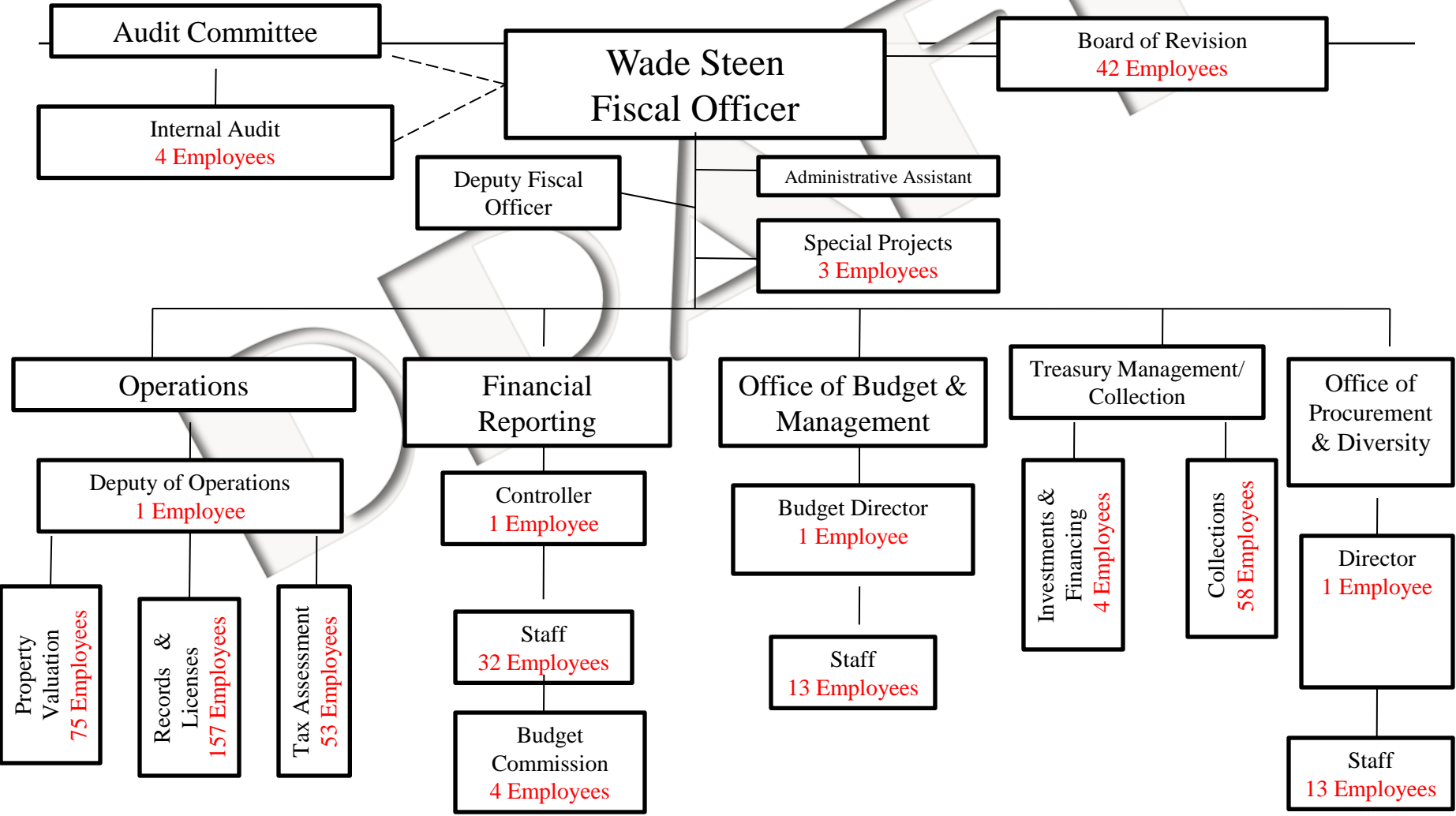
The New Fiscal Office

The new Fiscal Office, based on the Charter and the recommendations of the Transition Advisory Group, will feature a streamlined entity with one Chief Financial Officer in the finance area and a consolidated staff.

Fiscal Office Organizational Chart

as proposed by Fiscal Officer Wade Steen

465 Employees



Audit Committee

Wade Steen
Fiscal Officer

Board of Revision
42 Employees

Internal Audit
4 Employees

Deputy Fiscal
Officer

Administrative Assistant

Special Projects
3 Employees

Operations

Financial
Reporting

Office of Budget &
Management

Treasury Management/
Collection

Office of
Procurement
& Diversity

Deputy of Operations
1 Employee

Controller
1 Employee

Budget Director
1 Employee

Investments &
Financing
4 Employees

Collections
58 Employees

Director
1 Employee

Property
Valuation
75 Employees

Records &
Licenses
157 Employees

Tax Assessment
53 Employees

Staff
32 Employees

Staff
13 Employees

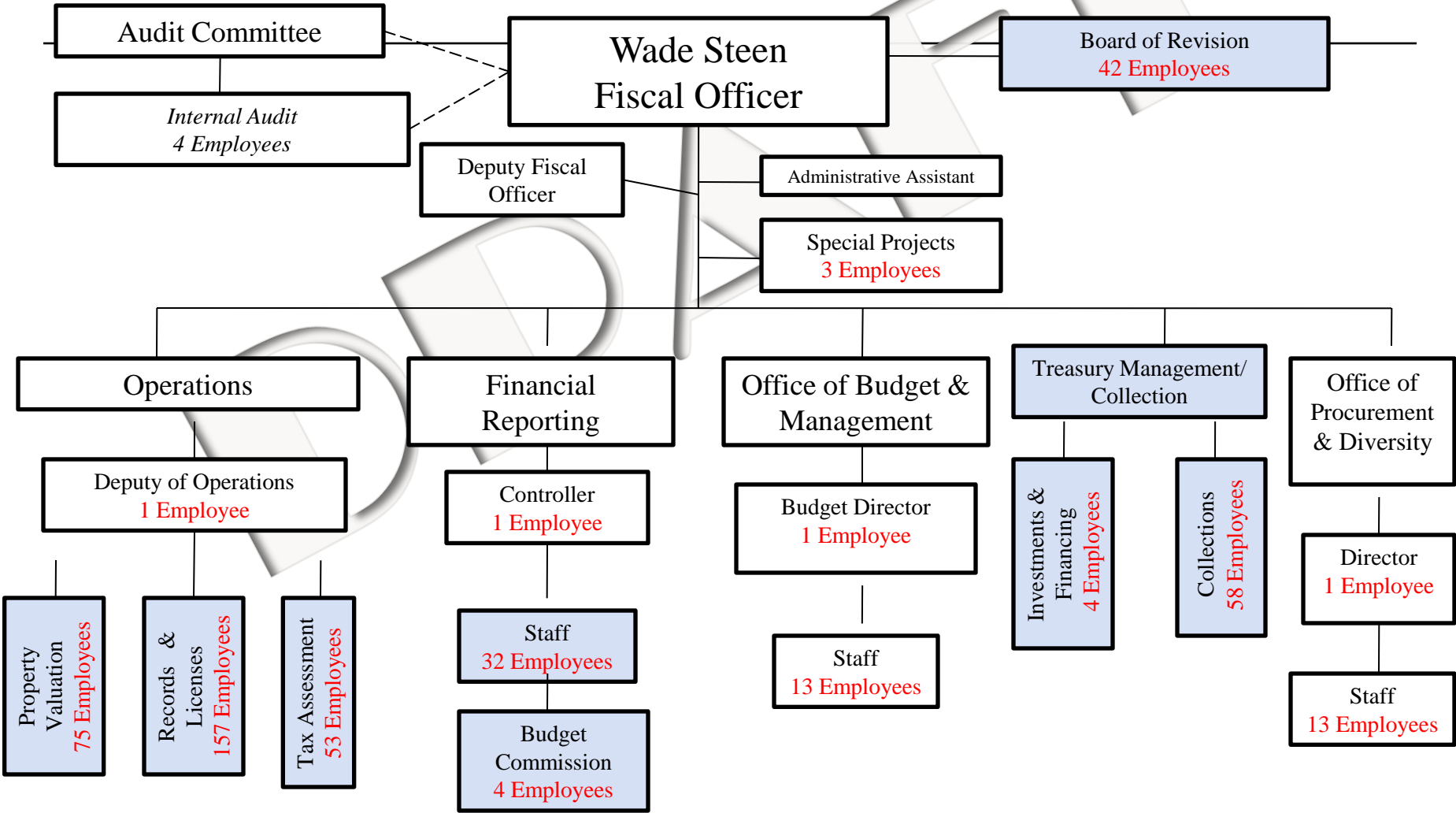
Budget
Commission
4 Employees

Staff
13 Employees

Fiscal Office Organizational Chart

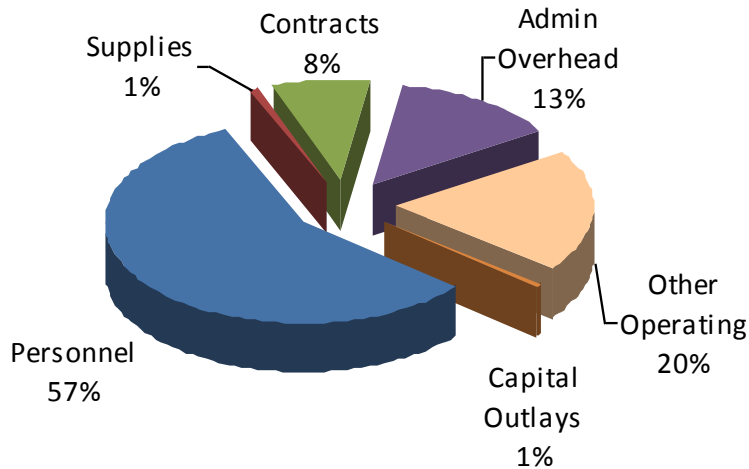
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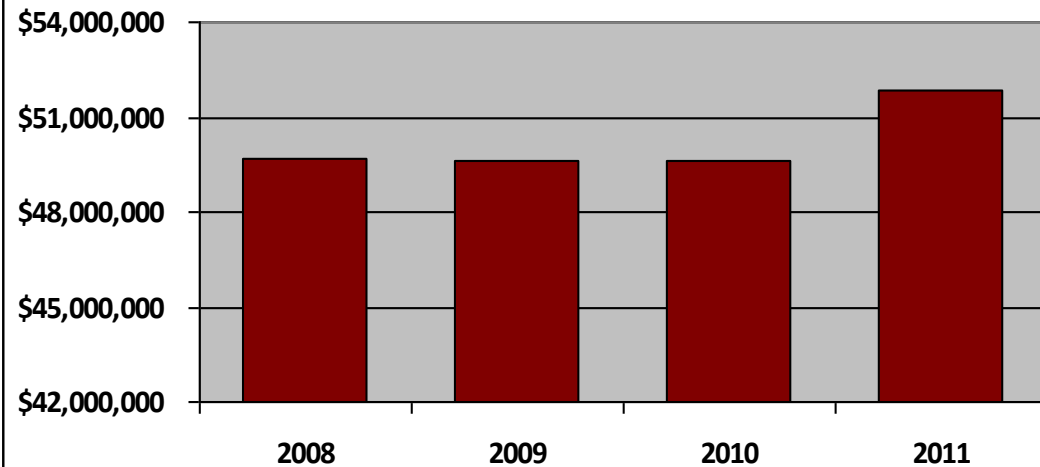


Budget Statistic: Fiscal Office Expenses

2011 All Funds Estimate \$51.9M



Total Expenses

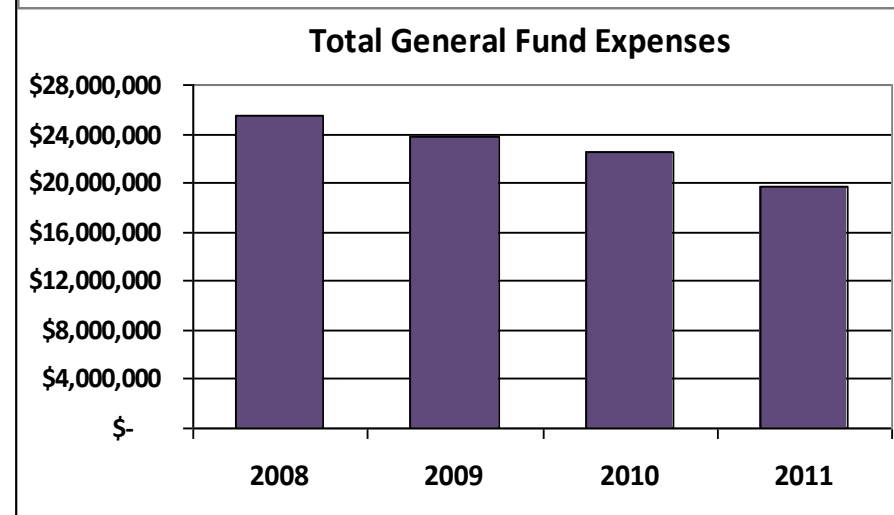
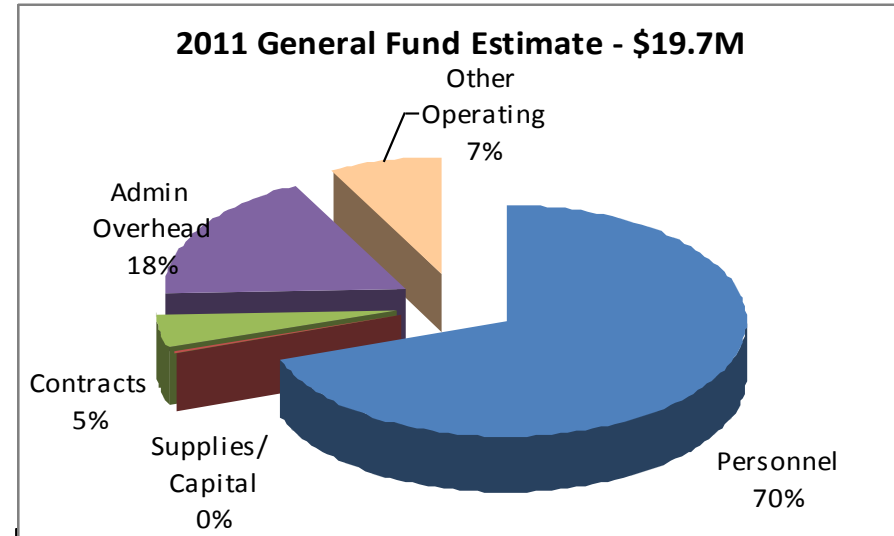


- Salaries and fringe benefits account for 57% of all expenses.
- The Other Operating line is the next highest category of expenses primarily because of the advances of property tax fees and interest to the outside County Land Reutilization Corporation (\$6.0M). Expenses are higher in 2011 in this line also because of additional postage costs related to processing the backlog of claims by the Board of Revision (\$920,000) and a projected payment from the Real Estate Assessment Fund to support the countywide geographic information system (\$600K).
- Contracts are higher in 2011 because of the ramp up of next year's sexennial reappraisal. These contracts are projected to increase by \$2.7M over 2010's levels. Some savings in the auditing consulting contracts offset the increases for the reappraisal.

Budget Statistic: 2011 Expenses Snapshot – General Fund

\$19.7 million estimate includes:

- \$13.6M – personnel (70% of total)
 - Auditor 38% of GF personnel
 - Recorder 29%
 - Treasurer 15%
 - Procurement and Diversity and Budget and Management, each 9%
- \$3.6M - Administrative Overhead (18%)
 - \$2.4M space maintenance
 - \$1.2M data processing
 - \$600K Auditor payroll and accounting
 - \$270K Recorder servers/scanning access
- \$1.5M – Other Operating (7%) mostly postage and advertising for Auditor and Treasurer mandated services



Budget Measure: 2011 Budget-to-Actual

General Fund

	2008 Actual	2009 Actual	2010 Actual	2009-2010 Change		2011 Current Estimate	2010-2011 Change		2011 Current Budget	Current Budget Variance	
Operating Revenues	General Fund agencies are supported by a shared pool of resources and, as a result, do not have specific revenue budgets.										
Operating Expenses	\$ 25,486,058	\$ 23,734,797	\$ 22,455,105	\$ (1,279,692)	-5.4%	\$ 19,667,251	\$ (2,787,854)	-12.4%	\$ 19,136,922	\$ (530,329)	-2.8%
<p>The decrease from 2009 to 2011 expenses is largely due to the loss of 46 employees to the early retirement program. In addition, the Board of Revision's expenses were moved from the General Fund to the Assessment Fund in 2011.</p> <p>The negative variance is from employees that were loaned to the Board of Revision (Assessment Fund) from the Treasurer's budget. It was assumed that these employees would stay at the Board of Revision, so the appropriation was removed from the Treasurer's budget; these employees actually returned to the Treasurer's office, so a General Fund budget deficit results. The balance of the deficit reflects the financial audit employees that were not included in the budget.</p> <p>The current estimate does not include carryover obligations estimated at \$957,543.</p>											



Areas of Possible Efficiencies

- ❑ IT Personnel
- ❑ Human Resources Personnel
- ❑ Administrative Assistants/Receptionist
- ❑ Telephone Operators
- ❑ Other Sundry Redundant Functions




Major Efficiencies Realized From Charter

- High level administrative positions eliminated
 - Auditor
 - 4 Senior Level Staff Members – Auditors Dept.
 - Recorder
 - 1 Senior Level Staff Member – Recorder Dept.
 - Chief Deputy Treasurer
- Salaries & Benefits Total - \$1,033,797



Non-management Redundant Job Reductions

- Nineteen Non-management positions eliminated through attrition and terminations not to be replaced Salary and Benefits
\$1,095,433
- Conservative estimate of other redundant positions to be eliminated in 2011, Salary and Benefits
\$2,394,000



Estimated Total Salary and Benefit Reductions

Management positions	-	\$1,033,797
Non-management positions	-	\$1,095,433
Other redundant positions	-	\$2,394,000
Total Staff Reductions	-	\$4,523,230



Pending Projects

- ❑ 2012 Sexennial Re-appraisal
- ❑ 2009 Audited Financial Statements
- ❑ 2010 Comprehensive Annual Financial Report (CAFR)
- ❑ Board of Revision Improvements
- ❑ Fiscal Office Consolidation

*The new approach to the projects above should generate a net savings in excess of \$5.0 million