

074 - TREASURER-TAX COLLECTOR

Operational Summary

Mission:

To provide efficient and effective cash management through optimized investment and property tax collection services for the County of Orange and our local schools, cities and special districts.

Strategic Goals:

- Treasury Division will provide stability, liquidity and optimum yield for client funds.
- Tax Collection Division will collect all property taxes in accordance with applicable laws.
- Administration Division will enhance the effectiveness of the Treasurer-Tax Collector.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
NET INVESTMENT RETURN. What: Obtain a portfolio yield that meets or exceeds the 90-day US T-Bill and money market benchmarks. Why: To continue to provide safe, efficient and effective investment returns for our clients.	Fed Funds increased from 3.25% to 5.25%. Year to date, the OCIP money market portfolios have consistently outperformed the money market benchmark and have provided a comparable return to the 90-day T-Bill.	Position the portfolios to take advantage of a drop in short-term rates, while guarding against the possibility of faster economic growth.	On target.
ADMINISTRATION FEE CHARGED TO POOL PARTICIPANTS. What: To charge the lowest administration fee possible. Why: To provide a modest investment return to pool participants with minimum administrative costs.	Administration fee stayed at 11.25 basis points (i.e., 0.1125%).	Administration fee reduced to 10.00 basis points, July 1, 2006 (i.e., 0.10%).	On target.
RATING OF INVESTMENT POOLS. What: Maintain highest rating. Why: To assure safest money market practices are being followed.	The County and the Educational Investment Pools retained their highest credit ratings. Moody's: Aaa MR1; Fitch: AAA/V1+	Preserve the investment pools credit ratings of: Moody's: Aaa MR1; Fitch: AAA/V1+	On target.

At a Glance:

Total FY 2006-2007 Projected Expend + Encumb:	14,377,206
Total Recommended FY 2007-2008	14,786,783
Percent of County General Fund:	0.49149%
Total Employees:	93.00

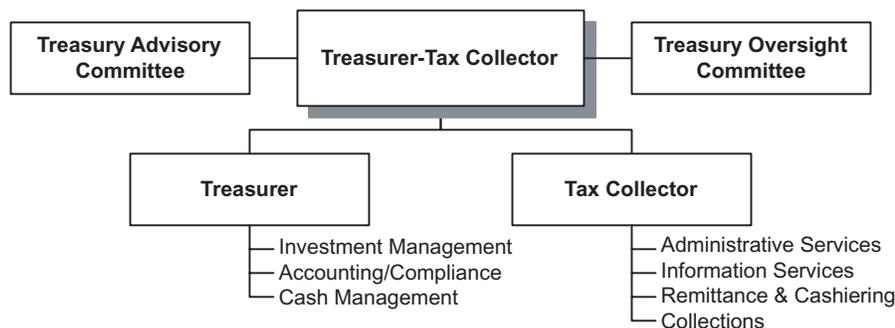
Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
STATE PROPERTY TAX COLLECTION RATES FOR SECURED AND UNSECURED PROPERTY. What: Exceed state property tax collection rates for Secured & Unsecured prop by minimizing unpaid taxes. Why: To maintain high collection rankings and percentages.	Collection percentage ratings for Secured and Unsecured taxes exceeded state median. Of the 58 counties in the State of California, the County of Orange Secured tax collection is 98.5% with ranking of 5th in the state. The County of Orange Unsecured tax collection is 97.4% with a ranking of 16th.	To continue to exceed the state median.	On target.
ELECTRONIC PAYMENTS. What: Increase the number and amount of electronic tax payments received as a % of the taxes collected. Why: To reap the benefits of this payment method (i.e., cost effectiveness, efficiency, time savings).	Increased dollars collected electronically from 20% to 33% and the number of transactions paid electronically increased from 7% to 11%.	To increase electronic payments of taxpayers with tax liabilities equal to or greater than \$25,000.	On target.

FY 2006-07 Key Project Accomplishments:

- Added Vector Control as a voluntary participant in the Orange County Investment Pool.
- Completed work with Bloomberg on beta testing ongoing compliance enhancements to the Treasury Order Management System (TOMS). These enhancements resulted in TOMS providing us better tools to track pre-trade compliance of investments.
- Designed and implemented an electronic procedure for returned checks, creating a straight-through process for posting these items to the Auditor-Controller General Ledger and notifying the affected county agencies.
- Retained the following credit ratings on the Commingled and Educational Investment Pools: Aaa MR1 (Moody's) and AAA/V1+ (Fitch).

Organizational Summary



Treasurer-Tax Collector - Provides centralized treasury and tax collection services for the County of Orange.



Treasurer - Responsible for the receipt, custody, deposit, investment and recording of funds for the County, school districts and special districts. Responsibilities may also include issuance of short-term debt on behalf of the County and school districts. In addition, the Treasury Division acts as trustee in connection with unclaimed property and is responsible for the issuance, billing, collection, redemption and foreclosure of improvement bonds.

Investment Management: Provides portfolio management, maintains broker/dealer relations, conducts investment/economic research, and serves as liaison for oversight committees and custody relation services.

Cash Management: Provide bank-related services and relationship management, cash optimization and forecasting, and financial electronic commerce solutions.

Electronic Commerce: Provides Internet and analog payment options via wire, e-check, credit card and ATM.

Accounting/Compliance: Provides financial reporting, fund accounting, ledger reconciliations, bank reconciliations, investment accounting, compliance services, and accounting for unclaimed monies.

Tax Collector - Responsible for collecting taxes on all Secured and Unsecured property in Orange County. This office is also responsible for the sale of property subject to the "power to sell," formerly known as delinquent tax deeded property. In addition to collecting property taxes, the Tax Collector's Office collects Annual Racehorse Taxes, Transient Occupancy Taxes and Public Defender judgments.

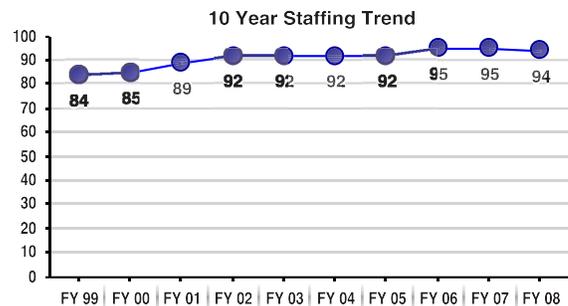
Collections: Provide centralized tax compliance services for Delinquent Unsecured tax collections, Prior Year Secured property tax collections, Public Defender judgment collections, public information services, property tax problem payment processing and general correspondence.

Remittance & Cashiering: Provides automated remittance processing for all property tax rolls, refund accounting, tax roll accounting and cashiering for the Treasury Division.

Administrative Division: Provides tax roll reconciliations, purchasing, contract administration, human resources, safety, security and disaster coordination, payroll, budget, facility operations, telephone and network services for all TTC operations.

Information Technology: Provides systems development and maintenance support for the many treasury and tax collection related applications required for the depositing, accounting and collecting of funds and provides hardware, software, and network maintenance and support to TTC staff.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Despite the modest increase in staffing during this time, as workloads have continued to grow (the number of real property tax bills increased to 871,000), the department has continued to excel in providing efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts, as evidenced by the following: 1) The highest ratings, Aaa MR1 (Moody's) and AAA/V1+ (Fitch), continue to be maintained for the investment pools; and 2) Collection percentage ratings for the Secured and Unsecured tax rolls continue to exceed the state median.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Treasurer-Tax Collector will continue to pursue all major year 2007 service plan goals in support of County Strategic priorities. The department will also continue to provide an effective, responsive and competitive organizational and operating structure. Staff will work diligently to meet our core business responsibilities of collecting and investing, while supporting the successful implementation of new corporate programs.

Changes Included in the Recommended Base Budget:

Significant changes in the base budget include: a) Increase in salaries & Employee Benefits by \$163,406; b) Decrease in Net County Cost by \$992,317, which is primarily attributed to an increase in revenues, as well as a decrease in expenditures for Services & Supplies.

Proposed Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Total Positions	95	93	93	93	0	0.00
Total Revenues	9,896,743	10,187,277	10,496,984	11,126,194	629,210	5.99
Total Requirements	13,554,866	15,358,210	14,517,294	14,786,783	269,489	1.86
Net County Cost	3,658,123	5,170,933	4,020,310	3,660,589	(359,721)	-8.95

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Treasurer-Tax Collector in the Appendix on page A572

Highlights of Key Trends:

- The Treasurer-Tax Collector is an administrative function that is task-oriented. The department expects its investment results to consistently outperform its bench-

marks, and will continue to provide its constituents with efficient and effective cash management through optimized investment and property tax collection services.

Budget Units Under Agency Control:

No.	Agency Name	Treasurer-Tax Collector	Treasurer	Tax Collector	Total
074	Treasurer-Tax Collector	422,442	5,333,824	9,030,517	14,786,783
107	Remittance Processing Equipment Replacement	655,796	0	0	655,796
	Total	1,078,238	5,333,824	9,030,517	15,442,579

074 - Treasurer-Tax Collector

Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Fines, Forfeitures & Penalties	\$ 7,408	\$ 1,716	\$ 7,621	\$ 678,290	\$ 670,669	8,800.28%
Intergovernmental Revenues	888,837	721,400	811,247	847,450	36,203	4.46
Charges For Services	8,872,252	9,390,161	9,558,850	9,521,956	(36,894)	-0.39
Miscellaneous Revenues	128,245	74,000	119,266	78,498	(40,768)	-34.18
Total Revenues	9,896,743	10,187,277	10,496,984	11,126,194	629,210	5.99
Salaries & Benefits	6,388,368	6,766,875	6,519,785	6,847,481	327,696	5.03
Services & Supplies	7,864,654	9,363,489	8,776,547	8,720,020	(56,527)	-0.64
Services & Supplies Reimbursements	(176,312)	(397,888)	(242,446)	(471,250)	(228,804)	94.37
Fixed Assets	61,227	70,000	10,001	69,500	59,499	594.93
Other Financing Uses	0	0	0	200,000	200,000	0.00
Intrafund Transfers	(583,072)	(444,266)	(546,593)	(578,968)	(32,375)	5.92
Total Requirements	13,554,866	15,358,210	14,517,294	14,786,783	269,489	1.86
Net County Cost	\$ 3,658,123	\$ 5,170,933	\$ 4,020,310	\$ 3,660,589	\$ (359,721)	-8.95%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Proposed Budget Summary of Treasurer-Tax Collector:

Revenues/Appropriations	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Intergovernmental Revenues	\$ 3,836	\$ 0	\$ 0	\$ 0	\$ 0	0.00%
Charges For Services	1,663,224	314,752	309,709	310,892	1,183	0.38
Total Revenues	1,667,060	314,752	309,709	310,892	1,183	0.38
Salaries & Benefits	512,203	426,539	328,526	353,730	25,204	7.67
Services & Supplies	672,215	56,143	114,250	61,512	(52,738)	-46.16
Fixed Assets	51,344	1,756	251	0	(251)	-100.00
Total Requirements	1,235,762	484,438	443,027	415,242	(27,785)	-6.27
Net County Cost	\$ (431,298)	\$ 169,686	\$ 133,318	\$ 104,350	\$ (28,968)	-21.73%



Proposed Budget Summary of Treasurer:

Revenues/Appropriations	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Intergovernmental Revenues	\$ 885,001	\$ 721,400	\$ 811,247	\$ 847,450	\$ 36,203	4.46%
Charges For Services	5,986,376	5,349,661	5,251,852	4,284,165	(967,687)	-18.43
Miscellaneous Revenues	19,922	0	0	0	0	0.00
Total Revenues	6,891,299	6,071,061	6,063,099	5,131,615	(931,484)	-15.36
Salaries & Benefits	1,096,834	1,310,247	1,296,255	1,295,940	(315)	-0.02
Services & Supplies	3,407,763	5,250,593	5,009,304	4,402,968	(606,336)	-12.10
Services & Supplies Reimbursements	(113,056)	(213,600)	(130,153)	(186,250)	(56,097)	43.10
Fixed Assets	5,770	13,192	1,885	14,500	12,615	669.23
Other Financing Uses	0	0	0	200,000	200,000	0.00
Intrafund Transfers	(386,553)	(255,683)	(314,574)	(393,333)	(78,759)	25.04
Total Requirements	4,010,758	6,104,749	5,862,717	5,333,825	(528,892)	-9.02
Net County Cost	\$ (2,880,541)	\$ 33,688	\$ (200,382)	\$ 202,210	\$ 402,592	-200.91%

Proposed Budget Summary of Tax Collector:

Revenues/Appropriations	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Fines, Forfeitures & Penalties	\$ 7,408	\$ 1,716	\$ 7,621	\$ 678,290	\$ 670,669	8,800.28%
Charges For Services	1,222,653	3,725,748	3,997,289	4,926,899	929,610	23.26
Miscellaneous Revenues	108,323	74,000	119,266	78,498	(40,768)	-34.18
Total Revenues	1,338,384	3,801,464	4,124,176	5,683,687	1,559,511	37.81
Salaries & Benefits	4,779,332	5,030,089	4,895,004	5,197,811	302,807	6.19
Services & Supplies	3,784,676	4,056,753	3,652,992	4,255,540	602,548	16.49
Services & Supplies Reimbursements	(63,256)	(184,288)	(112,293)	(285,000)	(172,707)	153.80
Fixed Assets	4,114	55,052	7,865	55,000	47,135	599.30
Intrafund Transfers	(196,520)	(188,583)	(232,019)	(185,635)	46,384	-19.99
Total Requirements	8,308,346	8,769,023	8,211,549	9,037,716	826,167	10.06
Net County Cost	\$ 6,969,962	\$ 4,967,559	\$ 4,087,373	\$ 3,354,029	\$ (733,344)	-17.94%