

2021



Legislative Reference Bureau

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TREASURER

2021 Proposed Plan and Executive Budget Review

Prepared by: Alex Highley, Legislative Fiscal Analyst
Budget Hearing: 11:00 am on Friday, October 2, 2020



\$3,784,020

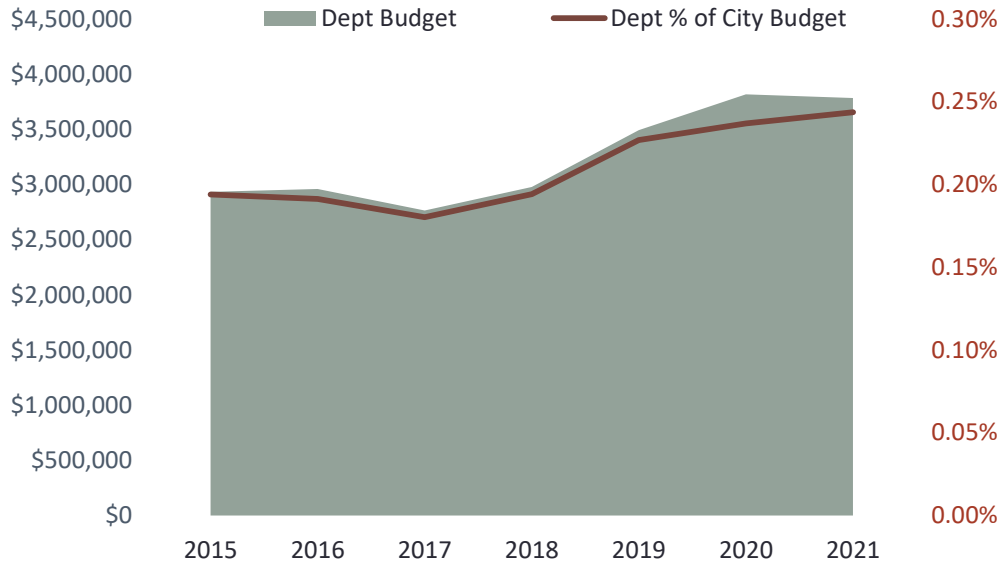
Proposed 2021 Budget

-\$33,575

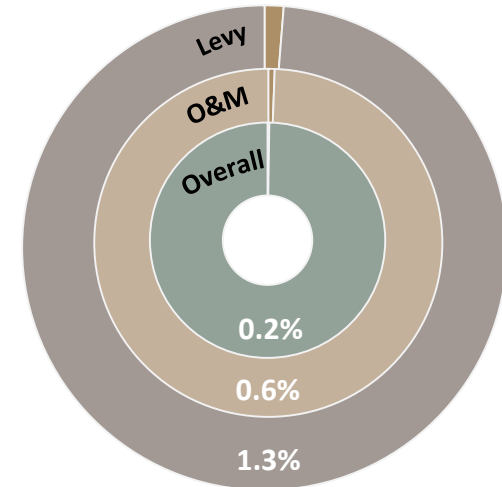
Change in Proposed Budget

-0.9%

% Change in Proposed Budget



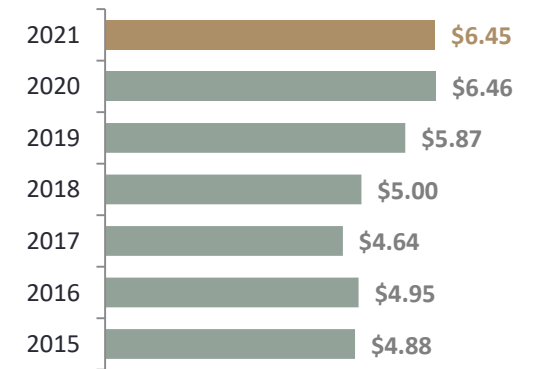
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



	Salaries/Wages	Fringe Benefits	Operations	Equipment	Special Funds
\$	\$1,655,288	\$761,432	\$666,030	\$0	\$701,270
%	44%	20%	18%	0%	19%
Δ	-1.3%	13.5%	-9.4%	0.0%	-4.5%

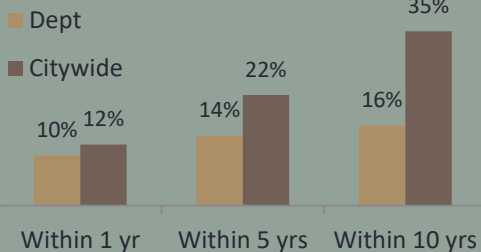
\$68,093

Increase in Salaries/Wages and Fringe Benefits for the department, up 2.9% from the amount allocated in 2020.

0.3815%

Expected cost of property tax collection as a percentage of property taxes collected. This cost is up 9% from a 2020 projected 0.3486%.

Retirement Eligible



0

Change in Positions

1

Current Vacancies

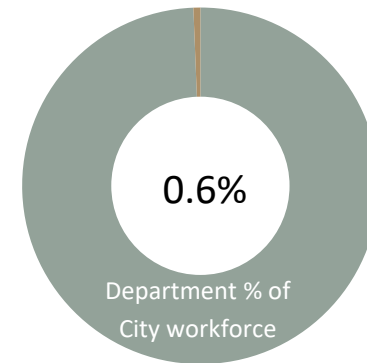
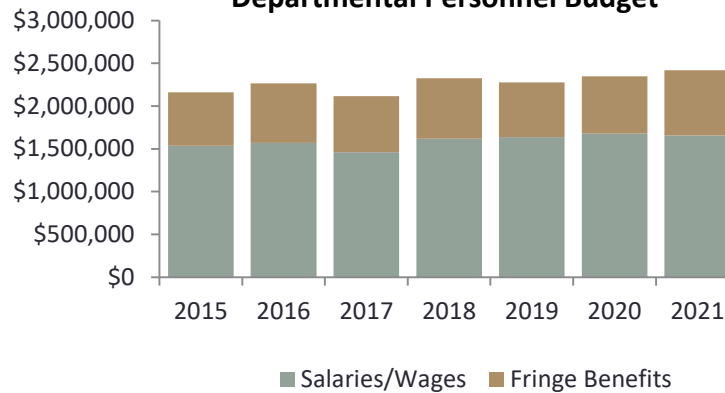
0.0%

% Change in Positions

1

Voluntary Separations

Departmental Personnel Budget

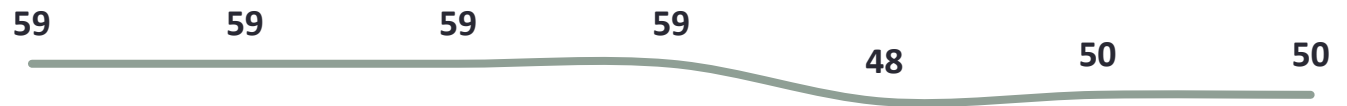


Staffing Vacancy

The department has one vacancy for Teller – Bilingual (Spanish) and is in the process of filling the position.

Staffing Change

There will be a reduction of hours for the equivalent of 2.11 full time positions for the Temporary Customer Service Representative I.



**Department Positions
2015-2021**

-\$68,938

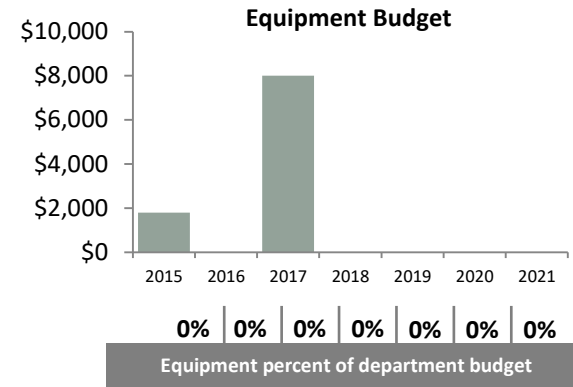
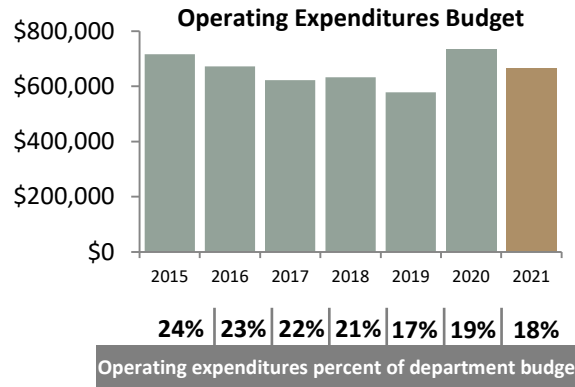
Decrease in Operations costs for the department, down 9.4% from the amount allocated in 2020.

-\$32,730

Decrease in total Special Funds, down 4.5% from the amount allocated in 2020.

\$790 million

Expected dollar amount of total property taxes to be collected in 2021, down \$20 million from 2020.



Revenue

Areas of revenues estimated for 2020:

- Licenses – Dog and Cat \$99,000
 - Charges for Services \$126,000
 - Miscellaneous – Interest on Investment \$615,000
- Total Department Revenues \$840,000**

**2021 revenues down \$1.984 million or 70.3% from 2020*

Grants & Aids

This department receives no grant funding.

Capital Requests

There are no capital requests for this department.

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 2021.

Special Funds

- Information Systems \$6,600
 - Decreased by \$9,400, or 58.8%, from 2020
- Property Tax Collection Forms \$16,575
 - Decreased by \$425, or 2.5%, from 2020
- Information Technology Services \$678,095
 - Decreased by \$22,905, or 3.3%, from 2020

\$156,000

Planned 2021 General Fund investment revenue realized on short-term pooled cash investments, a decrease of 92.4% from 2020. Total balance of the cash investments is currently \$167.2 million.

\$459,000

Planned 2021 General Fund investment revenue realized on long-term pooled cash investments, a decrease of 46.1% from 2020. Total balance of the cash investments is currently \$68.8 million.

21,477

Current delinquent real estate tax accounts, up 762 or 3.6% from October 2019.

Munis Property Tax Collection System Update

The City Treasurer's Office implemented a new property tax collection system in December 2017. The contract services from Tyler Technologies – Munis Tax Collection System offer automated real estate and property tax billing and collections to allow taxpayers to make electronic payments year-round, and electronic billing and delinquency records are provided through the system. Moreover, tellers no longer need to print duplicative property tax bills for taxpayers and can instead retrieve electronic property tax information using Munis, while a search function allows taxpayers to submit their parcel ID or address to access tax information online. The City is now in its third year of a five year contract with Tyler Technologies.

The City also runs System Innovator's iNovah application cashiering system in tandem with Munis. As of October 2020, a planned interface between Munis and the iNovah system has not yet been activated. As a result, tellers perform some of the same functions in both the Munis system and the iNovah systems separately, including looking up tax accounts and posting tax payments, causing some inefficiency. The interface is planned to be tested in October 2020, and if the test runs smoothly, the interface will be implemented for the current collection period.

In July 2018, the Comptroller's Office published an Audit of City Treasurer Cash Controls, recommending that the Treasurer's Office strengthen its written policies and procedures for collecting revenue. Pursuant to the recommendations, policies and procedures for the current collection method have been documented; however, the department is waiting for the iNovah interface to become activated before developing a list of instructions for the future collection process. The Comptroller's Office plans to perform an audit through an outside consultant of the Munis system's application controls in the fourth quarter of 2020.

Decreases in Treasurer Department Revenue and Pooled Cash Investment Revenue

Department revenues are expected to decrease by \$1.984 million from 2020 to 2021. Moreover, revenues for short and long-term pooled cash investments are expected to decrease by 92.4% and 46.1%, respectively. Because the Federal Reserve has set low interest rates between 0 and 25 basis points, the City expects rates of return that are lower than normal. Low interest rates also explain why the Public Debt Amortization Fund revenue realized on pooled cash investments is expected to decline from \$1,450,833 in 2020 to \$563,575 in 2021, which represents a 61.2% decrease. Despite these low revenue predictions, overall cash balances for the short- and long-term pooled cash investments are expected to stay stable in 2021.

Waiving penalties and interest

Due to the COVID-19 pandemic and the accompanying economic crisis, the Common Council, with the support of the Treasurer’s Office, recently passed legislation waiving all penalties and interest on late property taxes from April 2020 through September 2020. However, due to statewide legal constraints, the City continued to charge penalties and interest on delinquent property taxes that were due prior to April 1, 2020.

This temporary forgiveness program will likely have some impact on revenues collected: between May and October 2019, the City collected \$855,288 in interest and penalties on unpaid property taxes.

Decrease in Operating Costs and Special Funds

For operations, the department plans to save over \$57,000 on lock box contracts due to new contract pricing, and over \$6,000 in banking services and nearly \$14,000 in postal and mailing services, both due to efficiencies from the department’s 2019 experience and an inflation factor of 5.16%.

For special funds, the department will not replace computer workstations in 2021, and will save \$12,000 compared to 2020. Also, the department’s 2021 expenditure allowance is eliminated for performing system changes to Munis, saving the department over \$24,000 compared to 2020.

