

# Treasurer-Tax Collector

## RECOMMENDED BUDGET • FY 2023-24

### MISSION

The Treasurer-Tax Collector Department’s mission is to effectively manage the financial resources of El Dorado County within our purview, through efficient collections, daily banking, safe and sound investments, and exceptional public service.

### DEPARTMENT BUDGET SUMMARY

Description	FY 2021-22 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
License, Pmt, Fran	616,698	529,600	590,000	60,400
Fines & Penalties	63,210	56,000	58,000	2,000
Service Charges	866,825	845,265	903,507	58,242
Miscellaneous Rev	184,596	256,000	262,560	6,560
Other Fin Sources	146,319	163,788	140,252	(23,536)
<b>Total Revenue</b>	<b>1,877,648</b>	<b>1,850,653</b>	<b>1,954,319</b>	<b>103,666</b>
Salaries & Benefits	2,544,841	2,852,120	3,051,917	199,797
Services & Supplies	467,797	715,890	669,839	(46,051)
Other Charges	6,330	0	0	0
Fixed Assets	8,848	10,500	0	(10,500)
Other Fin Uses	1,802	5,000	5,000	0
Intrafund Transfers	21,446	18,019	1,700	(16,319)
Intrafund Abatement	(393,161)	(474,300)	(476,050)	(1,750)
<b>Total Appropriations</b>	<b>2,657,904</b>	<b>3,127,229</b>	<b>3,252,406</b>	<b>125,177</b>
<b>FUND 1000 GENERAL FUND TOTAL</b>	<b>780,256</b>	<b>1,276,576</b>	<b>1,298,087</b>	<b>21,511</b>

### MAJOR BUDGET CHANGES

#### Revenue

##### *Licenses, Permits, and Franchise Fees*

\$60,400      Increase in Business License revenue based on projected increases calculated with prior three years’ actuals.

##### *Service Charges*

\$32,242      Increase in Investment and Cash Management fees based on the projected cost of the bank services contract and treasury staff costs.

\$23,000      Increase in Assessment and Tax Collection fees based on prior year actuals.

\$3,000      Increase in Interfund Collections due to a projected increase in collection fees.

##### *Miscellaneous Revenues*

\$6,560      Increase in Miscellaneous Revenue due to projected increases in actual receipts from lien filing fees, returned check fees and annual tax sale fees.

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### *Other Financing Sources*

(\$23,536) Decrease in Operating Transfers In due to a reduction in administrative fees for the separate assessment of timeshares allocated to the Tax Collection Division.

### Appropriations

#### *Salaries and Benefits*

\$200,000 Increase in Salaries and Benefits due to the addition of 1.0 FTE Accounting Division Manager to manage financial risk and financial compliance within the department.

\$85,487 Increase in Salaries and Benefits costs due to Board-approved compensation increases.

(\$37,499) Decrease in Temporary Employee and Overtime costs due to efficiencies created in tax collection and increased use of online tax payments.

(\$30,059) Decrease in Other Compensation costs related to retirements that took place in FY 2022-23.

(\$18,132) Decrease in Workers' Compensation premium charges as the Department's share of overall County claims incurred has decreased from prior years decreasing their Liability insurance premium expense.

#### *Services and Supplies*

\$5,034 Increase in General Liability insurance premium expense as the Department's share of overall County claims incurred has increased from prior years increasing their Liability insurance premium expense.

\$4,615 Increase due to adjustments in multiple objects to align with actual costs.

(\$15,000) Decrease in Legal Services costs due to a legal services contract no longer being used in FY 2023-24.

(\$40,700) Decrease in Software costs due to the elimination of a software product from the suite of products used.

#### *Fixed Assets*

(\$10,500) Decrease in Fixed Assets due to no anticipated need for items costing over \$5,000 in FY 2023-24.

#### *Intrafund Transfers*

(\$16,319) Decrease in Mail and Stores Intrafund Transfer due to a change in budgeting methodology wherein the charges will instead be reflected in the Countywide Cost Allocation Plan.

## PROGRAM SUMMARIES

### *Administration Division*

This Division is responsible for the oversight set forth in State Law and the County Policies to manage the County's Treasury, Tax Collection and Revenue Recovery. The primary administrative function is to develop and implement policies, procedures, and forms. Other administrative duties include but are not limited to the preparation of the Departmental budget, HR, Payroll, Procurement and Contracts, Facilities and IT Coordination, Public Relations and website enhancements that improve the customer's experience.

### *Treasury Division*

This Division receives and accounts for over one billion dollars in annual deposits and is responsible for the internal controls safeguarding those deposits. Additionally, the Division projects daily liquidity requirements for the County, schools and outside agencies through analysis of current and historical data to ensure sufficient funds are available for cash flow needs. Funds in surplus of daily cash flow needs are prudently invested in accordance with the County Investment Policy in interest-earning instruments until needed.

### *Tax Collection Division*

This Division's priorities are to manage the processing, collecting, depositing and accounting of tax receipts while providing exceptional customer service to the public. Other priorities include accounting for defaulted taxes and transfers of delinquent amounts to the defaulted tax rolls. The Tax Collector Division administers both the Transient Occupancy Tax and the Business License Ordinances. Finally, the Tax Collector Division conducts the Annual Public Auction Tax Sale.

### *Revenue Recovery Division*

The Revenue Recovery Division is responsible for the enforcement of Board Policy B-4 Collections – Recovery of Public Funds. This Division works to collect debts owed to some County Departments.

## BUDGET SUMMARY BY PROGRAM

	<b>Appropriations</b>	<b>Revenues</b>	<b>Net County Cost</b>	<b>Staffing</b>
Administration	\$ 929,829	\$ -	\$ 929,829	4.1
Tax Collection	\$ 1,461,714	\$ 1,148,812	\$ 312,902	12.5
Treasury Division	\$ 781,557	\$ 781,557	\$ -	4.1
Revenue Recovery	\$ 79,306	\$ 23,950	\$ 55,356	0.8
<b>Total</b>	<b>\$ 3,252,406</b>	<b>\$ 1,954,319</b>	<b>\$ 1,298,087</b>	<b>21.5</b>

## STAFFING TREND

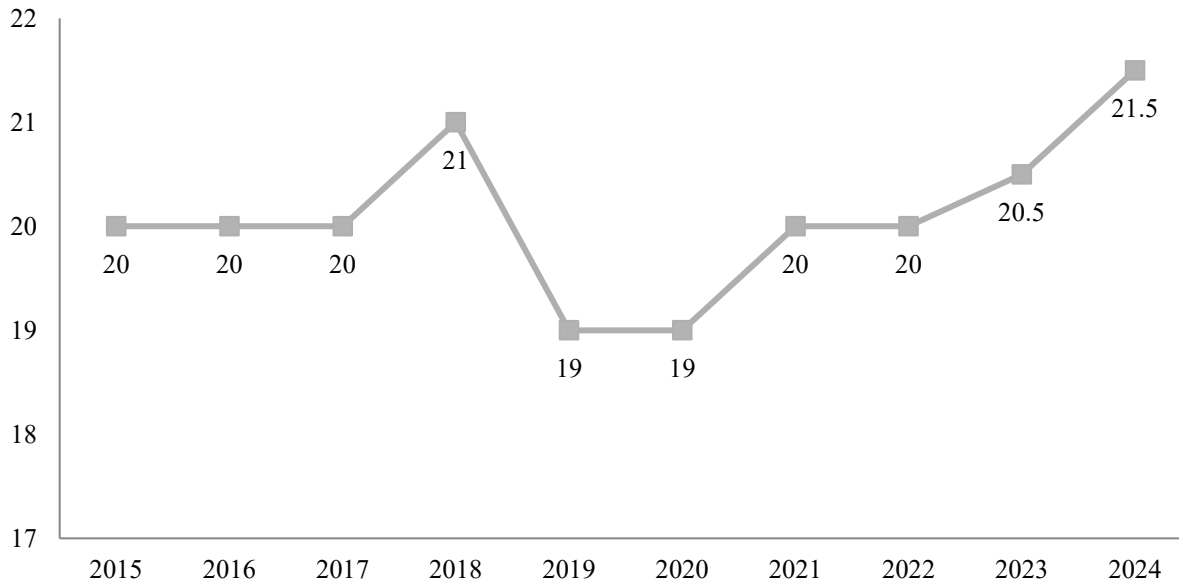
Staffing for the Treasurer-Tax Collector Department has remained fairly flat over the last 10 years. For FY 2023-24, the addition of 1.0 FTE Accounting Division Manager is proposed in order to better manage financial risk and financial compliance. Oversight of risk and compliance have significantly changed and increased in the Department due to the growth in Collections and the Investment Pool over the last four years. As Tax Collections and the Investment Pool increase, there is an increase in activities to mitigate risk and maintain compliance with policies and internal controls. Risk mitigation and compliance activities impact the

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Administration, Tax Collection, and Treasury Divisions of the Department and require a proactive approach with all County Departments, County Schools, County Agencies and Courts. This position is critical to help bridge management workload demands and peak periods and will further the Department's succession plan with upcoming retirements at the management level. The cost of this position is partially offset by increased cash management fee revenue (\$66,300), which is roughly 33% of the anticipated total cost. The Department also reduced Temporary Employees, Overtime, and Other Compensation by \$87,500 to reduce the impact on the General Fund. The total staff allocation recommended for FY 2023-24 is 21.5 FTEs.



### RECOMMENDED BUDGET

This Budget is recommended at \$3,252,406, which is an increase of \$125,177 (4.0%) compared to the FY 2022-23 Adopted Budget. Revenue is recommended at \$1,954,319, an increase of \$103,666 (5.6%) compared to FY 2022-23. The General Fund provides 40% of the funding for this Department and is increased by \$21,511 (1.7%) when compared to the FY 2022-23 Adopted Budget.

### Sources & Uses of Funds

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The Treasurer-Tax Collector Department is funded through a variety of sources. Charges for services include fees for cash management and investment services, which are paid by outside agencies that bank in the Treasury, as well as a portion of the 5% administration fee for the supplemental tax roll. Revenues are also generated through the sale of business licenses. The Department receives a share of the fees charged for the separate assessment of timeshares. Finally, the Department receives a portion of the General Fund Transient Occupancy Tax in recognition of costs to manage the collection of these funds. The balance of the Department expense is funded with discretionary General Fund revenue.