

**Auditor-Controller/Treasurer-Tax Collector**  
**BUDGET 0410**  
**General Fund**

	Actual** 2014-15	Adopted 2015-16	Recommended 2016-17	Increase/ (Decrease)	
<b><u>FISCAL SUMMARY</u></b>					
<b><u>Appropriations</u></b>					
Salaries and Benefits	\$ 8,411,096	\$ 9,852,397	\$ 9,836,187	\$ (16,210)	0%
Services and Supplies	2,518,611	2,747,877	3,188,391	440,514	16%
General Fixed Assets	-	17,585	10,000	(7,585)	-43%
Total Appropriations	\$ 10,929,707	\$ 12,617,859	\$ 13,034,578	\$ 416,719	3%
<b><u>Revenues</u></b>					
Taxes	\$ 9	\$ -	\$ -	\$ -	0%
Licenses, Permits & Franchises	4,433	800	4,500	3,700	463%
Fines, Forfeitures & Penalties	753,487	1,048,636	1,008,585	(40,051)	-4%
Rev From Use of Money & Prop	25,486	22,080	73,644	51,564	234%
Intergovernment Revenues - St	40,652	30,792	20,000	(10,792)	-35%
Intergovernment Rev-Federal	2,044	-	-	-	0%
Charges For Services	4,387,419	4,727,581	5,169,964	442,383	9%
Miscellaneous Revenues	324,744	248,335	153,052	(95,283)	-38%
Other Financing Sources	4,891	354,325	350,785	(3,540)	-1%
Intrafund Revenue	899,289	1,013,768	1,014,825	1,057	0%
Total Revenues	\$ 6,442,455	\$ 7,446,317	\$ 7,795,355	\$ 349,038	5%
<b><u>Net County Cost</u></b>	<b>\$ 4,487,252</b>	<b>\$ 5,171,542</b>	<b>\$ 5,239,223</b>	<b>\$ 67,681</b>	<b>1%</b>
	Budgeted 2014-15	Current 2015-16	Recommended 2016-17	Increase/ (Decrease)	
Position Summary	111	114	114	-	

\*\* The column labeled Actual 2014-15 includes expenditures incurred against FY 2014-15 appropriations from July 1, 2014 through December 31, 2015.

## **AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR – 0410**

### **FUNCTION**

The Auditor-Controller/Treasurer-Tax Collector's (ACTTC) mission is to promote public trust by providing exemplary accounting and financial services to our public, business, and governmental customers.

The ACTTC has two primary operations, separating the accounting, auditing and general ledger functions from the cash handling, revenue collection efforts, and portfolio management functions.

There are two accounting divisions: Financial Reporting and Audits (FR&A) and General Accounting (GA). The FR&A Division prepares the County's audited financial statements, State Controller financial reports; State court fines reports, and other financial reports. Additionally, this Division performs audits of internal departments and funds, special financial analysis projects, rate review and accounting for various Joint Powers Agreements (JPAs), special funds and districts. The GA Division is responsible for the centralized accounting functions including accounts payable, budget, general ledger, fixed assets, payroll, rate reviews of Master Schedule of Fees, Indirect Cost Rate Proposals (ICRPs), and State Mandate (SB 90) reviews. The GA Division also includes Special Accounting (SA) whose functions include all accounting supporting the property tax apportionment process, cost accounting, and special check issuance.

There are also two divisions dedicated to revenue collections and cash management/banking functions. The Treasurer Division performs central finance operations including debt issuance, cash flow projections, banking operations, cash management, debt service and portfolio management. The Tax and Revenue Collections Division provides for a centralized property tax collection and revenue billing and collections unit.

### **OVERVIEW**

The FY 2016-17 Recommended Budget appropriations of \$13,034,578 represents a 3% (\$416,719) increase over the FY 2015-16 Adopted Budget. Budgeted revenues of \$7,795,355 represent a 5% (\$349,038) increase over the FY 2015-16 Adopted Budget. Staffing is recommended at 114 positions; this includes deleting six vacant positions and adding six positions maintaining the same number positions as the current year. Recommended salaries reflect a Vacant Position Discount of 2% (\$113,078) and related benefits discount of \$84,523 for Retirement, OASDI/Medicare and Health Insurance.

### **GOAL SETTING**

#### **Goal**

##### **FY 2016-17**

- **Goal:** Provide Countywide Accounts Payable (A/P) training to staff from all Departments covering the areas of the A/P process to reduce the number of vouchers/vendor approval requests that have errors and have to be returned back to Departments. This will make both the General Accounting Division staff and departmental staff more efficient allowing faster payments to County vendors
- **Performance Metric:** The training is expected to occur over two training sessions: one in the Board of Supervisors' Chambers; and second one in the County Elections Training Facility during September 2016. It will cover the areas that are audited by the General Accounting Division A/P staff (Contracts, Purchase Orders, Vendor



Maintenance, and Sales/Use Tax). It will address Departments' responsibilities and procedures to prevent errors and avoid having their A/P vouchers and/or vendor approval requests returned back to them for corrections. At the end of the training, Departments will be provided check lists for the different types of tasks they should follow before submitting their A/P vouchers and/or vendor approval requests to the General Accounting Division.

#### **FY 2015-16**

- **Goal:** Provide training to all Departments that accept credit card payments to ensure that they are in compliance with EMV (Europay, MasterCard, and Visa) standard effective October 1, 2015. EMV is an open-standard set of specifications for smart cards (cards equipped with chips) and Point of Sale devices. After October 1, 2015, liability will shift to the least EMV compliant party when and if fraud resulted from a compromised magnetic-strip card transaction occurs.

**Outcome(s)/Result(s):** The vendor informed County that they are awaiting certification from the credit card companies, such as MasterCard, Visa, and American Express. The implementation date has continued to be pushed back for the vendor to receive certification for their pin pads. Currently, the revised date is May 15, 2016. Once the County receives the EMV compatible pin pads, we will achieve our goal.

### **SUMMARY OF CAO RECOMMENDATIONS**

#### **Significant Program Changes**

The recommended new positions will enhance operations and service to Departments; these include:

- Two Program Technician positions that will provide advanced technical skills to the Special Accounting Division which will allow the Division to ensure that it is providing the correct guidance on the proper application of the Revenue and Taxation Code, as it relates to roll corrections performed for secured, unsecured and supplemental property tax rolls, to other agencies and to the public.
- One Program Technician position will provide advanced technical skill to the Tax Collection Unit that requires more extensive knowledge and a higher skill level of application of the Revenue and Taxation Codes along with the Federal Bankruptcy Codes related to collection activities for the current and/or delinquent secured, unsecured and supplemental property tax rolls.
- One Program Technician position will provide advanced technical skill to the Revenue Collections Unit that require a more extensive knowledge skill level on application of the Court Ordered Debt program, legal collection aspects and the Columbia Ultimate Business System (CUBS) used to collect the delinquent debt owed to the County.
- One Accounting and Financial Manager position in the Tax and Revenue Collections Division will provide the lead for Bankruptcy, Property Tax Sales, and Excess Proceeds processes. The position will also assist in administration of active contracts that the Division currently has and it will assist with strategic succession planning of the Division. This position will also serve as back up to Accounting and Financial Division Chief.
- One Accounting and Financial Manager position in the Financial Reporting and Audits Division will provide the lead for the audit function. The position will serve as back-up for the lead to the Comprehensive Annual Financial Report (CAFR) preparation and for specialized accounting processes. The position will also assist with strategic succession planning of the Division.



**Salaries and Benefits**

- Salaries and Benefits, recommended at \$9,836,187, represent less than 1% (\$16,210) decrease from FY 2015-16 Adopted Budget. Staffing is recommended at 114 positions, the same as current year.

**Services and Supplies**

- Services and Supplies, recommended at \$3,188,391, represent a 16% (\$440,514) increase over the FY 2015-16 Adopted Budget primarily due to increases in operational charges that include:
  - Account 7265, Office Expense, represents a 27% (\$37,494) increase over the FY 2015-16 Adopted Budget primarily due to an increase in supply costs for property tax bills which in previous years were paid through account 7268, Postage.
  - Account 7269, Graphics Printing, represents a 100% (\$39,591) increase over the FY 2015-16 Adopted Budget due to budgeting all printing, including those previously budgeted in Publications and Legal Notices and Professional and Specialized Services, are now budgeted in this account.
  - Account 7288, Data Processing Direct, represents a 54% (\$199,686) increase over the FY 2015-16 Adopted Budget due to increases in the Treasurer's Division one-time cost related to implementation of a remittance processing system as well as increased costs related to Revenue Collections' CUBS data upgrade and Special Accounting's purchase of new Cost Plan software.
  - Account 7296, Data Processing Services, represents a 15% (\$77,967) increase over the FY 2015-16 Adopted Budget due to increased user rates that are based on Departmental usage.

**SUMMARY OF REVENUES**

- Revenues are recommended at \$7,795,355, a 5% (\$349,038) increase over the FY 2015-16 Adopted Budget primarily due to estimated increases in Charges for Services based on current year revenues and include:
  - Account 4882, Assessment and Tax Collector Fees (Property Tax Administration Fees) are recommended at a 23% (\$129,480) increase over the current year. The revenue recovery in this account is based on assessed property values and staffing levels. As staffing levels and assessed property values have increased, the percentage of revenues has increased.
  - Account 4885, Audit and Account Fees are recommended at a 14% (\$161,377) increase over the current year due to an anticipated increase in audit and accounting activities. The estimated revenue increase is mainly due to providing more accounting and auditing services and PeopleSoft Liaison-system upgrade services for the Internal Services Department.
  - Account 4929, Unsecured Property Tax Collection Charges recommended at a 48% (\$120,785) increase over the current year. The estimated revenue increase is due to additional Collections Representatives working on collecting delinquent unsecured property taxes.

## Auditor-Controller/Treasurer-Tax Collector (Org 0410)

<b>Revenues</b>	<b>FY 2015-16 Adopted</b>	<b>FY 2015-16 Estimated Actual</b>	<b>FY 2016-17 Recommended</b>
Acct # - Licenses, Permits, & Franchises			
3160 - Business Licenses (MSF for issuing new & renewing business licenses)	800	7,935	4,500
<b>Total</b>	<b>\$ 800</b>	<b>\$ 7,935</b>	<b>\$ 4,500</b>
Acct # - Fines, Forfeitures, & Penalties			
3297 - Court PC1463.07 AB233 (Court Ordered Debt revenue)	1,048,636	886,677	1,008,585
<b>Total</b>	<b>\$ 1,048,636</b>	<b>\$ 886,677</b>	<b>\$ 1,008,585</b>
Acct # - Revenue from the Use of Money			
3380 - Interest	22,080	73,643	73,644
<b>Total</b>	<b>\$ 22,080</b>	<b>\$ 73,643</b>	<b>\$ 73,644</b>
Acct # - Intergovernment Revenues – State			
3455 – Mandated Programs	30,792	17,354	20,000
<b>Total</b>	<b>\$ 30,792</b>	<b>\$ 17,354</b>	<b>\$ 20,000</b>
Acct # - Charges for Services			
4880 - Assessment & TC Fees (Fees for processing special assmnts on tax rolls)	185,730	192,379	192,379
4882 - Assess & Tax Coll Fees #80 (SB2557 and Property Tax Administration Fee-PTAF)	557,902	630,901	687,382
4885 - Auditing and Accounting Fees	1,136,093	1,064,261	1,297,470
4888 - Admin Service SB2890 (5% admin fee for supplemental tax roll)	90,019	93,409	93,609
4928 – Collection Charges	247,232	120,392	181,382
4929 – Unsecured Collection Charges	251,280	372,065	372,065
4942 – Aud-Cont Civil Process Svc (\$1.50 garnishments for processing ea pay period per Family Code §5235d)	8,613	10,108	15,660
5039 – Other Agencies (County RDA fees for AB1389 processes)	28,500	40,000	40,000
5060 – Other Charges for Curr Svcs (Special District 0.25% of Special Dist Prop Tax Rev & Wire Fees)	83,387	82,419	83,000
5064 – Data Processing Fees (Title Co's access to property system)	9,792	9,792	9,792
5074 – Investment Services Fees	2,129,033	1,782,160	2,197,225
<b>Total</b>	<b>\$ 4,727,581</b>	<b>\$ 4,397,886</b>	<b>\$ 5,169,964</b>
Acct # - Miscellaneous Revenues			
5771 - Revenue Recovery Liens	150	150	150
5800 - Other Misc (i.e., copy charges, duplicate W-2, 1099 charges)	188,185	76,927	92,902
5831 - Refunds & Abatements (State reimbursement for collecting state ordered restitutions related to Penal Codes §1202.4 and §1202.44)	60,000	60,000	60,000
5900 - Cash Overages	0	3	0
<b>Total</b>	<b>\$ 248,335</b>	<b>\$ 137,080</b>	<b>\$ 153,052</b>
Acct # - Other Financing Sources			
5957 – Operating Transfer In (SRF-\$341,405, EMS-\$9,380)	354,325	0	350,785
<b>Total</b>	<b>\$ 354,325</b>	<b>\$ 0</b>	<b>\$ 350,785</b>
Acct # - Intrafund			
5990 – Intrafund Revenue	1,013,768	865,645	1,014,825
<b>Total</b>	<b>\$ 1,013,768</b>	<b>\$ 865,645</b>	<b>\$ 1,014,825</b>
<b>Total Revenues</b>	<b>\$ 7,446,317</b>	<b>\$ 6,386,220</b>	<b>\$ 7,795,355</b>