

“Stop Kicking the Can Down the Road”

FISCAL STATE OF THE COUNTY III: REPORT
TO THE BOARD OF SUPERVISORS
NOVEMBER 19, 2021

Executive Summary

THE WHY & THE WHAT

Schoharie County's Property Taxes are Higher than its Peers Across NYS

- ▶ The average mill rate per \$1000 of assessed value in small, upstate counties is \$8.61, but Schoharie's tax rate is 13% higher
- ▶ **If the county tax rate was the average of small upstate counties, the tax levy would be \$2.5 M less**
- ▶ Since 2015, Schoharie County has been among the top 20% of all county tax rates
- ▶ Why? We offer all the same services that other counties do?

Small Upstate Counties	Mill Rate Per \$1000
Allegany	13.62
Chenango	10.64
Cortland	14.11
Delaware	5.77
Essex	3.36
Franklin	4.78
Fulton	8.53
Greene	4.6
Lewis	7.55
Montgomery	12.11
Orleans	9.78
Schuyler	7.27
Tioga	9.13
Wyoming	10.51
Yates	6.22
Schoharie	9.7
Average	8.61

High Cost of Government & Taxes Undercut the County's Economic Development Advantages

4

Our Strategy to grow the economy is not enough & will take too long.

- ▶ Fairweather & potential investors tell us Schoharie's competitive advantage is a strong middle skills workforce and the low cost of real estate
- ▶ Schoharie's basic economy protects us from local revenue shortfalls but does not have capacity for rapid growth post COVID
- ▶ Overreliance on external funding increases our vulnerabilities to state budget cuts when the economy crashes in other areas of the state (NYC)
- ▶ Although the 2021 budget reduced spending to less than 2019 actuals, the Board was forced to add back in about \$13 million in spending, only 70% of which came from state and federal sources
- ▶ We can expect the cost of county government to climb a minimum of 20% over the next several years

In Recent Years, Actual Spending Increased \$17.7 M with Inflation Accounting for Only 44%

5

- *Instead of comparing one year's budget to the prior year, compare actual spending to the prior year's actual spending*
- Factor in inflation using daily inflation rates from the St. Louis Federal Reserve Bank
- From 2017 thru 2019, spending due to inflation rose \$4.5 M while other increases amounted to \$8.24 M
- In the chart to the right, we compare the 2021 *Revised Budget* to prior year actuals
- 2020 actuals were 3% less than 2019 actual spending
- **We need to focus on better controlling the operational increases**

	Increase	% Increase	Inflation Increase	Operations Increase
2017	\$3.87 M	5%	\$1.43	\$2.43 M
2018	\$3.56 M	4%	\$1.49	\$2.06 M
2019	\$5.34	6%	\$1.59	\$3.74 M
2020	(\$2.61 M)	-3%	\$1.56	(\$4.16 M)
2021	\$7.54 M	9%	\$1.68	\$5.85 M

How We Kick The Can Down The Road


- Don't check financial performance shown on audited Financial Statements against proposed budgets.
- Don't set and keep position controls
- Don't rigorously manage capital spending plans.
- Don't conduct quarterly variance analysis
- Don't effectively manage cost recovery and reimbursement from federal & state agencies and insurance companies
- Don't collect property taxes at benchmark levels
- Don't set and keep enterprise-wide contract costs controls
- Don't keep track of fund balances on a monthly or quarterly basis
- Don't have a formal Fund Balance Policy



Reduce Cost of Routine Transactions to Improve Analysis For Board Decision Making

- ▶ As organized now, we only have capacity to cover basic accounting and HR functions
- ▶ There is little or no capacity to support financial reporting and analysis – **this is the info decision makers need**
- ▶ Investing in Better Technology will reduce routine transaction costs, **and**
- ▶ Creating a new Human Resource and Financial Management Office will also reduce transaction costs and provide the additional analytical support decision makers need
- ▶ The current structure is **not** able to provide this information

<u>Task Category</u>	<u>Output</u>	<u>Currently Staffed?</u>
Financial Analysis	Data to committees & BOS	✓
Civil Service Administration	Tests, contract implementation, compliance	✓
Payroll & Benefit Admin	Paychecks, benefit management	✓
Audit / Purchasing	Requisition processing, Purchasing approvals, Abstracts	✓
Accounting Operations	Accounts payable, journal entry management, annual AUD, general accounting management	✓
Budget	Document preparation, monthly management	✓
Reimbursement	Vouchering to external agencies; management of process	✓
Labor Relations Staff	Human resource management	✓
Financial Reporting	Internal & External periodic financial statements	✗
Asset Management	Long-term planning & control, capital planning	✗

- 
- Support Departments Thru Analytics
 - Support Labor Relations Officer
 - Support Budget Officer
 - Support Treasurer
 - Provide Analysis for BOS

Specific Solution: Technology & Technical Workforce for Financial Management

- Pull **existing** Human Resource and Financial Management staff together under one office led by a technically proficient leader
- **Train essential staff** for maximum productive use of modern, state-of-the-art enterprise resource management system
- **Ensure this workforce supports** all existing roles including Department Heads, Chief Fiscal Officer, Budget Officer, Personnel Officer and the Board of Supervisors and its Committees
- **Separate financial audit function from new department & create Audit Committee of the Board of Supervisors**



The 2025 Initiative Cost & Savings

- Office of Human Resource & Financial Management will house 20 positions, 19 of which will come from existing positions, to the maximum extent possible
- The one new position will be a Deputy County Administrator for Human Resource and Finance Management, at a salary of \$95,000, reporting to the County Administrator
- The Confidential Assistant to the County Administrator (\$59,911), will be replaced by a Confidential Secretary (\$36,295)
- Savings will come in two ways: 1) the new ERM will allow the number of positions needed to process routine transactions to gradually decline; and 2) the growth of overall appropriations will be slowed or eliminated through better analysis.

The 2025 Initiative Consolidated Timeline

10

Action Steps	Timeline
Board Approval/Establish ERM Team/Audit Committee	4 th Qtr 2021
Classify, Advertise, Select Deputy County Administrator	Jan – May 2022
Transfer/Reassign Staff/Select ERM Vendor	Jan – Jun 2022
Office of HR & FM Begins Operation	July 2022
Develop ERM System while maintaining existing ACS system	Jul – Dec 2022
Go Live With New ERM/Run with Existing ACS System/Treasurer Briefs Audit Committee on 2021 Financial Statements	Jan – Jun 2023
Secure Increased efficiency & effectiveness	Jun 2023 – Dec 2025

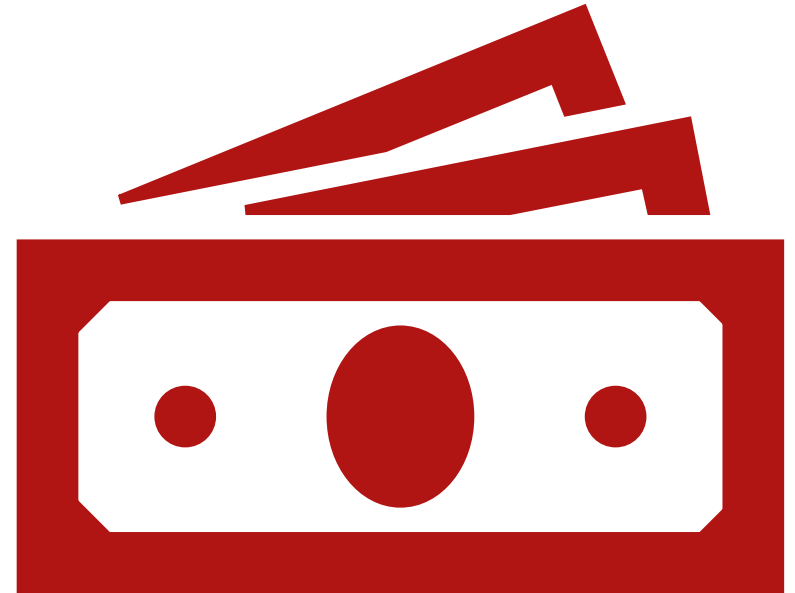
1. The Schoharie County Board of Supervisors hereby establishes the Office of Human Resource and Financial Management
2. The Schoharie County Board of Supervisors hereby directs the County Administrator to Establish the position of Deputy County Administrator reporting to directly to the County Administrator
3. The Schoharie County Board of Supervisors hereby directs the County Administrator, working with the Personnel Officer, to develop an implementation plan for the staffing of the Office of Human Resources and Financial Management, with the goal of utilizing existing employees, to the maximum extent possible
4. The Schoharie County Board of Supervisors hereby directs the County Administrator to establish a Enterprise Resource Management System Implementation Team Co-Chaired by the Director of Information Technology and Services and including representatives from the Treasurer's Office, Commissioner of Social Services, Personnel Officer and Auditor

Benchmarks

DOES SCHOHARIE COUNTY GOVERNMENT COST MORE
THAN OTHER COUNTIES?

Since 2015, Schoharie County has been Among the Highest Taxed Counties in NYS

- ▶ In 2020, our property tax rate per \$1,000 of assessed value was the **9th highest** of all 57 NY counties.
- ▶ In 2019, our property tax rate per \$1,000 of assessed value was the **9th highest** of all 57 NY counties.
- ▶ In 2018, our property tax rate per \$1,000 of assessed value was the **9th highest** of all 57 NY counties.
- ▶ In 2017, our property tax rate per \$1,000 of assessed value was the **9th highest** of all 57 NY counties.
- ▶ In 2016, our property tax rate per \$1,000 of assessed value was the **10th highest** of all 57 NY counties.
- ▶ In 2015, our property tax rate per \$1,000 of assessed value was the **12th highest** of all 57 NY counties.



Schoharie County's Property Taxes are Higher than its Peers Across NYS

- ▶ The average mill rate per \$1000 of assessed value in small, upstate counties is \$8.61, but Schoharie's tax rate is 13% higher
- ▶ **If the county tax rate was the average of small upstate counties, the tax levy would be \$2.5 M less**
- ▶ Since 2015, Schoharie County has been among the top 20% of all county tax rates
- ▶ Why? We offer all the same services that other counties do?

Small Upstate Counties	Mill Rate Per \$1000
Allegany	13.62
Chenango	10.64
Cortland	14.11
Delaware	5.77
Essex	3.36
Franklin	4.78
Fulton	8.53
Greene	4.6
Lewis	7.55
Montgomery	12.11
Orleans	9.78
Schuyler	7.27
Tioga	9.13
Wyoming	10.51
Yates	6.22
Schoharie	9.7
Average	8.61

Tax Rates are Driven by
the Tax Levy

Our Tax Levy is 11% Higher
than the Average, Small,
Upstate County

Overall Spending Drives
the Property Tax Levy
Higher

Tax Levy is \$2.5 M higher
than Average for Small,
Upstate Counties

- The mill rate per \$1000 of Taxable Full Value Assessment, allows us to compare counties across the state
- Average Tax Rate minus Schoharie Tax Rate equals rate difference multiplied by the Taxable Full Value Assessment for Schoharie County gives us the over-levy amount.
- $\$8.61 - 9.70 = \$1.09 \times \$2,332,463,120 / 1000 = \sim \$2,542,385$
- 2020 Property Tax Levy was \$22,587,987, and if we were as efficient as the average small, upstate county, property taxes would have only been \$20,045,602
- Need to develop efficiencies, revenue maximization and cost containment until economy (i.e. sales tax) grows to cover county costs
- Until this happens, (1) County is spending too much relative to its economic size, (2) Current level of service will not be sustainable without continued sacrificing low-cost location advantage

Additional Analysis Confirms: Schoharie Spending Is Higher Than Small, Upstate Counties

16

	<u>2020 Appropriations</u> <u>Per Capita</u>	<u>PT Levy Per</u> <u>Capita</u>
Allegany	\$2,246	\$630.97
Chenango	\$1,957	\$555.50
Cortland	\$2,987	\$762.33
Delaware	\$2,754	\$735.41
Essex	\$2,887	\$686.55
Franklin	\$2,088	\$346.57
Fulton	\$1,804	\$567.15
Greene	\$2,576	\$577.04
Lewis	\$1,893	\$644.07
Montgomery	\$2,418	\$621.40
Orleans	\$1,766	\$443.46
Schuyler	\$2,634	\$631.87
Tioga	\$1,775	\$507.70
Wyoming	\$3,793	\$599.98
Yates	\$1,856	\$665.02
Schoharie	\$2,932	\$726.95

Small Upstate Comparisons:

- ▶ We spend \$569 more per person than the average of “Small Upstate Counties.”
- ▶ We levy \$129 more per person than the average levy of these counties.
- ▶ In either case, there are only two counties that levy more or spend more per capita than Schoharie County.

The County and the Local Economy

IS COUNTY GOVERNMENT TOO EXPENSIVE FOR THE
SMALL COUNTY ECONOMY?

Schoharie's Economy Is Smaller Than All Surrounding Counties

- ▶ Surrounding counties range in size from Albany at \$29B annually to Schoharie at \$1B annually.
- ▶ County economy is 78% smaller than the next smallest county economy when comparing contiguous counties. We produce \$800 million less in economic activity than Montgomery County.
- ▶ Per capita, Schoharie County's economic output is 64% less than the largest economy and 22.5% less than the second smallest economy.
- ▶ Our economy performance is in last place even with 5% average GDP growth between 2016 & 2019.

	2019 Real GDP (Chained 2012 \$)					
<u>County</u>	<u>Goods</u>	<u>Services</u>	<u>Government</u>	<u>Total</u>	<u>Population</u>	<u>GDP Per Capita</u>
Albany	\$2,131,722,000	\$20,837,666,000	\$6,337,188,000	\$29,306,576,000	307,117	\$95,425
Schenectady	\$1,602,375,000	\$5,561,317,000	\$910,936,000	\$8,074,628,000	155,350	\$51,977
Otsego	\$255,853,000	\$1,922,738,000	\$337,696,000	\$2,516,287,000	59,749	\$42,114
Greene	\$261,766,000	\$1,520,463,000	\$359,803,000	\$2,142,032,000	47,491	\$45,104
Delaware	N/A	N/A	N/A	\$1,968,259,000	44,527	\$44,204
Montgomery	N/A	N/A	N/A	\$1,898,461,000	49,455	\$38,388
Schoharie	\$153,657,000	\$703,827,000	\$208,256,000	\$1,065,740,000	31,097	\$34,271

Structural Challenges of the Schoharie Local Economy

19

- ▶ The structure of the Schoharie local economy limits our ability to pay for county government, schools & town/village governments
- ▶ Relative to similarly-sized counties, Schoharie has:
 - ▶ Higher cost of government
 - ▶ Lower property values
 - ▶ Greatest population loss in NYS
 - ▶ An economy that mostly provides only basic goods and services
- ▶ This “Basic” economy insulated us from the negative effects of COVID (i.e. Sales Tax revenues) but also limits the level of growth

Schoharie County Has Worked Hard to Improve the Local Economy

20

For the last 5 years, County government has worked to improve the economy:

- ▶ Fairweather Plan identified the best chances for improving the economy
- ▶ Local business community formed SEEC to implement the Fairweather Plan by leveraging county funding to raise private capital
- ▶ County revamped its approach to tourism by hiring DMC to improve the county's image & attract new residents
- ▶ Annual budget process has kept property tax increases below the increase in property values to reduce burden on residents
- ▶ Annual budget process has kept property tax increases below the increase in the county economy (GDP)

High Cost of Government & Taxes Undercut the County's Economic Development Advantages

21

Our Strategy to grow the economy is not enough & will take too long.

- ▶ Fairweather & potential investors tell us Schoharie's competitive advantage is a strong middle skills workforce and the low cost of real estate
- ▶ Schoharie's basic economy protects us from local revenue shortfalls but does not have capacity for rapid growth post COVID
- ▶ Overreliance on external funding increases our vulnerabilities to state budget cuts when the economy crashes in other areas of the state (NYC)
- ▶ Although the 2021 budget reduced spending to less than 2019 actuals, the Board was forced to add back in about \$13 million in spending, only 70% of which came from state and federal sources.
- ▶ We can expect the cost of county government to climb a minimum of 20% over the next several years

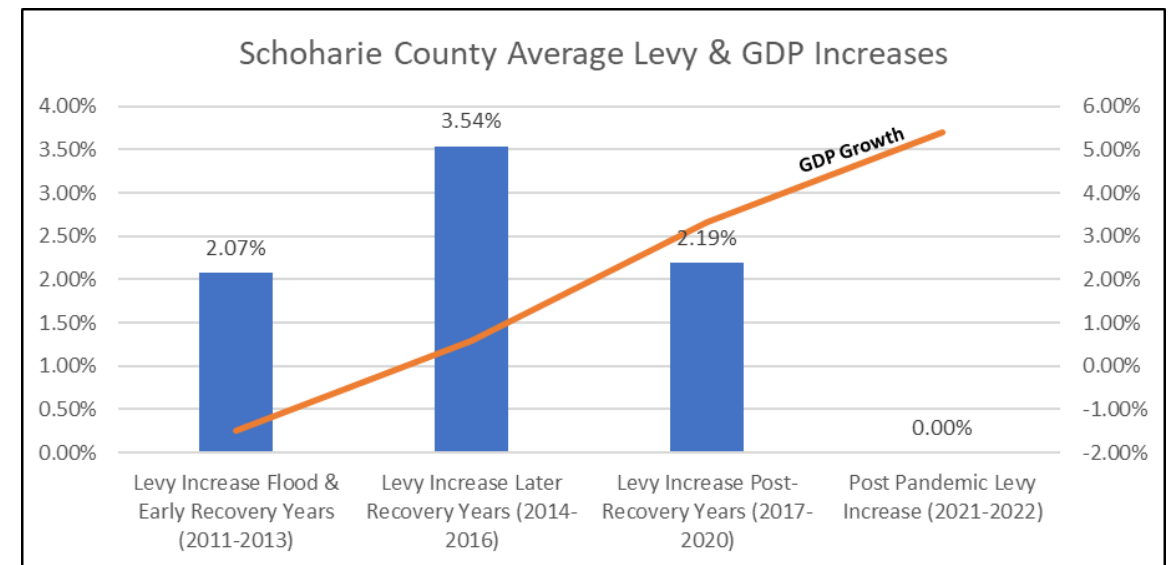
Results Of Recent Efforts

DO WE NEED TO DO MORE?

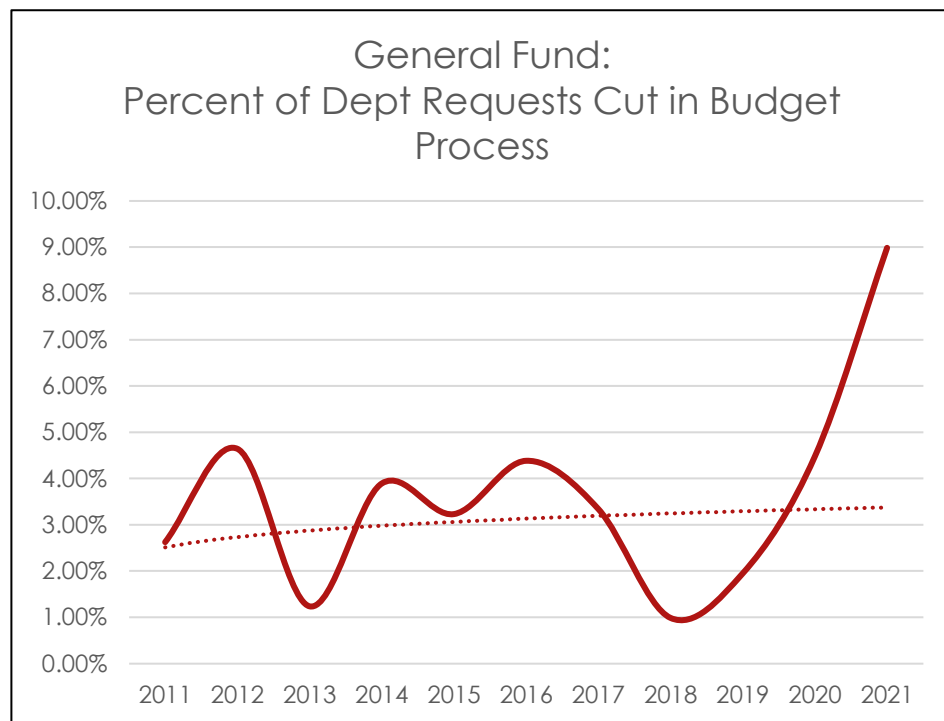
The Board has Kept the Growth of Property Taxes Low in Recent Years

23

- ▶ **2011-2013**: Average Levy Increased 2.07% while Average GDP Grew 0.58%.
- ▶ **2014-2021**: Average Levy Increased 3.54% while GDP Grew 1.08%.
- ▶ **2017-2020**: Average Levy Increased 2.19% while Real DP for 2018-2019 grew by 5.3%..
- ▶ **2021-2022**: Finance Committee Budget continues 2nd year of no changes to 2020 Property Tax Levy.



We're Running Out of "Fat to Cut"



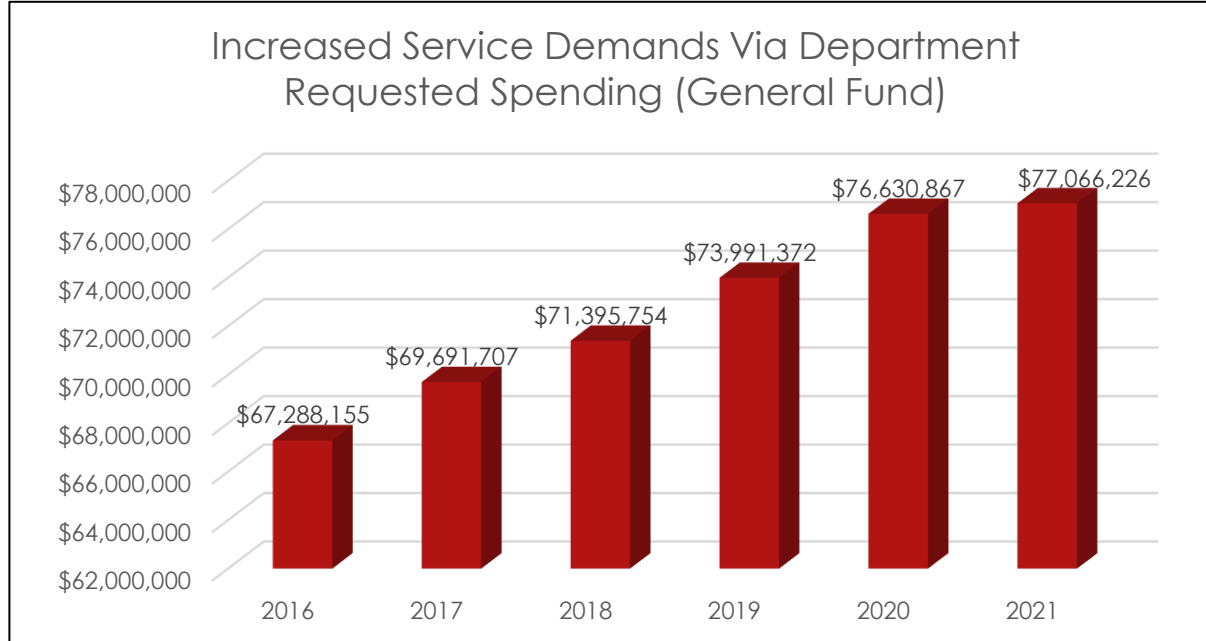
- ▶ On average, the Schoharie County Budget process cuts about 3.6% of department requests.
- ▶ In 2018 & 2019, budget process drove initial department requests lower.
- ▶ The last two process years, we cut 4.5% and 9% respectively from department requests, leaving little for us to cut in the future.
- ▶ There is less "fat" in our operational budget, which means fewer opportunities to cut spending without downgrading services significantly.

Department Head Annual Request & Year-Over-Year Difference

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Request	\$60,298,318	\$58,822,956	\$75,148,034	\$68,515,204	\$81,560,004	\$67,288,155	\$69,691,707	\$71,395,754	\$73,991,372	\$76,630,867	\$77,066,226
Difference		-\$1,475,362	\$16,325,078	-\$6,632,830	\$13,044,800	-\$14,271,849	\$2,403,552	\$1,704,047	\$2,595,618	\$2,639,495	\$435,359

Demands on Government is Increasing & Our Ability to Control Them is Limited

25



- ▶ On average, departments request \$1.2M more in spending than the previous year.
- ▶ Some of that can be attributed to personnel and other scheduled cost increases, but the rest would be for other operational cost increases.
- ▶ To reduce spending in 2021 & 2022, departments could only propose “Current Service” spending. Prior to 2021, department requests included increases in specific programmatic enhancements.
- ▶ Pre COVID, the need to spend an additional \$1.2M per year translates into a structural levy increase of 5.2% annually. The Tax Cap generally falls around 2%.
Funding Gap = 3.2%.

Even Though the Board has Limited the Growth of Property Taxes, the Budget Process has Not Effectively Addressed Rising Costs

- ▶ Since at least 2013, actual spending has undershot budgeted spending by substantial amounts. In some cases, this was expected, but in others it was due to inaccurate budget estimating.
- ▶ The 2021 Department Head Budget requested a total of \$98.2 million in spending. Although the Board reduced that request to \$80.9 million, so far this year, the Board has authorized spending of \$94.6 million.
- ▶ By setting spending targets for 2022, the Budget Officer has reduced the Department Head spending requests by \$10.5 million for a total of \$84.1 million

In millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revised Budget	\$88.80	\$101.50	\$93.80	\$91.20	\$96.40	\$96.40	\$95.90	\$94.60	\$84.98
Actual	\$80.30	\$90.20	\$73.30	\$76.30	\$79.40	\$83.90	\$80.90	?	?
Difference	\$8.50	\$11.30	\$20.50	\$14.90	\$17.00	\$12.50	\$15.00		

In Recent Years, Actual Spending Increased \$17.7 M with Inflation Accounting for Only 44%

27

- Instead of comparing one year's budget to the prior year, compare actual spending to the prior year's actual spending.
- Factor in inflation using daily inflation rates from the St. Louis Federal Reserve Bank.
- From 2017 thru 2019, spending due to inflation rose \$4.5 M while other increases amounted to \$8.24 M
- In the chart to the right, we compare the 2021 Revised Budget to prior year actuals.
- 2020 actuals were 3% less than 2019 actual spending.

	Increase	% Increase	Inflation Increase	Operations Increase
2017	\$3.87 M	5%	\$1.43	\$2.43 M
2018	\$3.56 M	4%	\$1.49	\$2.06 M
2019	\$5.34	6%	\$1.59	\$3.74 M
2020	(\$2.61 M)	-3%	\$1.56	(\$4.16 M)
2021	\$7.54 M	9%	\$1.68	\$5.85 M

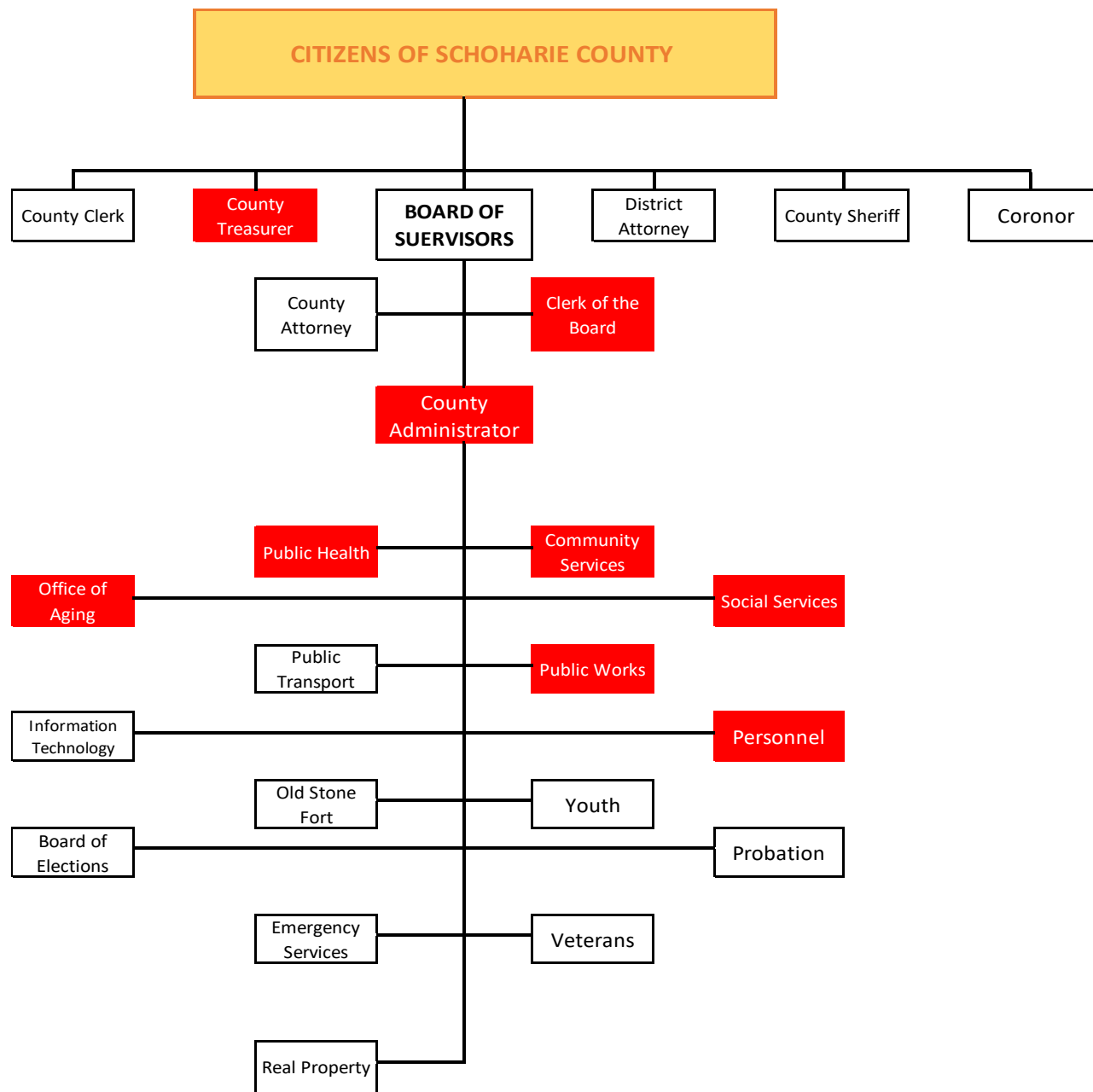
How We Kick The Can Down The Road

- Don't check financial performance shown on audited Financial Statements against proposed budgets.
- Don't set and keep position controls
- Don't rigorously manage capital spending plans.
- Don't conduct quarterly variance analysis
- Don't effectively manage cost recovery and reimbursement from federal & state agencies and insurance companies
- Don't collect property taxes at benchmark levels
- Don't set and keep enterprise-wide contract costs controls
- Don't keep track of fund balances on a monthly or quarterly basis
- Don't have a formal Fund Balance Policy



How To **Stop** Kicking the Can

THE 2025 INITIATIVE




County Wide
Financial
Functions Are
Decentralized
Making Financial
Coordination
Less Effective

FINANCE FUNCTIONS IN RED

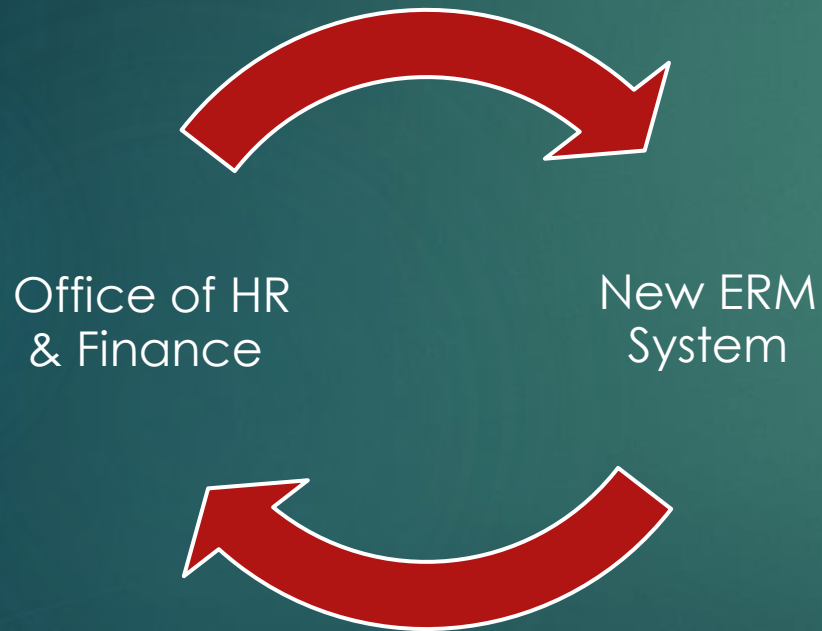
Reduce Cost of Routine Transactions to Improve Analysis For Board Decision Making

- ▶ As organized now, we only have capacity to cover basic accounting and HR functions
- ▶ There is little or no capacity to support financial reporting and analysis – **this is the info decision makers need**
- ▶ Investing in Better Technology will reduce routine transaction costs, **and**
- ▶ Creating a new Human Resource and Financial Management Office will also reduce transaction costs and provide the additional analytical support decision makers need
- ▶ The current structure is **not** able to provide this information

<u>Task Category</u>	<u>Output</u>	<u>Currently Staffed?</u>
Financial Analysis	Data to committees & BOS	✓
Civil Service Administration	Tests, contract implementation, compliance	✓
Payroll & Benefit Admin	Paychecks, benefit management	✓
Audit / Purchasing	Requisition processing, Purchasing approvals, Abstracts	✓
Accounting Operations	Accounts payable, journal entry management, annual AUD, general accounting management	✓
Budget	Document preparation, monthly management	✓
Reimbursement	Vouchering to external agencies; management of process	✓
Labor Relations Staff	Human resource management	✓
Financial Reporting	Internal & External periodic financial statements	✗
Asset Management	Long-term planning & control, capital planning	✗

- 
- Support Departments Thru Analytics
 - Support Labor Relations Officer
 - Support Budget Officer
 - Support Treasurer
 - Provide Analysis for BOS

Upgrading Technology, Consolidating the Human Resource & Financial Management Workforce, & Hiring Technically Expert Management Will Reduce Transaction Costs & Improve Financial Analysis



- ▶ New software will require a professional HR & Finance team for implementation
- ▶ Essential to have technically expert leader of this department
- ▶ Concentrate on reimbursements, purchasing, variance analysis, financial statement-budget analysis.
- ▶ Voucher timing an issue

Specific Solution: Technology & Technical Workforce for Financial Management

- Pull **existing** Human Resource and Financial Management staff together under one office led by a technically proficient leader
- **Train essential staff** for maximum productive use of modern, state-of-the-art enterprise resource management system
- **Ensure this workforce supports** all existing roles including Department Heads, Chief Fiscal Officer, Budget Officer, Personnel Officer and the Board of Supervisors and its Committees
- **Separate financial audit function from new department & create Audit Committee of the Board of Supervisors**



The 2025 Initiative Strengthens Human Resource and Financial Management Workforce

34

To take full advantage of enterprise-level resource management, put the existing human resource and financial management workforce into one office led by a technical specialist

Focus on accounting operations, procurement/auditor operations, payroll, benefits, civil service and human resource operations, cost recovery and reimbursement operations and budget and financial operations and analysis.

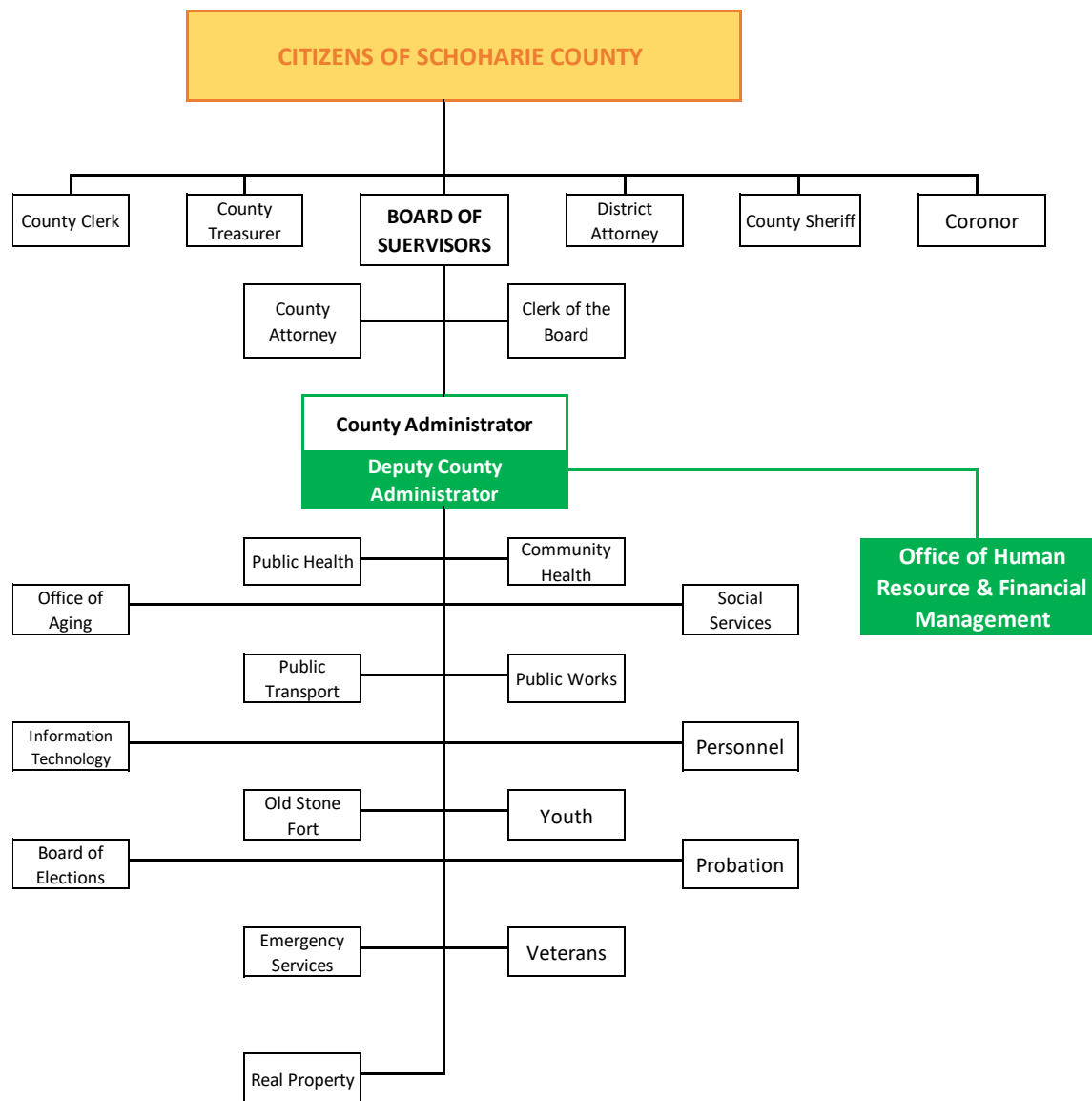
Maintain all existing roles with Department Heads, Chief Fiscal Officer, Budget Officer, Personnel Officer, Auditor.

Strengthen financial controls by ensuring Treasurer remains responsible for financial audits and establishing a Board of Supervisors Audit Committee

There are many different organizational approaches to financial management in New York Counties

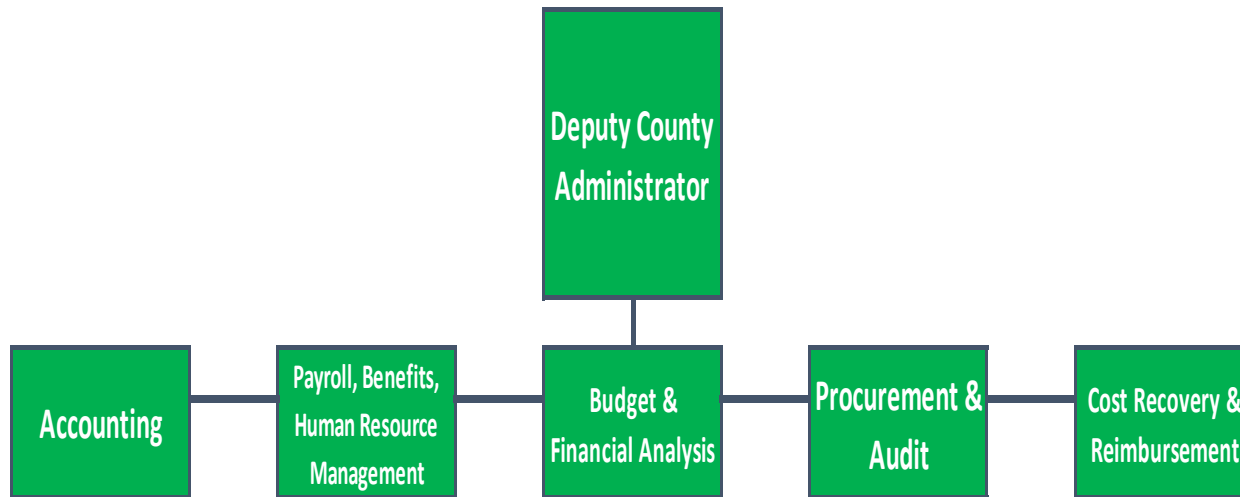
There are 23 counties with a separate finance office from the County Treasurer. Some of these are charter counties such as Oneida or Monroe

Albany, Chemung, Erie, Monroe, Niagara, Ontario, and Orange have combined budget, finance and auditor functions



Take Full Advantage
of New Technology
By Bringing All Staff
Together led by a
Technically
Proficient Leader

OFFICE OF HUMAN RESOURCE & FINANCIAL MANAGEMENT



Focus on
Operations &
Analysis:
Accounting
Procurement
Personnel
Reimbursement
Budget

Technology Action Plan

WE CAN USE TECHNOLOGY TO DRIVE DOWN THE COST OF ROUTINE TRANSACTIONS AND ADD MORE ANALYSIS AT THE SAME TIME

Technology Drives Lower Transaction Costs & Provides Better Financial Analysis

- One of the main drivers of improved financial performance is information technology
- Federal, state and local governments across the country have been investing in enterprise-level resource management systems for the last 40 years
- These systems automate and combine accounting, payroll, human-resources, procurement, budget, performance measurement and revenue collection workflows
- Typically, after 3 or 4 years the new technology allows for better financial analysis and reduces the staff time needed to process routine transactions

Recent County Technology Investments in NYS

39

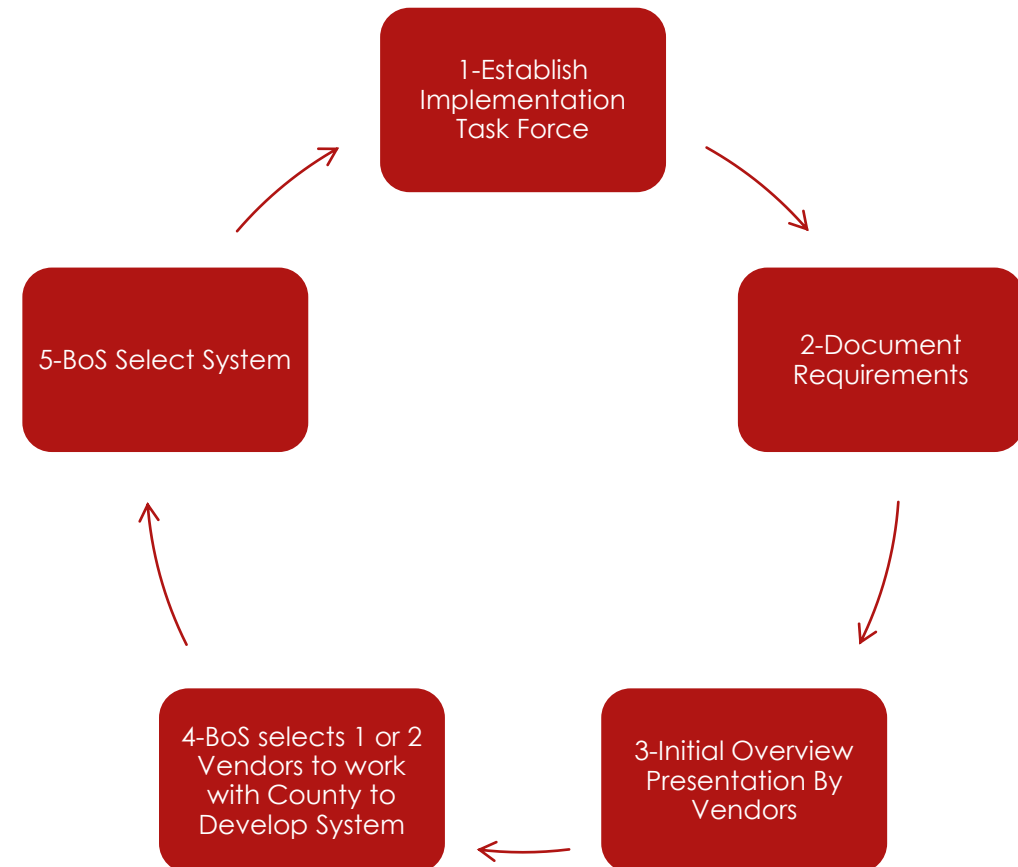
- Roughly 1 in 5 NYS counties have recently upgraded their financial systems
- These systems typically have a “core” module for accounting and accommodate additional modules for functions like payroll or tax collection
- Vendors typically specialize in federal, state & local, or private sector accounting rules
- The dominant provider for local government is Tyler Technologies providing New World or MUNIS branded systems

County		System
St. Lawrence	2013	MUNIS
Sullivan	2008	New World
Washington	2017	New World
Ontario	2021	MUNIS
Lewis	2018	MUNIS
Oswego	2018	MUNIS
Essex	2020	MUNIS
Greene	Prior to 2015	New World
Otsego	2020	MUNIS
Schuyler	2021	MUNIS

Technology Action Plan (TAP)

40

- Generally, counties find the systems work well-enough, but caution implementation must be carefully managed
- To the right, is a structured implementation process that, if closely followed, will result in smooth transition to the new system with out costly overruns
- A fast but doable **preliminary timeline** will allow for steps 1 thru 5 to be completed by July 1, 2022
- The winning vendor will then work for the next six months to implement the new system by customizing the software, developing new internal workflows, and training staff
- Key to successful implementation is train only the essential people and have an on-site project manager



Re-Deploying the Financial Management Workforce More Effectively

WE CAN CHANGE STAFF WORK HABITS/ WORKFLOW TO
FIT THE NEW TECHNOLOGY

Human Resource and Financial Management Workforce Action Plan

42

- **Create** overarching Human Resource and Financial Management Office to consolidate support functions, creating administrative expertise can be leveraged for greater efficiency & better outcomes
- **Department Focus: SUPPORT SERVICES** – Centralizing support functions allows for greater efficiencies in the support of county functions & strengthens the county's ability to support the Board & departments with better outputs supported with fewer resources over time
- **Management:** Appoint a **Deputy County Administrator for Human Resource and Financial Management** to oversee all Human Resource & Financial Management functions within the county and develop a team to provide increasing levels of expert support to support county functions
- **Anticipated Efficiencies:** Placing the administrative and fiscal requirements in a single centralized department will create a collaborative team of staff “experts” able to manage the fiscal, purchasing, human resource & reimbursement functions of the county at a more effective level & in a more efficient manner

Office of Human Resource and Financial Management: Accounting Operations

43

Illustrative Responsibilities

- Maintain the accounting records of the County for use by Chief Fiscal Officer, Department Heads, Budget Officer & the Board
- Pay all the bills of the County according to state and federal laws and in accordance with County contracts and adopted policies
- Support the Management and investment of County funds by the Chief Fiscal Officer
- Support the Management of County Debt Program by the Chief Fiscal Officer
- Support the Management of County credit rating by the Board, Chief Fiscal Officer and County Administrator
- Support Department Heads and Budget Officer on Fiscal matters.
- Staffed by three positions from the Treasurer's Office

Office of Human Resource and Financial Management: Cost Recovery & Reimbursement Operations

44

Illustrative Responsibilities

- Work closely with all Departments to obtain accurate, complete and timely documentation required for direct and indirect cost recovery of federal, state and other external revenue sources
- Submit accurate, complete and timely requests for reimbursement from federal, state or other agencies
- Ensure that there are no duplicate or missing payments for all programs handled by the Cost Recovery & Reimbursement Operations Division
- Report to the relevant Department Head status of reimbursement and cost recovery requests and coordinate with Accounting Operations Division
- Oversight of Schoharie County Grants Policy
- Staffed by nine positions from the Departments of Public Health, Aging, Social Services, Community Services and Public works.

Office of Human Resource and Financial Management: Payroll, Benefits and Human Resource Management Operations

45

Illustrative Responsibilities

- Administer New York State Civil Service Law for the 24 County Departments and more than 31 jurisdictions (towns, villages, schools, libraries, and special districts): approximately 1,200 – 1,500 employees
- Provide a diverse, qualified, and dedicated pool of candidates based upon merit and fitness for the effective and efficient delivery
- Prepares payrolls for all county employees, including deductions for withholding tax reports; W2, 1095C and 1099 IRS forms, as required by federal and state law
- Prepares reports of employee fringe benefits for departmental quarterly claims for federal and state reimbursements
- Maintain accurate and complete list of all positions in county government and manage the addition or elimination of such positions
- Staffed with four full time and one part-time positions from Treasurer's and Personnel and Civil Service Departments

Office of Human Resource and Financial Management: Procurement & Purchase Audit Operations

46

Illustrative Responsibilities

- Responsible for auditing all vouchers, county inventory, county insurance, FOIL requests, and overseeing county contracts
- Working with departments regarding the purchasing and vouchering process to help expedite the procedure. This has allowed for more expedient payments to the vendors
- Copier machines: review and process all county invoices, review all quotes before department requests purchase, review all documentation upon purchase
- Track all coroner, autopsy and lab expenses, as well as processing all invoices
- Process all insurance payments, work with the insurance agent on renewals, make sure the insurance agent has the most up-to-date inventory for the County, work with the insurance agent on county budget expense
- Staffed with one position from the County Auditor's Office

Office of Human Resource and Financial Management: Budget Operations and Financial Analysis

47

Illustrative Responsibilities

- Monitor and analyze the adopted County budget
- Determine and report to the Board of Supervisors the financial and budgetary impact of all proposed County policy decisions
- Monitor and report on the impact of federal and state changes that affect County finances
- Prepare monthly and annual financial reports
- Analyze and forecast the County financial position including the budgets of the County departments
- Monitor and analyze the County sales & occupancy tax
- Prepares the annual County Budget and the Capital Improvement Plan
- Staffed with the Confidential Assistant to the County Administrator

2025 Initiative Timeline, Cost & Savings

ACT FAST, LIMIT UP-FRONT COST, EXPECT FULL SAVINGS
BY 2025

The 2025 Initiative Cost & Savings

49

- Office of Human Resource & Financial Management will have 20 positions, 19 of which will come from existing positions, to the maximum extent possible
- The one new position will be a Deputy County Administrator for Human Resource and Finance Management, at a salary of \$95,000, reporting to the County Administrator
- The Confidential Assistant to the County Administrator (\$59,911), will be replaced by a Confidential Secretary (\$36,295)
- Savings will come in two ways: 1) the new ERM will allow for the number of positions needed to process routine transactions to gradually decline; and 2) the growth of overall appropriations will be slowed or eliminated through better analysis

The 2025 Initiative Consolidated Timeline

50

Action Steps	Timeline
Board Approval/Establish ERM Team/Audit Committee	4 th Qtr 2021
Classify, Advertise, Select Deputy County Administrator	Jan – May 2022
Transfer/Reassign Staff/Select ERM Vendor	Jan – Jun 2022
Office of HR & FM Begins Operation	July 2022
Develop ERM System while maintaining existing ACS system	Jul – Dec 2022
Go Live With New ERM/Run with Existing ACS System/Treasurer Briefs Audit Committee on 2021 Financial Statements	Jan – Jun 2023
Secure Increased efficiency & effectiveness	Jun 2023 – Dec 2025

Implementing Motions

BOARD ACTIONS

- ▶ The Schoharie County Board of Supervisors hereby establishes the Office of Human Resource and Financial Management to be composed of the following sub-units:
 - Accounting Operations;
 - Procurement and Purchasing Operations;
 - Cost Recovery and Reimbursement Operations;
 - Payroll, Benefits and Human Resource Operations;
 - Budget Operations and Financial Analysis.

- ▶ The Schoharie County Board of Supervisors hereby directs the County Administrator to Establish the position of Deputy County Administrator for Human Resources and Financial Management reporting to directly to the County Administrator and primarily responsible for the managerial oversight of the Office of Human Resources and Financial Management and its sub-units.
- ▶ The Deputy County Administrator shall act as the County Administrator in the latter's absence.

- ▶ The Schoharie County Board of Supervisors hereby directs the County Administrator, working with the Personnel Officer, to develop an implementation plan following all Civil Service laws and rules for the staffing of the Office of Human Resources and Financial Management, with the goal of utilizing existing employees, to the maximum extent possible.
- ▶ The Personnel Officer shall take care to ensure that the complete implementation of all staffing for the Office of Human Resources takes place no later than July 1, 2022.

- ▶ The Schoharie County Board of Supervisors hereby directs the County Administrator to establish an Enterprise Resource Management System Implementation Team Co-Chaired by the Director of Information Technology and Services and including representatives from the Treasurer's Office, Commissioner of Social Services, Personnel Officer and Auditor.
- ▶ The County Administrator shall take care to ensure that the Team makes a recommendation for the selection of an ERM vendor no later than July 1, 2022.