

# CROOK COUNTY WORK SESSION

Administration Conference Room  
203 NE Court Street, Prineville, OR

Tuesday **March 30, 2021** at 9a.m.

Members of the public and media are welcome to attend in person with social distancing  
or via Webex 1-408-418-9388; Access Code: 623 057 025  
Meeting Password: zRNvGMYM286

## Discussion Items

	<i>Requester's Name</i>	<i>Matter</i>	<i>Docs in Packet?</i>
1	Katie Plumb	COVID-19 Update (if any)	
2	Janet Pritiskutch	Internal Service Fees	✓
3	Janet Pritiskutch	Finance Services Performed for Special Districts	✓
4	Bob O'Neal	Brassada Ranch Road Standards	

## Executive Discussion Items

	<i>Requester's Name</i>	<i>Matter</i>	<i>Docs in Packet?</i>
Exec #1			

*Items placed on the Work Session agenda are intended for discussion only, without making decisions or finalizing documents unless an emergency exists.*

*\*The Court may add additional items arising too late to be part of this Agenda. Agenda items may be rearranged to make the best use of time.*

*\*The meeting location is accessible to persons with disabilities. If additional accommodations are required, please submit your request 48 hours prior to the meeting by contacting County Administration at 541-447-6555.*

*Requests to be placed on the Work Session agenda are  
due at **5 p.m. on Thursday** before the Work Session*

**March 30, 2021 Work Session Agenda Items**

# Internal Service Fees Overview

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March 2021

# Internal Service Fees Overview

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March 2021

## Purpose

- Allocate expenses for services provided by County departments
  - Finance, Legal, HR, Admin, GIS, IT, Facilities
- Provides more accurate picture of cost to run departments

# Methodology

- Finance/Legal/Admin
  - Based on size of department budgets
- HR
  - Based on department FTE
- GIS
  - Based on usage or base user fee
- IT
  - Based on number of computers and phones
- Facilities
  - Based on building square footage occupied by departments
    - % of market rent rate
  - Estimate of annual operating costs (janitorial, utilities, etc.)

# What are you paying for?

- Finance
  - Payroll and invoice processing
  - Audit services
  - Accounting/budgeting software
  - Financial reporting
- GIS
  - Geographical information systems management
- IT (County-wide)
  - Phone system
  - Computer support and replacement
  - Network security
  - Network hardware/software
- Legal
  - Compliance
  - Contracts
  - Litigation
- Admin
  - County administration
- Facilities
  - Building repairs and maintenance
  - Operating supplies (janitorial, utilities)
  - Facility upgrades
  - Safety equipment

## How does the process work?

- Internal service fees are determined during the budget process
- Monthly internal service fees are booked to departments
- Amounts will not change for the year
- Finance will perform a reconciliation at year end
  - True up is booked for any over/under payment for General Fund departments
  - Any difference for Facilities is rolled into the beginning balance for next year

# FY21 Estimated Internal Service Fees

## FY21 Estimate

	Finance	Legal	Admin	HR	GIS	IT	GF Total	Facilities
Total Expenses	937,400	476,600	677,100	343,800	211,500	1,127,961	3,774,361	1,460,850
Less ISF (excl. occupancy)	(92,800)	(43,700)	(55,200)	(42,900)	(14,100)	(52,800)	(301,500)	(104,000)
Total to Recover	844,600	432,900	621,900	300,900	197,400	1,075,161	3,472,861	1,356,850
External Revenue	54,900	2,600	14,000	-	66,200	108,000	245,700	40,200
Adjustments	-	-	-	-	63,100	-	63,100	-
Total External Revenue	54,900	2,600	14,000	-	129,300	108,000	308,800	40,200
Internal Service Fees	789,700	430,300	607,900	300,900	68,100	967,161	3,164,061	1,316,650
Internal Service Revenues	881,200	386,400	548,800	450,200	68,100	947,000	3,281,700	1,283,482
Difference	91,500	(43,900)	(59,100)	149,300	-	(20,161)	117,639	(33,168)

Net ISF 84,471



# FY22 Budget

- Similar methodology used
- Expected increase in costs
  - Software costs for OpenGov and Helion
  - Outside legal counsel fees
  - AOC membership fees
  - County-wide ergonomic assessments
  - Recruiting
- Additional staffing

**Questions?**

Below is a summary of the services Finance is currently providing to special districts. Most of these services have been performed for many years, with outdated agreements and/or agreements that do not exist. Some of the special districts pay the County an admin fee of .004%. It is estimated that .10 FTE is used for these services in Finance.

Ochoco West:

- Process cash deposits from water/sewer payments for the district (2 per month)
- Process returned checks
- Process invoices through A/P (~500 invoices annually)
- Pay payroll taxes (outside accountant sends us the amount to pay)
- Annual payment to USDA automatically pulled from County cash account and transfer booked to special district
- USDA is wanting to deposit new grant to County account – this is a new arrangement that we would need to sign banking forms to set up
- Loan with USDA has County bank account on record
- District pays County .004% for a quarterly admin fee
- District pays outside accounting firm to process payroll and 1099's

Vector:

- Process invoices through A/P (~100 invoices annually)
- Process district payroll with County payroll
- Manually process payroll tax payments and quarterly tax filings
- W2's printed with County forms and tax number must be whited out and the tax number for the special district written in
- District employees are covered by County health insurance (1 employee)
- District pays County .004% for a quarterly admin fee

Cemetery:

- Process invoices through A/P (~200 invoices annually)
- Process district payroll with County payroll
- Manually process payroll tax payments and quarterly tax filings
- W2's printed with County forms and tax number must be whited out and the tax number for the special district written in
- District employees are covered by County health insurance (4 employees)
- District pays County .004% for a quarterly admin fee

Hahlen Road:

- Process invoices through A/P (~15 invoices annually)
- Loan with USDA has County bank account on record

Juniper Canyon:

- Process invoices through A/P (~4 invoices annually)

Crooked River Watershed:

- One employee is on our payroll and receives County benefits
- CR Watershed Board determines annual increase so salary does not follow County salary schedule
- CR Watershed is invoiced quarterly for the wages expense for employee
  - Quarterly fees are not always paid timely to County - \$33k was outstanding at 6/30/2020, late payments are paid over a 6-month period, another quarterly payment missed in FY21.
- County pays for the employee benefits

Concerns:

- The County may be handling funds (outside of property tax levies) without proper authorization
- Is there liability for the County to handle these funds/processes (specifically payroll)
- Non-County payroll is commingled with County employee payroll. System is not capable of tracking separate tax identification numbers so this is all done manually.
- Inconsistent processes used so Finance staff must keep track of multiple processes
- Should County resources be used for these services?
- Prior year audit recommendation was that the County consider discontinuing these services or renegotiate the services to fairly compensate the County.