

TREASURER-TAX COLLECTOR

MISSION STATEMENT

The Treasurer-Tax Collector's Department operates three divisions - Treasury, Tax, and Central Collections. While the activities of each division are unique, the primary purpose of the department as a whole is to collect revenue owed to the County, cities, special districts, school districts, and the court system. The department is committed to providing excellent customer service and assuring effective utilization of the public's tax dollars through a program of performance measurement and management.

PROGRAMS AND SERVICES

The Treasurer-Tax Collector's Department has a broad internal and external customer base. It serves the general public, cities, special districts, school districts, the court system, and every department within the County. The following is a brief description of the three divisions within the Treasurer-Tax Collector's Department:

Treasury Division – Provides banking and investment services to all County departments as well as Butte County's school districts, special districts, and the Superior Court. These agencies constitute a "pooled" portfolio, the purpose of which is to save operating expenses by consolidating banking activities, thereby achieving higher investment yields for the monies on deposit. Similar to a banking operation in the private sector, the Treasury processes daily deposits, maintains sufficient liquidity to meet cash flow needs, and invests the balance of the funds to maximize interest earnings for its depositors. On average, the Treasury manages a \$420 million dollar investment portfolio and generates earnings on a pro-rata basis for all investment pool participants.

Tax Division – Bills and collects taxes assessed on real and personal property in Butte County (land, structures, manufactured homes, boats, airplanes, and businesses). After the Assessor has valued the property, and the Auditor has added direct charges and special assessments to each account, the Tax Division mails the bills and collects the payments. The division bills upwards of 110,000 property owners each year and processes nearly \$220 million in tax payments. Approximately 24 percent of the property tax revenue collected is retained by the County to provide programs and services to the public. The rest is distributed to other local entities that share property tax revenue - schools, redevelopment agencies, cities, and special districts.

Central Collections Division – Serves as the collection agency for Butte County departments and the Superior Court. Modeled after private enterprise collection efforts, while also adhering to compliance requirements for public entities, the program generates more than \$4 million annually. The primary focus of the collections effort is to recover delinquent fines and fees assessed by the court system and various Butte County departments. The division also pursues delinquent unsecured property taxes, serves as the central collection agency for various County programs, and administers the Community Development Block Grant (CDBG)/Housing and Urban Development (HUD) loan program. Approximately 25 percent of all revenue collected benefits the County's General Fund.

FY 2008-09 ACCOMPLISHMENTS

The following is a snapshot of the department's FY 2008-09 revenue generation efforts as of January 31, 2009, reflecting the most recent figures available at the time this narrative was submitted:

- Received \$124.5 million in property tax revenue, 54.5% of the total taxes billed this fiscal year. The figure includes secured, unsecured, supplemental, and defaulted tax collections. The figure is nearly equal to the tax collection rate for the same period last year.
- Collected \$2.26 million through Central Collections, 53% percent of the total goal for this fiscal year. The figure includes fines, fees, delinquent unsecured property taxes, and other monies owed to Butte County and the entities it serves.

- Earned \$6.4 million through Investment Pool Interest Earnings, which is comparable to the interest earnings for the same period last year. Despite the unprecedented volatility of the financial market, the Treasury Division's prudent investment policy has, to date, ensured the safety of the portfolio's principal.
- Processed \$2.5 million through January 2009 in credit card and e-check payments through the Tax Division's online payment system, a substantial increase from previous years.
- Processed \$223,000 as of January 2009 in credit card payments from those owing delinquent court fines, fees, and unsecured taxes. Since its inception in 2001, this payment option has generated \$2.5 million in hard to collect debt that might otherwise have taken much longer to recover.
- Secured a \$25 million Tax and Revenue Anticipation Note (TRAN) loan for use during FY 2008-09.
- Implemented a new program in partnership with the Clerk-Recorder's Office to file and release delinquent unsecured property tax liens electronically. The electronic interface system eliminates the duplicate, manual entry of approximately 2500 liens/releases per year.
- Partnered with Development Services and the District Attorney's Bad Check Unit to establish a credit card processing system.

SUMMARY OF DEPARTMENTAL BUDGET REQUEST

- The Department budget request includes funding to maintain FY 2008-09 staff and operations levels.
- The Department generates sufficient restricted revenue to fund approximately 80 percent of its operating budget and is requesting an appropriation from the general fund to cover the balance of 20 percent. Through a combination of revenue enhancements and expenditure reductions, the Department has developed a FY 2009-10 budget proposal that will allow it to meet its statutory responsibilities and successfully generate revenue for the County.

CHIEF ADMINISTRATIVE OFFICER'S RECOMMENDATION

- The recommendation includes appropriation of \$2,795,622 with restricted revenue of \$2,276,861 (including \$31,044 in charges to County departments and \$2,245,817 in revenue from outside sources). The use of discretionary revenues by the department is \$518,761.
- The recommendation does not include any staffing reductions. However the following two positions were eliminated in FY 2008-09:

March 3, 2009 – 1 Office Specialist and 1 Account Clerk.

- The recommendation includes funding for hardware and software required to convert the Megabyte Property Tax system to a web-based operating platform.

BUDGET CODE 070

UNIT TITLE - TREASURER-TAX COLLECTOR

BUTTE COUNTY
 STATE OF CALIFORNIA
 BUDGET UNIT EXPENDITURE DETAIL
 SCHEDULE 9 2009-10

FUNCTION 1 - TREASURER-TAX COLLECTOR
 ACTIVITY - 12 -
 FUND - 0010 - COUNTY GENERAL FUND 0010

ACCOUNT	TITLE	ACTUAL 2007-08	ADOPTED 2008-09	REQUESTED 2009-10	RECOMMENDED 2009-10	ADOPTED 2009-10
EXPENDITURES						
510	SALARIES & EMPLOYEE BENE	1,576,435	1,891,444	1,833,916	1,744,698	
520	SERVICES & SUPPLIES	736,639	987,602	862,912	862,912	
550	OTHER CHARGES	132	-			
560	FIXED ASSETS	6,335	21,772	6,772	-	
TOTAL	DIRECT	2,319,541	2,900,818	2,703,600	2,607,610	-
570	OTHER FINANCING USES	48,753	47,710	192,512	188,012	
TOTAL EXPENDITURES		2,368,294	2,948,528	2,896,112	2,795,622	-
50100	STATE REVENUES	-	-	-	-	-
TOTAL	GOVERNMENTAL REVENUES	-	-	-	-	-
60000	CHARGES FOR SERVICES	2,152,268	2,127,716	2,273,451	2,273,451	
70000	MISCELLANEOUS REVENUES	2,520	3,610	3,410	3,410	
TOTAL REVENUES		2,154,789	2,131,326	2,276,861	2,276,861	-
NET COUNTY COSTS/USE OF FUND BALANCE		213,505	817,202	619,251	518,761	-

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