

TREASURER-TAX COLLECTOR'S DEPARTMENT

I. DEPARTMENT MISSION OR MANDATE

Pursuant to State mandates, the Treasurer-Tax Collector is responsible for the collection of property taxes for county agencies, special districts, school districts and all the cities within Contra Costa County. In performing this function, the department seeks to serve the taxpaying public by utilizing the most efficient means of billing, collection, and dissemination of information. Government Code sections mandate the Department's responsibility for the safekeeping of all County funds, those of the County's 18 school districts, Office of Education, and the Community College District. The Treasury acts as their money manager and investment entity, investing surplus funds in accordance with Government Code Section 53601 and the Treasurer's Investment Policy. The Treasury also manages and invests funds for the 21 Special Districts that are voluntary pool participants. The Treasury manages the County's cash flow and short-term borrowings and is an active participant in nearly all long and short-term borrowings for county agencies, school districts, and the Community College District.

II. MAJOR PROGRAM DESCRIPTIONS

A. TREASURER

Serves as the County bank receiving and processing treasury deposits from various county departments. Manages cash flow and administers a comprehensive investment program for the County, its school and community college districts, and special districts. The Treasurer maintains an active role in nearly all their short-term borrowings and long-term debt issues.

It is the policy of the Treasurer to invest public funds in a manner which will preserve the safety and liquidity of all investments within the County investment pool while obtaining the maximum return within established conservative investment guidelines. The portfolio is managed in a manner that is responsive to the public trust and consistent with State law. Accordingly, the County Treasurer's Investment Pool will be guided by the following principles, in order of importance:

1. The primary objective of the Treasurer's investment of public funds is to safeguard investment principal.
2. The secondary objective is to maintain sufficient liquidity to insure that funds are available to meet daily cash flow requirements.
3. The third and last consideration is to achieve a reasonable rate of return or yield consistent with these objectives.

BUDGET: \$ 1,429,878

FTE: 8.6

B. TAX COLLECTOR:

Collects property taxes and assessments for all cities, school districts, special districts, and County government within Contra Costa County. The Treasurer-Tax Collector strives to serve its customers by providing timely and accurate services in a manner that is fair, legal, and courteous. To meet service obligations, the Treasurer-Tax Collector’s office uses technical expertise, employing modern, innovative, cost-effective, and flexible methodologies.

BUDGET: \$ 4,066,463
FTE: 19.5

C. BUSINESS LICENSE:

The County’s Business License Ordinance requires the Tax Collector to levy and collect an annual business license tax from entities engaged in business-related activity within the unincorporated area of the County.

BUDGET: \$ 182,284
FTE: 1.4

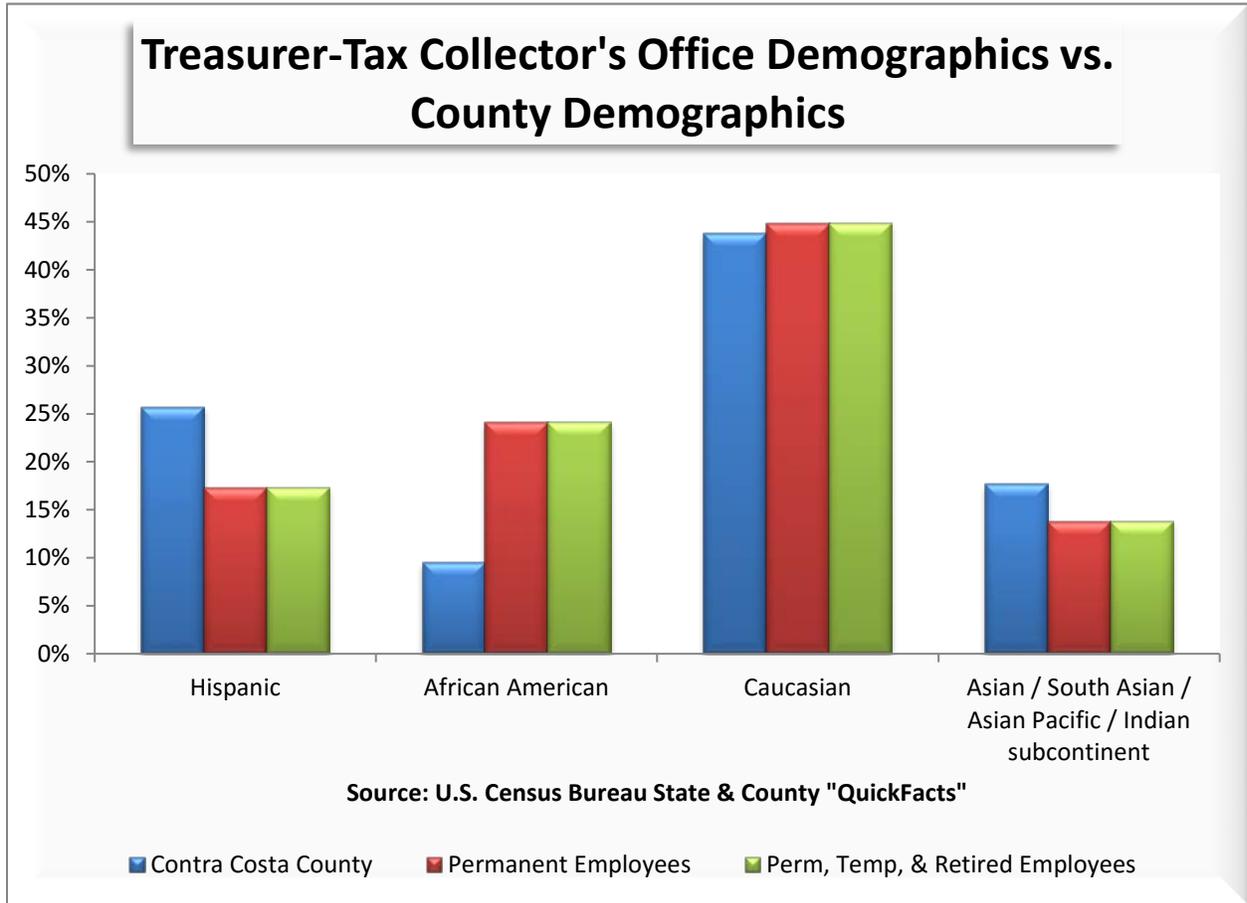
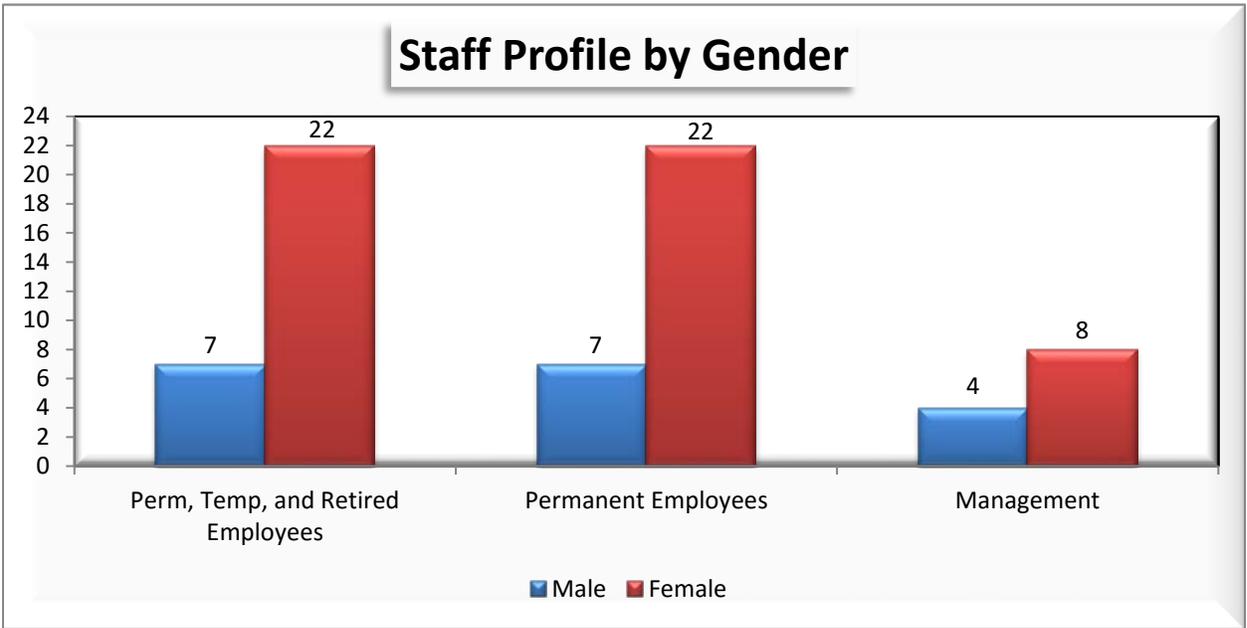
D. TOTAL DEPARTMENT DATA:

BUDGET: \$ 5,678,625
FTE: 29.50

DEPARTMENT STAFF PROFILE:

EMPLOYEE POSITIONS			
<u>Management (13)</u>		<u>Non-Management (17)</u>	
Department Head	1	Tax Operations Supervisor	1
Chief Deputy Treasurer-Tax Collector	1	Account Clerk-Advanced	2
Executive Secretary	1	Account Clerk-Experienced	4
Assistant Treasurer	1	Accounting Technician	2
Assistant County Tax Collector	1	Clerk-Experienced	2
Accountant I	1	Clerk-Experienced (Part Time)	2
Accountant II	1	Clerk-Specialist Level	1
Accountant III	1	Tax Compliance Officer	2
Account Clerk Supervisor	1	Tax Compliance Officer-Advanced	1
Collection Enforcement Supervisor	1	Tax Default Real Property Technician	1
Investment Officer	1		
Investment Operations Analyst	1		
TOTAL PERMANENT EMPLOYEE POSITIONS			30
TOTAL FULL TIME EQUIVALENT EMPLOYEES			29.50

**TREASURER – TAX COLLECTOR’S DEPARTMENT
EMPLOYEE PROFILE**



III. DEPARTMENT ACCOMPLISHMENTS

A. TREASURER

1. To improve internal control and streamline the operations, the Treasurer developed and implemented the following policies, procedures, and agreements: *Investment Operating Procedures and Internal Controls*, *Withdrawal of Funds Policy and Procedures*, and *Voluntary Pool Participant Agreement*.
2. The Treasurer designed and implemented *Counterfeit Currency Handling Guidelines and Procedures* to safeguard the county's moneys and prevent fraudulent activities from daily cash transactions.
3. The Treasurer also formalized its *Credit Evaluation and Approval Procedure* to facilitate investment staff in conducting due diligence on security issuers.
4. Using advance Excel spreadsheet futures, the Treasurer modified certain daily operational procedures to address the increasing workload that comes with a growing size of the Treasury Pool.
5. To ensure a better corporate governance, the Treasurer revised the Bylaws of the Treasury Oversight Committee to include an alternate for each of the following membership categories: Category 1, appointed official of the Board; Category 2, elected members by the school and community college district; and Category 2, elected member by the special districts. The Board of Supervisors subsequently approved the revision and appointed three alternates to represent these categories.

B. TAX COLLECTOR

1. Improved customer service, efficiency, and effectiveness through extensive use of in-house staff training and TargetSolutions.
2. Implemented an over-the-phone call center with our third-party electronic payment processor Kubra to allow taxpayers the ability to pay with a live operator.
3. Implemented online account services, *Virtual Billing Scheduler (VBS)*, which allows taxpayers to schedule tax payments in advance of the due date. The system will also notify the owner when a new bill is available or if a bill has been corrected for all properties maintained within the online profile.

IV. DEPARTMENT CHALLENGES

A. TREASURER

Internal to Department

1. Address the increasing workload straining treasury operations. The volume of assets under management and the demand for banking and financial services have increased significantly over the years while the level of staffing has remained the same. Systems will need to be enhanced and processes further streamlined in order to keep up with the pace.

B. TAX COLLECTOR

Internal to Department

1. Develop and maintain an integrated relational database, which crosses departmental lines, and brings together all functions necessary to identify, assess, and accurately tax all real and personal property located in the County.
2. To develop a program for locating short term rentals in the unincorporated area of the County, and collecting the Transiency Occupancy Tax (TOT). With the growing number of short term rentals, there is a great potential for TOT revenue.
3. Enhance the current cashiering system to process debit cards for the in-person tax payments.
4. Address the increasing demand and cost of the State's Fee and Tax Waiver Program by proposing a new Tax Clearance Certificate fee for the Board of Supervisors for approval.

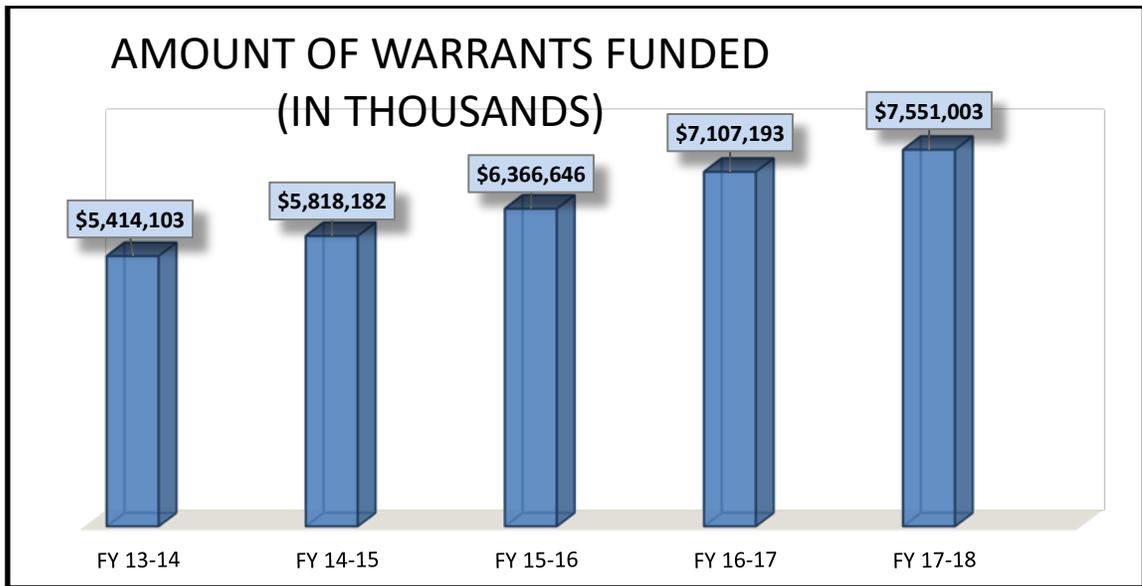
V. PERFORMANCE INDICATORS

A. TREASURER

1. Objective: Maintain the highest standards for County banking and investment services while volume activity continues to increase.

2. Indicators

1. *Safety of the Treasury Pool managed by the Treasurer;* One of the largest national recognized investment rating agency, Standard and Poor's affirmed the Contra Costa County Investment Pool's AAf/S1+ rating, signifying the highest credit rating with the lowest volatility since November 2007.
2. *Liquidity of the Treasury Pool managed by the Treasurer;* The Treasurer has funded all warrants issued by the County on time as instructed.



3. *Yield of the Treasury Pool managed by the Treasurer;* As the interest rate is climbing up slowly, the yield and the net investment incomes have been increasing accordingly.

Yield and Net Earnings of CCC Treasury Investment Pool					
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
POOL YIELD	0.39%	0.42%	0.68%	1.05%	1.51%
NET EARNINGS	\$7,639,960	\$9,405,927	\$19,198,299	\$33,217,749	\$51,518,311

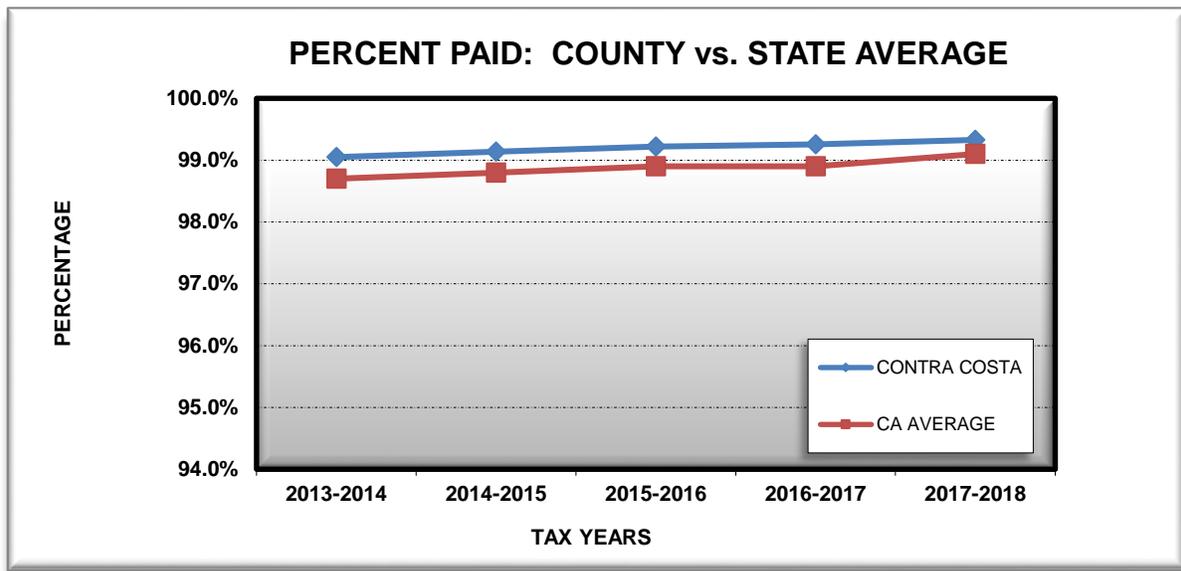
4. *Growth of the Treasury Pool managed by the Treasurer;* The size of the Treasury Pool, the number of investment holdings, the number of investment transactions are growing every year without additions to the number of investment staff.

Growth of CCC Treasury Investment Pool					
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
INVESTMENT HOLDINGS	292	355	452	454	478
INVESTMENT TRANSACTIONS	1,113	1,178	1,251	1,459	1,601
POOL ASSETS (in thousand)	\$2,381,402	\$2,897,607	\$3,318,657	\$3,690,690	\$3,749,705

5. *Efficiency of the operations*; As evidenced by the number and amount of deposits and banking transactions processed by the Treasurer, the completion of all operational tasks can only be achieved by the efficiency of the operations.
6. *Reporting*; The Treasurer has prepared and provided daily, monthly, quarterly, semi-annually, and annual reports to various recipients, such as the county departments, school districts, special districts, and the State of California in a timely fashion.

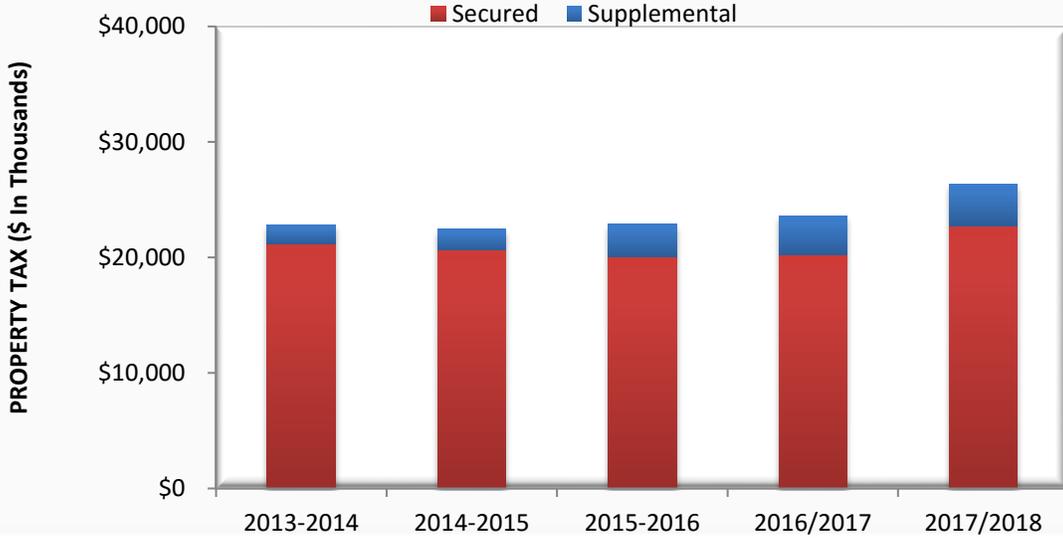
B. TAX COLLECTOR

1. Objective: Improve tax collections and reduce delinquencies based on State’s median benchmark and increase efficiency and amount of tax dollars collected.



PERCENT SECURED PROPERTY TAX PAID: COUNTY COMPARED TO STATE AVERAGE					
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
CONTRA COSTA COUNTY	99.0%	99.1%	99.2%	99.3%	99.3%
CALIFORNIA AVERAGE	98.7%	98.8%	98.9%	98.9%	99.1%

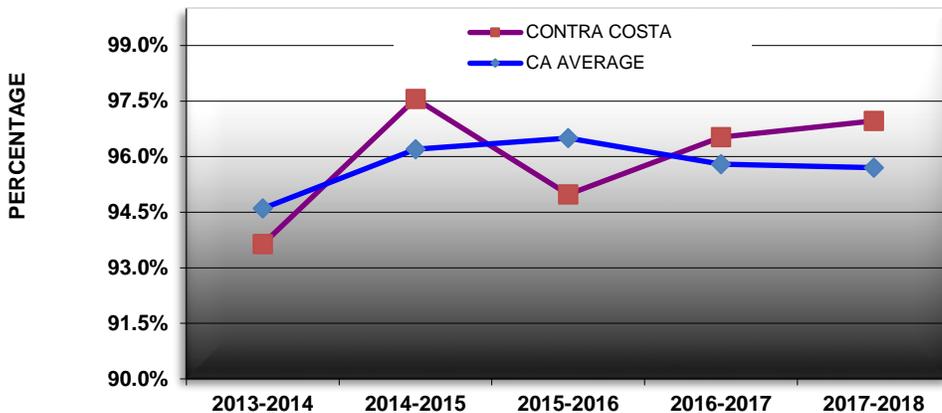
DEFAULTED SECURED & SUPPLEMENTAL PROPERTY TAXES

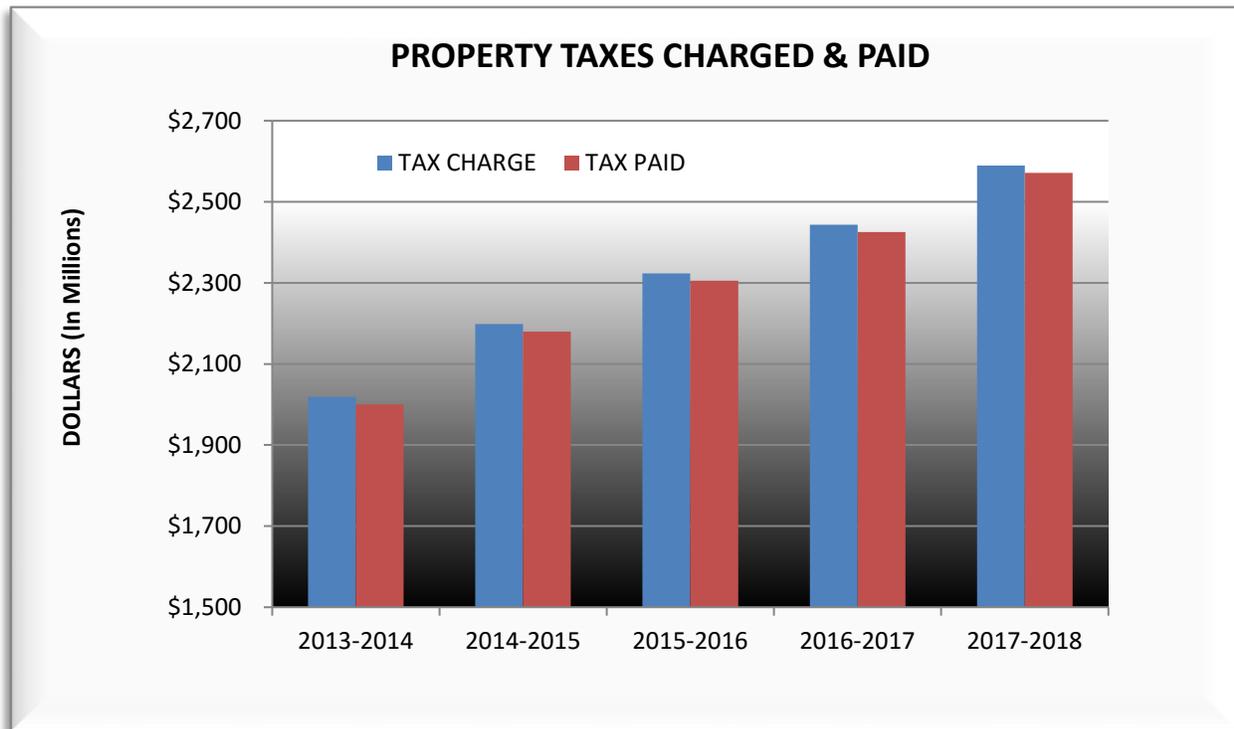


DEFAULTED SECURED AND SUPPLEMENTAL PROPERTY TAXES IN DOLLARS

(\$ In Thousands)	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Secured	21,204	20,633	20,020	20,211	22,761
Supplemental	1,632	1,820	2,915	3,420	3,542
Total	22,836	22,453	22,935	23,631	26,303

UNSECURED TAXES PERCENT PAID: COUNTY vs. STATE AVERAGE





SECURED PROPERTY TAX IN DOLLARS					
(\$ In Millions)	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
TAX CHARGE	2,018.9	2,198.7	2,323.3	2,443.5	2,589.1
TAX PAID	1,999.7	2,179.7	2,305.2	2,425.2	2,571.7

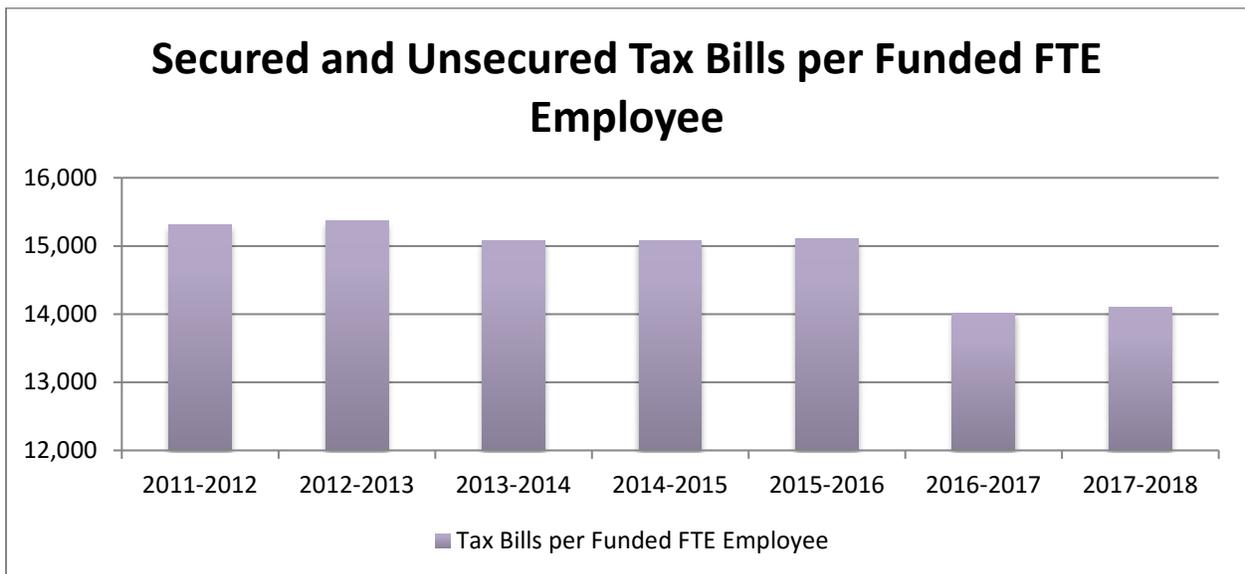
2. Indicators

1. The Tax Collector continues to outsource the collection of both personal and real property tax payments received by mail throughout the year with successful results. This system, designed around the concept of a “lockbox”, allows hundreds of thousands of tax documents including tax bills and associated checks to be quickly scanned and processed. This makes the information much more easily accessible and by multiple users simultaneously. Hundreds of millions of dollars in tax payments are being processed and deposited much more quickly, while images of the tax bills and corresponding payments are archived in an easily accessible “digital library.”
2. The Departments cashing system that processes tax payments delivered to the office in person by taxpayers is capable of accepting credit payments. The cashiers processed 25,857

walk-in transactions during Fiscal Year 2017-2018, totaling more than \$77.7 million of which 3,026 of those transactions were by credit card totaling \$2,179,694. This automated system allows our cashiers to quickly process payments and issue receipts while storing digital images of the tax bills and checks on our server for research and archival. The cashiering system makes a significant contribution to the collection, balancing, and reporting of tax payments while increasing efficiency.

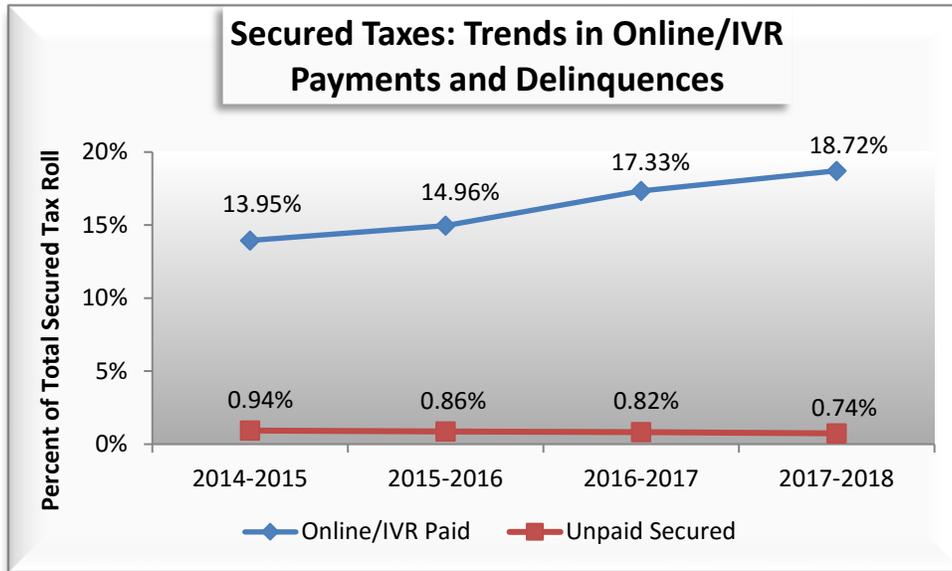
3. During Fiscal Year 2017-2018, employees of the Treasurer-Tax Collector’s Office processed in excess of \$2.6 billion in taxes related to 415,785 parcels and accounts. This represents an average of \$89.6 million in collections for each funded full-time employee. The average number of accounts serviced by each employee is approximately 14,094.

Year	Funded Full-Time Equivalent Employees	Secured and Unsecured Tax Bills	Tax Bills per Funded FTE Employee
2011-2012	27	413,534	15,316
2012-2013	27	415,023	15,371
2013-2014	27.50	414,675	15,079
2014-2015	27.50	414,793	15,083
2015-2016	27.50	415,566	15,111
2016-2017	29.50	413,552	14,019
2017-2018	29.50	415,785	14,094



4. Our intent is to give taxpayers the ability to pay their taxes “online”. We currently have a “Voice Response System” in place, which allows taxpayers automated access to their tax information by phone 24 hours per day, 7 days per week. This capability has been expanded to allow taxpayers

the option to make tax payments over the phone or online, using their credit cards, debit cards, or Electronic Check. 18 percent of the County’s secured tax roll was paid by utilizing these non-traditional payment options during Fiscal Year 2017-2018.

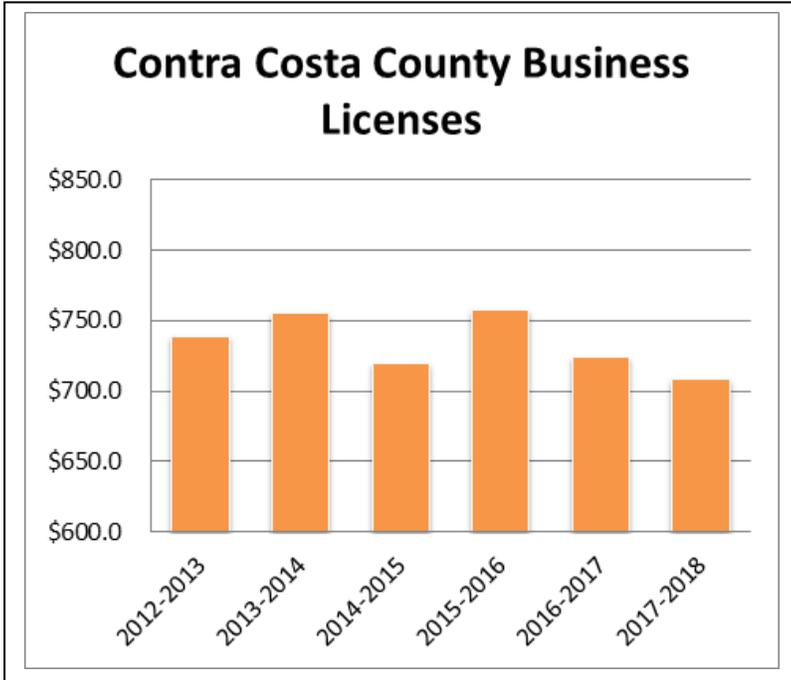


Year	Online/IVR Paid	Traditional Paid	Unpaid Secured	TOTAL
2014-2015	\$ 307,630,502	\$ 1,877,332,583	\$ 20,632,859	\$ 2,205,595,944
2015-2016	\$ 348,767,387	\$ 1,962,076,236	\$ 20,020,240	\$ 2,330,863,863
2016-2017	\$ 424,835,847	\$ 2,006,393,952	\$ 20,210,550	\$ 2,451,440,349
2017-2018	\$ 486,062,967	\$ 2,091,271,462	\$ 19,218,411	\$ 2,596,552,840

- The Department is continually expanding its web presence, providing taxpayers with a variety of information. In addition to accommodating electronic payments, there is an option to e-mail correspondence via our website to better serve the taxpayers and public more efficiently. As part of our effort to support a cleaner and healthier environment by taking advantage of today's technology, the Tax Collector's Office has implemented a free subscription service delivering Secured Property Tax bills and notifications by e-mail. The service is intended to eliminate the need to mail and/or receive “paper” tax bills and subsequent payments. Instead, taxpayers may receive and/or send tax payments electronically reducing costs while increasing efficiency.
- The department continues to provide information brochures that explain the answers to frequently asked questions about property taxes and fees the Tax Collector is responsible for collecting. These brochures are available at various locations throughout the county and on the Tax Collector’s web site and available in both English and Spanish.

C. BUSINESS LICENSE

Business license collections have fluctuated, on average, by 3.9% year-over-year since the noticeable decline following FY 2011-2012. We attribute these results to the aftereffects of the new great recession which led to the closure of many businesses resulting in the decline of annual business license renewals. Further analysis of the fluctuations include collaboration with the Department of Conservation and Development and outreach efforts combined with increased enforcement should yield positive results in the 2019-2020 Fiscal Year.



Contra Costa County Business License Collection	
Year	\$ Collection (in 1000s)
2012-2013	\$ 739.1
2013-2014	\$ 755.8
2014-2015	\$ 720.0
2015-2016	\$ 757.7
2016-2017	\$ 723.9
2017-2018	\$ 708.2

D. ADMINISTRATIVE SERVICES

1. The Department has achieved 100% compliance with the Board of Supervisors' mandate that at least once every three years all non-management County employees receive training in the recognition, prevention and/or remedy of discrimination. Likewise, all its management employees have attended the management program of "Preventing Discrimination and Sexual Harassment in the Workplace."

2. Provides employee development, personnel, payroll and fiscal administration, department clerical supervision and automated systems services.