

074 - TREASURER-TAX COLLECTOR

Operational Summary

Mission:

To provide efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts.

Strategic Goals:

- Manage and preserve the investment of all service recipient funds.
- To collect all property taxes for service recipients in accordance with applicable laws.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 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.	Interest rates remained at record lows. The Orange County Investment Pool was consistent with the 90-day US T-Bill.	Increase participants' earnings during the fiscal year.	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%).	A study will be done to determine if the administration fee should remain at 11.25 basis points (i.e., 0.1125%).	On target.
RATING OF INVESTMENT POOLS. What: Maintain highest rating. Why: To assure safest money market practices are being followed.	The Commingled and the Educational Investment Pools retained their highest credit ratings. Moody's: Aaa MR1; Fitch: AAA/V1+	Invest conservatively to maintain the investment pools credit ratings of: Moody's: Aaa MR1; Fitch: AAA/V1+	On 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 maximize collections in property taxes for service recipients and County General Fund.	Collection percentage ratings for Secured and Unsecured taxes exceeded state median. The County of Orange maintained its Secured tax collection ranking of 3rd in the state, with a collection of 98.8%. And the Unsecured tax collection ranking was 12th in the state, with a collection of 97.5%.	To continue to exceed the state median.	On target.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	14,133,509
Total Recommended FY 2006-2007	15,275,410
Percent of County General Fund:	0.52%
Total Employees:	95.00



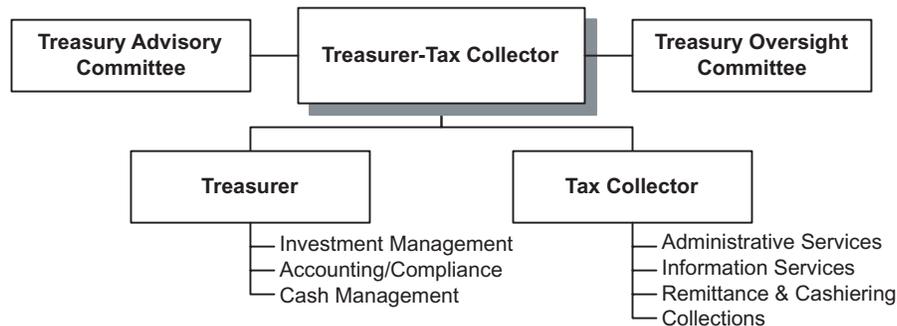
Key Outcome Indicators: (Continued)

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	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 13% to 20% and the number of transactions paid electronically increased from 5% to 7%.	To increase electronic payments of taxpayers with tax liabilities equal to or greater than \$25,000.	On target.

FY 2005-06 Key Project Accomplishments:

- Added the City of San Clemente as a voluntary participant in the Orange County Investment Pool.
- Completed the implementation of the Controlled Disbursements program for the Department of Education.
- Completed the development of an efficient and advanced refund release method by enhancing our refund who-paid names and addresses databases of title companies, banks and lending institutions, and utilized for comparison and match to automate the process.
- Designed and implemented a unique portfolio strategy that accommodates County funds with long-term liabilities. Treasurer-Tax Collector staff met with several agencies to discuss the use of long-term investment portfolios to plan for their long-term liabilities. And the Children and Families Commission of Orange County recently funded the first of these portfolios.
- Mobile Home Tax Clearance Certificates made available on-line, at the Treasurer-Tax Collector website.
- 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, depository, investment and recording of funds for the County, school districts and special districts. Responsibilities also include issuance of short-term debt on behalf of the County and school districts. In addition, this office acts as trustee in connection with unclaimed property and is responsible for the issuance, billing, collection, redemption and foreclosure of improvement bonds.



Investment Management: Provide portfolio management, broker/dealer relations, investment/economic research, and 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.

Accounting/Compliance: Provide financial reporting, fund accounting, general ledger reconciliations, bank reconciliations, investment accounting and 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.

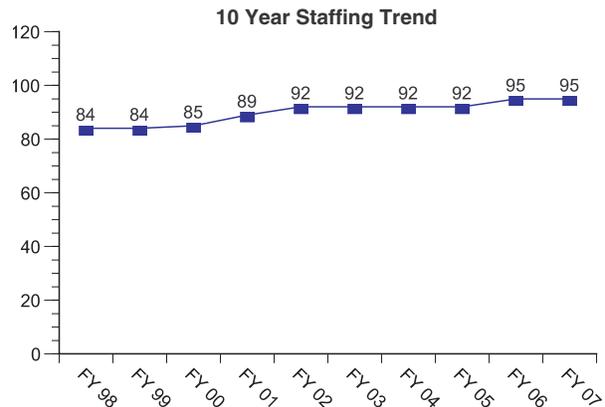
Collections: Provide centralized tax compliance services for Delinquent Unsecured tax collections, Prior Year Secured property tax collections, Public Defender judgment collections, public information services, property tax problem payment processing and general correspondence.

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

Administrative Services: Provide tax roll reconciliations, purchasing, contract administration, human resources, payroll services, budget, facility operations, telephone and network services for the Treasurer and Tax Collector Offices.

Information Technology: Provide systems development and maintenance support for numerous Treasurer-Tax Collector applications required for the depositing, accounting and collecting of funds.

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 over 812,000), 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 2006 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) Decrease in Salaries & Employee Benefits by (\$3,588) b) Increase in Services & Supplies by \$1,105,017, which is primarily due to increased costs for Data Processing Services and a one-time cost for the Quantum (SunGard) License Perpetual Renewal Fee.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Amount	Percent
Total Positions	95	95	95	95	0	0.00
Total Revenues	8,766,137	10,507,422	8,701,345	10,187,277	1,485,932	17.08
Total Requirements	12,342,418	14,234,217	14,156,353	15,275,410	1,119,057	7.90
Net County Cost	3,576,281	3,726,795	5,455,008	5,088,133	(366,875)	-6.73

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 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 A84

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 investment, cash management and property tax collection services.

Budget Units Under Agency Control:

No.	Agency Name	Treasurer-Tax Collector	Treasurer	Tax Collector	Total
074	Treasurer-Tax Collector	401,637	6,115,362	8,758,411	15,275,410
107	Remittance Processing Equipment Replacement	100,836	0	0	100,836
	Total	502,473	6,115,362	8,758,411	15,376,246

074 - Treasurer-Tax Collector

Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Fines, Forfeitures & Penalties	\$ 6,616	\$ 7,400	\$ 1,768	\$ 1,716	\$ (52)	-2.94%
Intergovernmental Revenues	606,385	627,400	674,488	721,400	46,912	6.96
Charges For Services	8,060,321	9,800,622	7,926,762	9,390,161	1,463,399	18.46
Miscellaneous Revenues	92,815	72,000	98,327	74,000	(24,327)	-24.74
Total Revenues	8,766,137	10,507,422	8,701,345	10,187,277	1,485,932	17.08
Salaries & Benefits	6,185,782	6,825,030	6,503,483	6,684,075	180,592	2.78
Services & Supplies	6,703,308	7,918,782	8,303,738	9,363,489	1,059,751	12.76
Services & Supplies Reimbursements	(165,274)	(357,265)	(122,056)	(397,888)	(275,832)	225.99
Fixed Assets	40,013	122,000	10,042	70,000	59,958	597.09
Other Financing Uses	0	200,000	0	0	0	0.00
Intrafund Transfers	(421,410)	(474,330)	(538,854)	(444,266)	94,588	-17.55
Total Requirements	12,342,418	14,234,217	14,156,353	15,275,410	1,119,057	7.90
Net County Cost	\$ 3,576,281	\$ 3,726,795	\$ 5,455,008	\$ 5,088,133	\$ (366,875)	-6.73%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 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 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Charges For Services	\$ 1,301,775	\$ 418,399	\$ 275,671	\$ 314,752	\$ 39,081	14.18%
Miscellaneous Revenues	5,077	0	0	0	0	0.00
Total Revenues	1,306,852	418,399	275,671	314,752	39,081	14.18
Salaries & Benefits	548,863	371,979	354,825	343,739	(11,086)	-3.12
Services & Supplies	568,127	50,513	43,424	56,143	12,719	29.29
Fixed Assets	1,211	495	20	1,756	1,736	8,680.00
Total Requirements	1,118,200	422,987	398,269	401,638	3,369	0.85
Net County Cost	\$ (188,652)	\$ 4,588	\$ 122,598	\$ 86,886	\$ (35,712)	-29.13%

Proposed Budget Summary of Treasurer:

Revenues/Appropriations	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Intergovernmental Revenues	\$ 606,385	\$ 627,400	\$ 674,488	\$ 721,400	\$ 46,912	6.96%
Charges For Services	5,689,893	4,598,837	3,163,562	5,349,661	2,186,099	69.10
Total Revenues	6,296,278	5,226,237	3,838,050	6,071,061	2,233,011	58.18
Salaries & Benefits	1,203,130	1,236,158	1,194,574	1,310,247	115,673	9.68
Services & Supplies	3,081,365	3,769,933	4,311,094	5,250,593	939,499	21.79
Services & Supplies Reimbursements	(150,834)	(184,350)	(62,981)	(213,600)	(150,619)	239.15
Fixed Assets	12,834	59,307	7,463	13,192	5,729	76.77
Other Financing Uses	0	200,000	0	0	0	0.00
Intrafund Transfers	(242,392)	(269,920)	(306,638)	(255,683)	50,955	-16.62
Total Requirements	3,904,103	4,811,128	5,143,511	6,104,749	961,238	18.69
Net County Cost	\$ (2,392,175)	\$ (415,109)	\$ 1,305,461	\$ 33,688	\$ (1,271,773)	-97.42%

Proposed Budget Summary of Tax Collector:

Revenues/Appropriations	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Fines, Forfeitures & Penalties	\$ 6,616	\$ 7,400	\$ 1,768	\$ 1,716	\$ (52)	-2.94%
Charges For Services	1,068,653	4,783,386	4,487,529	3,725,748	(761,781)	-16.98
Miscellaneous Revenues	87,737	72,000	98,327	74,000	(24,327)	-24.74
Total Revenues	1,163,006	4,862,786	4,587,624	3,801,464	(786,160)	-17.14
Salaries & Benefits	4,433,789	5,216,893	4,954,084	5,030,089	76,005	1.53
Services & Supplies	3,053,816	4,098,336	3,949,221	4,056,753	107,532	2.72
Services & Supplies Reimbursements	(14,440)	(172,915)	(59,075)	(184,288)	(125,213)	211.96
Fixed Assets	25,968	62,198	2,559	55,052	52,493	2,051.31
Intrafund Transfers	(179,018)	(204,410)	(232,216)	(188,583)	43,633	-18.79
Total Requirements	7,320,115	9,000,102	8,614,573	8,769,023	154,450	1.79
Net County Cost	\$ 6,157,109	\$ 4,137,316	\$ 4,026,949	\$ 4,967,559	\$ 940,610	23.36%