

2023



Legislative Reference Bureau

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TREASURER

2023 Proposed Plan and Executive Budget Review

Prepared by: Alex Highley, Legislative Fiscal Analyst
Budget Hearing: 1:30 pm on Thursday, September 29, 2022



\$3,907,011

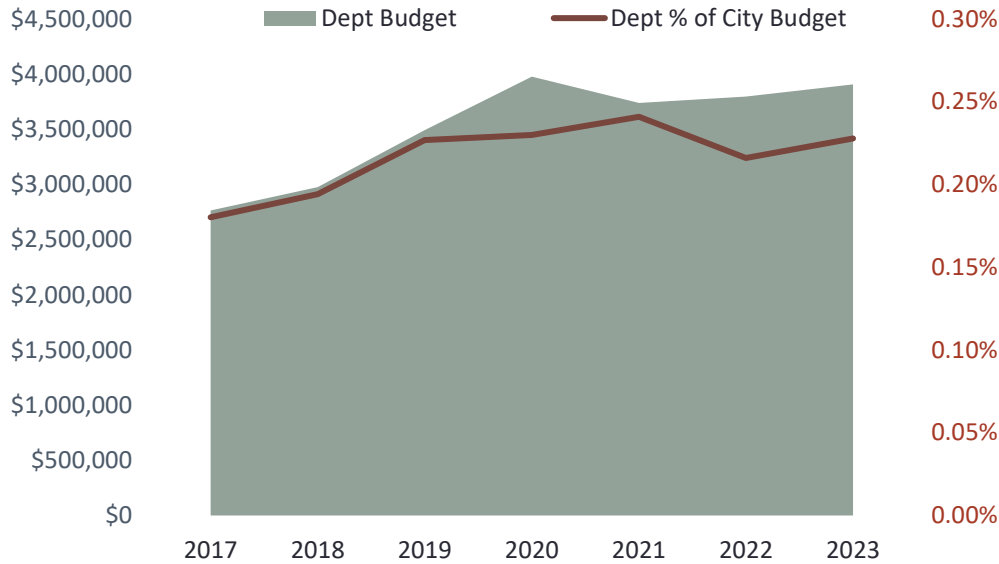
Proposed 2023 Budget

\$110,974

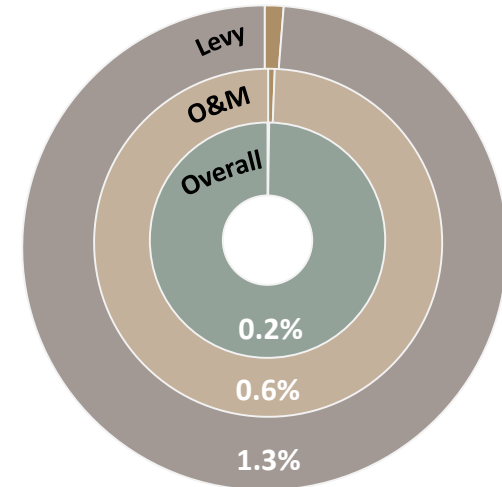
Change in Proposed Budget

2.9%

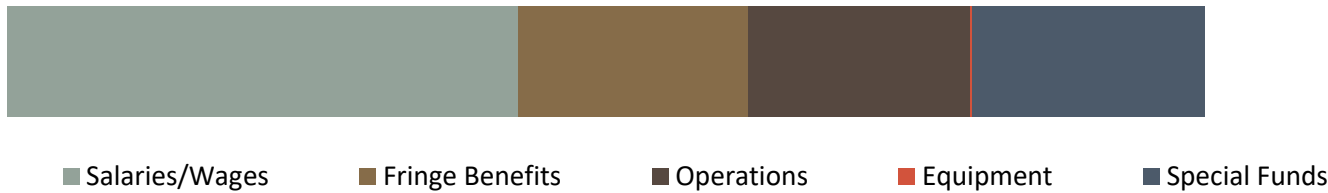
% Change in Proposed Budget



Departmental Budget Impact

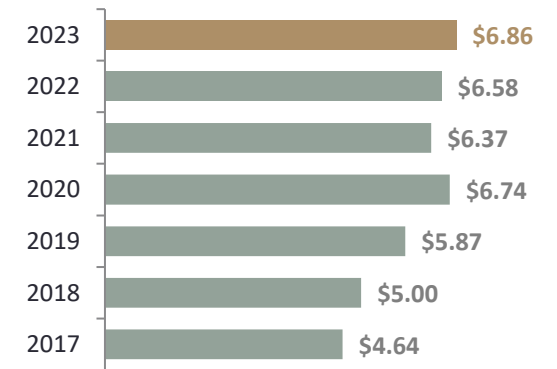


Departmental Budget Appropriation Category



	Salaries/Wages	Fringe Benefits	Operations	Equipment	Special Funds
\$	\$1,667,559	\$750,402	\$725,295	\$5,320	\$758,435
%	43%	19%	19%	0%	19%
Δ	-0.6%	-2.8%	13.1%	86.3%	8.1%

Budget per Capita



\$3,968,746

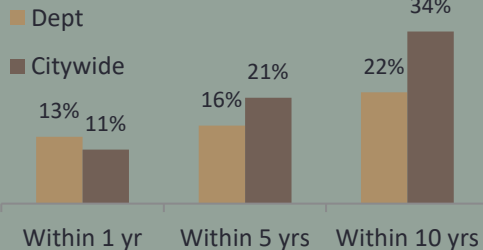
Requested Budget

\$61,735 (1.56%) more than
Proposed Budget

0.597%

Expected cost of property tax collection as a percentage of property taxes collected. This cost is down from a 2022 projected cost of 0.6196%.

Retirement Eligible



-5

Change in Positions

-10.0%

% Change in Positions

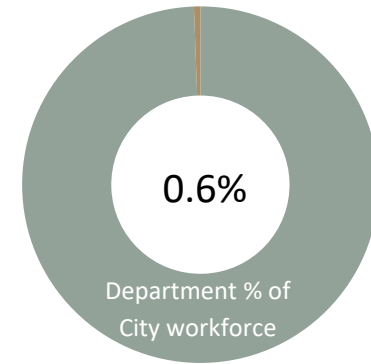
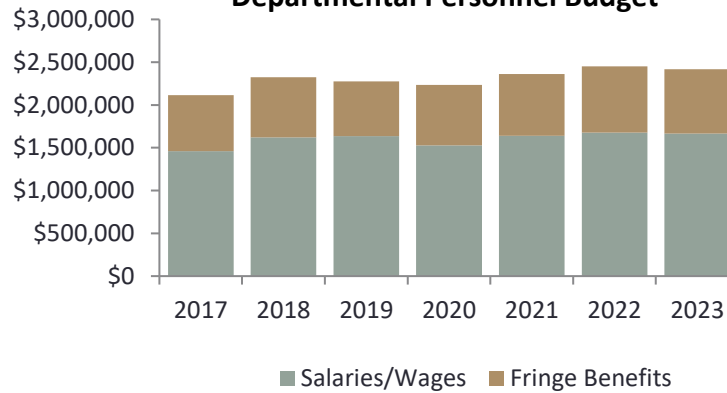
0

Current Vacancies

0

Voluntary Separations

Departmental Personnel Budget



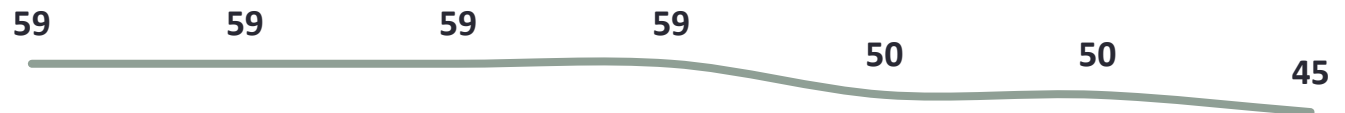
Staffing Vacancy

For the first time in several years, the Treasurer's Office does not have any staff vacancies.

Staffing Cut of Temp. Customer Service Rep. I

In order to achieve budget savings, the department will cut 5 Temporary Customer Service Representative I positions.

This reduction from 20 positions in 2022 to 15 positions in 2023 will result in a cost savings of \$19,866.



**Department Positions
2017-2023**

+\$84,020

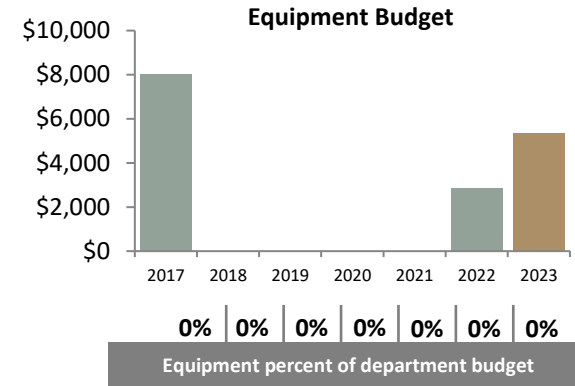
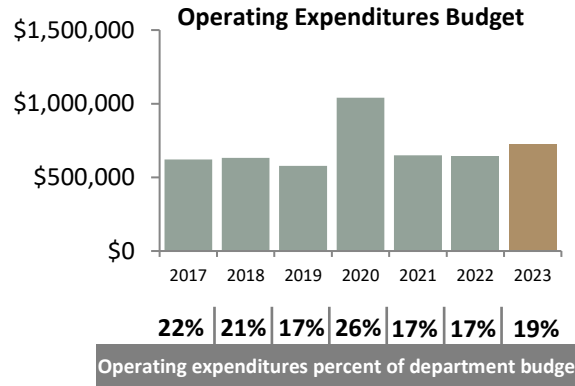
Increase in Operations costs for the department, up 13.1% from the amount allocated in 2022.

\$1,754,000

Increase in department's revenue, attributable to interest on general fund investments.

\$850 million

Expected dollar amount of total property taxes to be collected in 2023, which is up by \$60 million, or 7.6% from 2022.



Revenue

Areas of revenues estimated for 2023:

- Licenses – Dog and Cat \$86,000
- Charges for Services \$121,000
- Miscellaneous – Interest on Investment \$2,542,000
- Total Department Revenues \$2,749,000**

**2023 revenues up \$1,754,000 or 176% from 2022*

Special Purpose Account

In 2020, the Treasurer’s Office began using a \$1.25 million Citywide Collection Contract managed by the Department of Administration to cover the Treasurer’s Office’s legal costs. This had previously been funded at \$625,000 through a Special Purpose Account.

The Citywide Collection Contract will continue to be funded at \$1.25 million in 2023.

Grants & Aids

This department receives no grant funding.

Capital Requests

There are no capital requests for this department.

Special Funds

- Information Systems \$18,300
 - Increased by \$14,300, or 357.5%, from 2022
- Property Tax Collection Forms \$15,730
 - Increased by \$95, or 0.6%, from 2022
- Information Technology Services \$724,405
 - Increased by \$42,685, or 6.3%, from 2022

\$3,125,000

Planned 2023 total investment revenue realized on short-term pooled cash investments, an increase of \$2,930,000 from 2022.

Total balance of the cash investments is projected to be \$250 million, up \$55 million from 2022.

\$687,500

Planned 2022 total investment revenue realized on long-term pooled cash investments, a decrease of \$292,500 from 2022.

Total balance of the cash investments is projected to be \$25 million, down \$15 million from 2022.

18,246

Delinquent real estate tax accounts as of September 2022, down 1,972 or 9.8% from September 2021.

Munis Property Tax Collection System Update

Since implementing a new property tax collection system in 2017, the City also runs System Innovator's iNovah application cashiering system in tandem with Munis. As of September 2022, an interface between Munis and the iNovah system is being tested but has not yet been activated. Once the interface is initiated, tellers' daily uploads between the systems will be eliminated.

2022 Audit of Munis Vendor Management System

In February 2022, the Comptroller's Office completed an Audit of the Munis Tax Collection system. The audit concluded that internal controls related to the Monitoring and Issue Resolution components of Vendor Management processes and entities using the Munis application were suitably designed and operating effectively for the period under audit. The report notes that the department's oversight and interaction with the vendor is diligent and effective, and noted that the department took many steps to protect City data following a ransomware attack in September 2020.

The Treasurer's Office has begun taking action to address the report's three recommendations:

1. Perform quarterly reviews of reconciled and validated system data to evaluate vendor performance applied to the guarantee committed to in the existing agreement.
2. Designate an IT Support person responsible for ensuring accurate and timely recording of the date an issue is closed.
3. Define service level guarantees with measureable criteria using agreed upon reliable and relevant supporting information that are substantive to the relationship, incorporating them into the contract.

Operations Cost and Special Fund Increases

In 2023, the Treasurer's Office general office expenses are set to jump by \$104,210, although the office's overall operations costs will go up by just \$84,020. This rise is in part attributable to increases of \$65,620 and \$18,790 to tax bill and receipt postage and mail room postage, respectively, based on 2021 experience plus an anticipated postal rate increase of 6.75%. Meanwhile, expenses for printed forms will rise by \$14,715 due to experience from 2021 and the Congressional Budget Office's inflation factor of 4.86%.

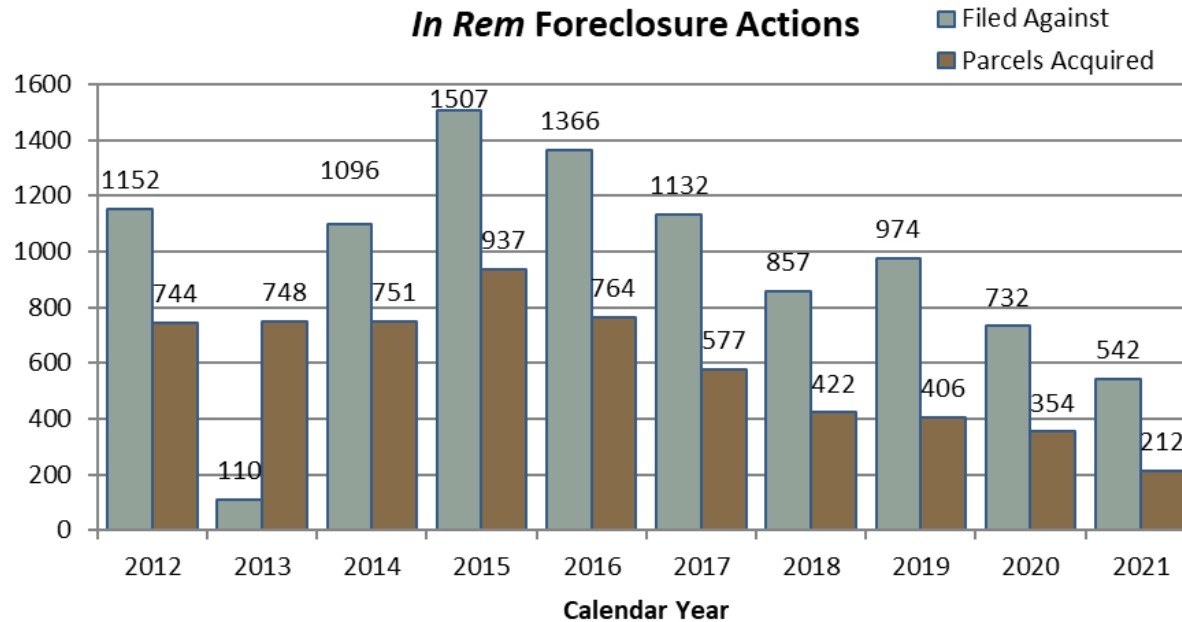
Special Funds for the department will increase by \$57,080, in part due to the rising cost of Tyler Technologies' Munis system support by \$23,400, or 58.5%, and the increased cost for Tyler Technologies' hosting and cloud services of \$17,615, or 3%, in 2023.

Changes in Treasurer Department Revenue, Pooled Cash Investment Revenue, and Pooled Cash Balances

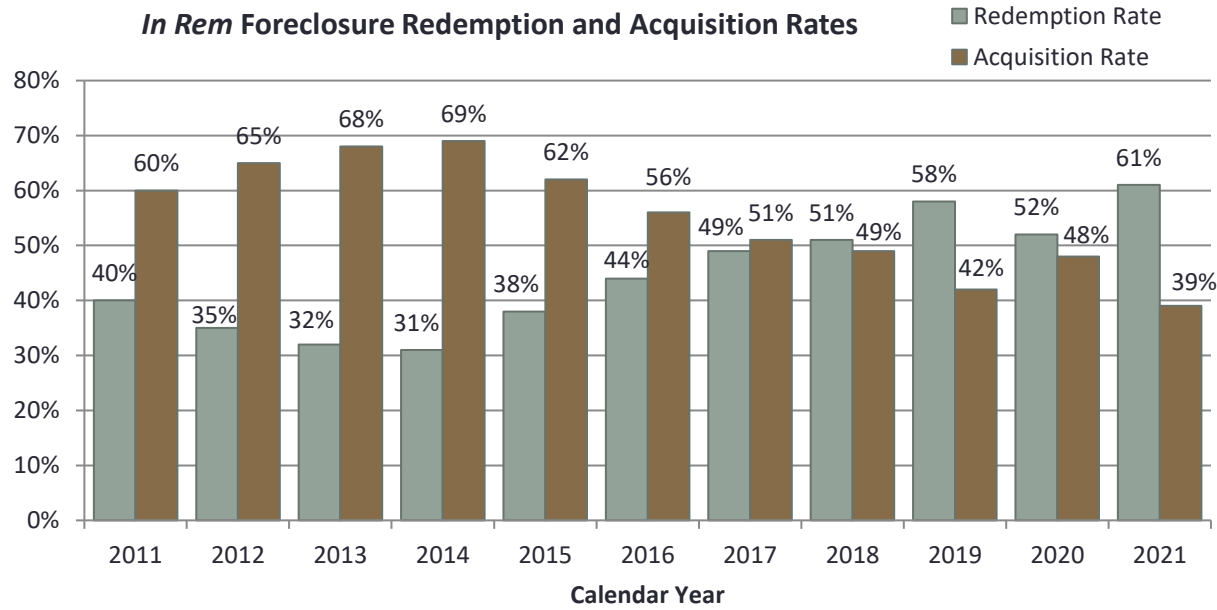
Between 2021 and 2022, the Treasurer’s Office revenues increased by \$814,847, and revenues from short- and long-term pooled cash investments increased by \$7,066 and \$266,876, respectively. In 2023, revenues from short-term pooled cash investments are expected to rise by \$2.93 million, and long-term pooled cash investments are expected to drop by \$292,500.

Due in part to rising interest rates, Public Debt Amortization Fund revenue is expected to rise from \$391,667 in 2022 to \$1,270,834 in 2023. Under Wisconsin Statutes, one-third of all interest on pooled cash and investments is allocated to the Public Debt Amortization Fund.

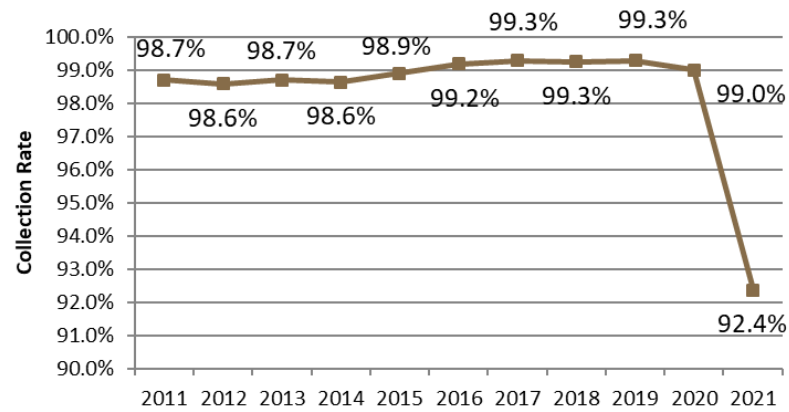
In 2023, the overall daily short-term pooled cash investment balance is predicted to increase by 28.2% to \$250 million, with the rate of return remaining at 1.25%. Meanwhile, the average overall daily long-term pooled cash investment balance is expected to decrease by 37.5% to \$25 million in 2023, with the estimated rate of return dropping from 3% to 2.75% to account for the decline in the market value of investment holdings due to the rising interest rates.



In Rem Foreclosure Redemption and Acquisition Rates



Property Tax Collection Rates



*Collection cycles not completed for 2019, 2020 or 2021.