



**ALAMEDA COUNTY**  
**TREASURER – TAX COLLECTOR**  
**FISCAL YEAR 2018-2019**

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**Budget Work Session**

**Henry C. Levy**  
**Treasurer-Tax Collector**  
**April 10, 2018**

- Provide Alameda County departments and other depositing agencies with a safe, secure and convenient countywide central banking facility and treasury administration services, including the investment of “idle” funds while awaiting their use for departmental operations;
- Provide timely and accurate real estate and personal property tax billing and collection services;
- Provide efficient business licensing services in Alameda County’s unincorporated areas; and
- Provide comprehensive in-house administration of the County’s deferred compensation programs.

## Mandated Services

- Section 2602, et seq. of the California Revenue and Taxation Code requires the Treasurer-Tax Collector to bill, collect and process all real estate and personal property taxes.
- Section 2.58.070, Custody of Funds of the Alameda County Charter, requires the Treasurer to receive and secure revenues from all other sources.
- Chapter 3.04, Section 550 of the Alameda County Charter, requires the Tax Collector to administer the issuance and collection of business licenses in the unincorporated areas of the County.

## Non-Mandated Services (Discretionary Services)

- By annual ordinance, the Board of Supervisors delegates its authority to invest "idle" funds in the County treasury to the County Treasurer. Government Code Section 53601, et seq. and the Treasurer's investment policy provides investment guidelines.
- By board resolution, the Board of Supervisors designated the County Treasurer as the Deferred Compensation Plan Officer in charge of the administration of the voluntary employee-contributory tax-deferred savings plans sponsored by the County:
  - a. The 457 (b) plan with after tax Roth feature for all county employees; and
  - b. The 401 (a) plan for certain qualified employee groups.

- Maximize interest earnings of the Treasurer's Investment Pool.
- Identify and work with local banks that share values of County, and which will reinvest County deposits to housing and small businesses.
- Modernize the Tax Collector's Tax Collection and Accounting System and improve the Tax Cashiering system to expedite in-person tax payments during the tax seasons.
- Improve the collection enforcement for prior year personal property tax delinquencies.
- Implement better procedures that will improve identifying businesses in the unincorporated areas subject to business license taxation, and increase business license collections.
- Provide the highest standard of customer service to Alameda County taxpayers and other local agencies.
- Provide prompt, efficient and accurate services in the administration of the employee deferred compensation plans.

- Work with outside professional investment consultants in developing an investment strategy within the framework of the county's cash-flows, legal investment guidelines and carefully managed risk tolerance that aims to improve investment income.
- Improve investment reporting to the Board of Supervisors, participating agencies and the public by providing simple and user-friendly information.
- Use the authority of the Tax Collector to work with County, cities and non-profits to facilitate possible transfer of tax-delinquent properties to be turned into low-income housing.
- Ultimately, replace the old Tax Collector's Tax Collection and Accounting Systems (TSAC, TCUPS, SDS, etc.) with a modernized system to be developed in tandem with the Assessor's and Auditor-Controller's Systems.

- Work on developing canvassing procedure to identify and locate businesses that operate in the unincorporated areas of the county without business licenses.
- Work with the Auditor-Controller to include delinquent business license as "special tax roll assessment" in the property tax bill of the year following delinquency.
- Redesign the Treasurer-Tax Collector website to deliver timely reports and better access to information relating to property taxes and county investments.
- Participate with County Cannabis Working Group.
- Continue the process of studying and developing tax policy to present to the Board of Supervisors for cannabis licensees in Alameda County.
- Continue participation in the California Association of Treasurer-Tax Collectors' cannabis committee discussions relating to the banking of cannabis businesses.

- Continue to improve knowledge regarding investments and governance to better serve as a trustee on ACERA Board.
- Continue to make available to taxpayers, technology that will make their tax-paying and tax information inquiry experience user-friendly and convenient.
- Continue to work with Prudential Retirement Services, the third party administrator of the Deferred Compensation Programs, in developing education campaigns and providing information material to eligible employees in order to increase plan participation.
- Continue to work with Human Resources and other County departments to promote financial wellness initiatives to all County employees.



- Continue to work with ITD in developing additional on-line forms to facilitate the expeditious processing of various deferred compensation transactions via a traditional computer as well as mobile applications for Android and iOS-based hand-held devices.
- Continue efforts to update the Deferred Compensation Plan web page in order to make it more user-friendly and include information videos on various financial wellness topics.
- Review potential impacts of a County Business License Tax Ordinance revision and a potential ballot measure in 2020.

# Accomplishments for FY 2017-2018

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- Implemented process improvements recommended through the Operational Audit of the Department, which resulted in increased efficiency and effectiveness.
- Completed the assessment of all tax collection, tax accounting and tax cashiering business requirements, the first step in the multi-year (6-8 year plan) modernization project of the Tax Collector's Tax System; worked closely with County IT department.
- Completed the upgrade of the Treasurer's Item Age Cashiering System.
- Successfully completed and uploaded on the website 3 Tax Collector videos to provide taxpayers with timely tax paying information.
- Successful negotiation and submission, as well as approval by the State Controller's Office, of the Chapter 8 sale of 8 pieces of properties between Alameda County and Oakland Community Land Trust.

# Accomplishments for FY 2017-2018

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- Worked with Supervisor Miley on the Group Living Facility program in order to provide safe and responsible home for tenants.
- Participated in community events to inform them of chapter 8 tax delinquent property process.
- Participated in Senior Fare to publicize exemptions for low income and seniors regarding assessments from special districts.
- Worked successfully with non-profit developers for final push to achieve commencement of construction for housing development in Fruitvale district.
- Worked with the City of Oakland, as well as other cities in the County, on the feasibility study of public banking.
- Inserted in tax bill for first time information regarding county finances.

# Accomplishments for FY 2017-2018

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- Created a BLT report that identified owners of 2 or more rental properties in unincorporated areas who did not secure business license and did not report rental income.
- Successfully completed revision of BLT ordinance to require business compliance with Zoning Ordinance in order to ensure that business is located properly before a business license is issued.
- Reorganized Ad Hoc Committee for County Deferred Compensation Plan to include the Executive Director of Alameda County Employee Retirement Association (ACERA).
- Successfully joined the County's Deferred Compensation financial advisors with ACERA to provide financial counselling through ACERA seminars.
- Continued efforts to reach new employees at New Employee Orientations to inform them of the benefits of enrolling in the County's Deferred Compensation Plan.
- Participated in the development of a polished, professional-level video that included a message from the Treasurer-Tax Collector encouraging employees to participate in the Deferred Compensation Plan. The video also included testimonials from several satisfied plan participants.

# Financial Summary

# FY 2018-2019

TREASURER-TAX COLLECTOR	FY 2017-2018	FY 2018-2019	Change from 2017-2018 Budget	
	Approved Budget	MOE Budget Request	Amount	Percent
Appropriations	11,776,741	12,349,529	572,788	4.86%
Revenue	8,909,730	9,477,089	567,359	6.37%
Net County Cost	2,867,011	2,872,440	5,429	0.19%
FTE - Mgmt	19.33	19.33	0.00	0.00%
FTE - Non Mgmt	35.14	35.14	0.00	0.00%
Total FTE	54.47	54.47	0.00	0.00%

# Major Components of Net County Cost Change

Component	NCC Change
Salary and Employee Benefits (1)	\$ 117,084
Discretionary Services and Supplies (2)	\$ (10,872)
Non-Discretionary Services and Supplies (3)	\$ 466,576
Revenue Accounts (increase) (4)	\$ 567,359
Total NCC Change	\$ 5,429

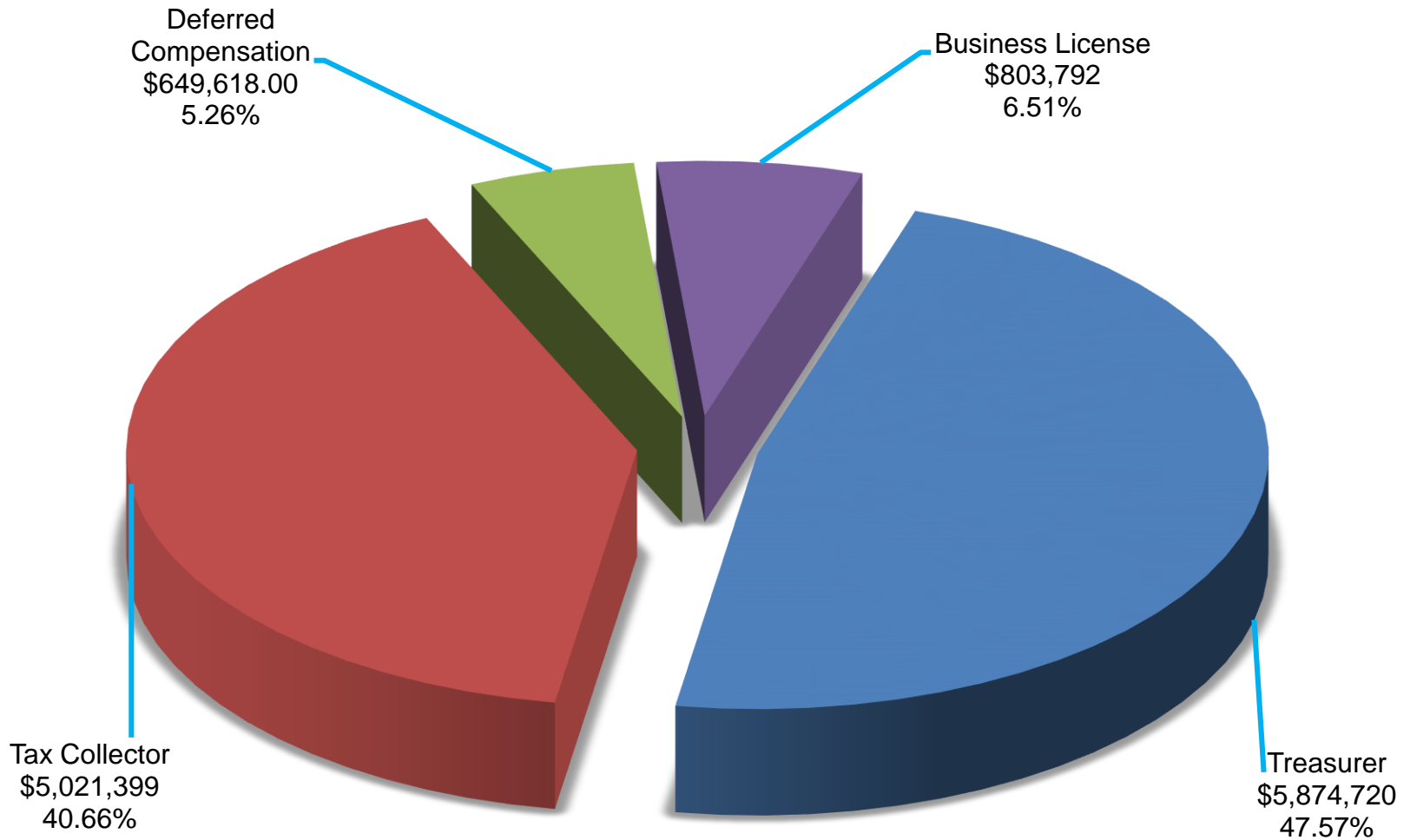
1. Increase in S&EB is due to the net effect of salary adjustments from step increases and cost of living adjustments.
2. Decrease in DS&S related to a budget adjustment from ITD
3. Increase in Non-DS&S related to increased ITD costs.
4. Increase in revenues relates to the increase of Property Tax Admin and Charges for Current Services.

# Workload Measures

# FY 2018 - 2019

	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ESTIMATE	FY 2019 ESTIMATE
Regular Secured & Supplemental Tax Bills	470,412	475,480	476,000	476,000
Delinquent Secured & Supplemental Tax Bills	39,906	36,967	40,000	40,000
Tax Defaulted Properties for Auction	1,167	1,072	1,000	1,000
Regular Unsecured Tax Bills	55,148	55,609	56,000	56,000
Delinquent Unsecured Tax Bills	15,760	16,491	16,500	16,500
Telephone Assisted Calls	49,882	46,641	46,000	46,000
Business License Accounts	7,387	7,325	7,400	7,400
Deferred Compensation Plan Participants	6,500	7,101	7,500	7,900
Deferred Compensation Plan Assets (millions)	\$560	\$699	\$720	\$740
Invested Pooled Funds (billions)	\$4.7	\$5.4	\$6.0	\$6.1
Paper Checks Deposited/Processed	21,435	8,543	9,215	9,583
Image Checks Deposited/Processed	268,766	472,878	532,576	553,879
# of Property Taxes paid by Credit Card	26,511	28,359	32,492	33,792
# of Property Taxes paid by ACH	83,087	96,649	133,614	138,959
# of Property Taxes paid by EFT	216,856	216,144	180,866	188,101
# of Property Taxes paid by Cash/Checks	275,216	278,209	294,051	305,813
# of Property Taxes paid through Lockbox	372,985	355,860	403,241	419,371
Warrants Paid/Processed	434,427	425,421	429,675	433,972
Exception Payments - Special Processing	33,458	37,392	40,303	41,915

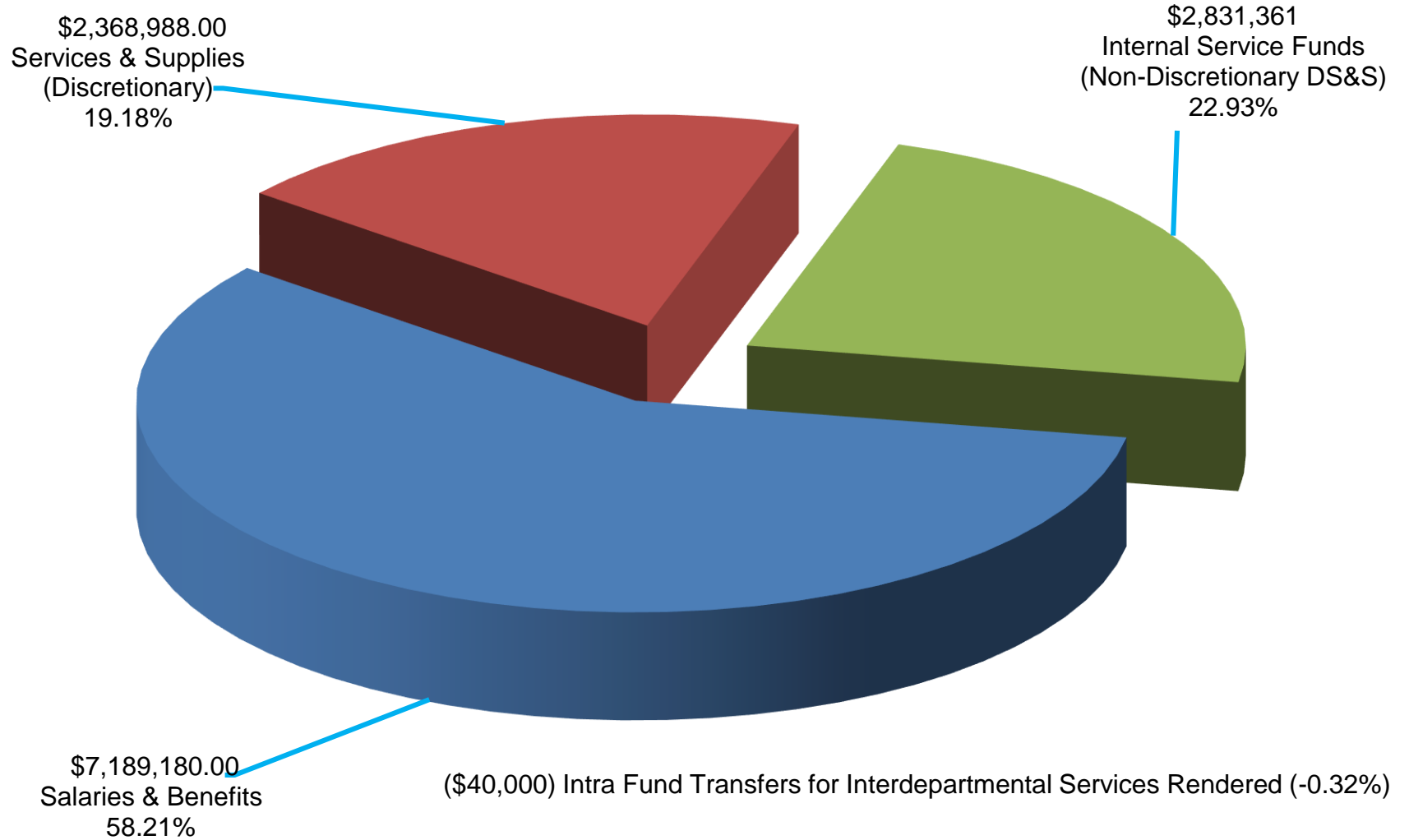
# Appropriation by Departmental Function



**Total Appropriations: \$12,349,529 - 100%**

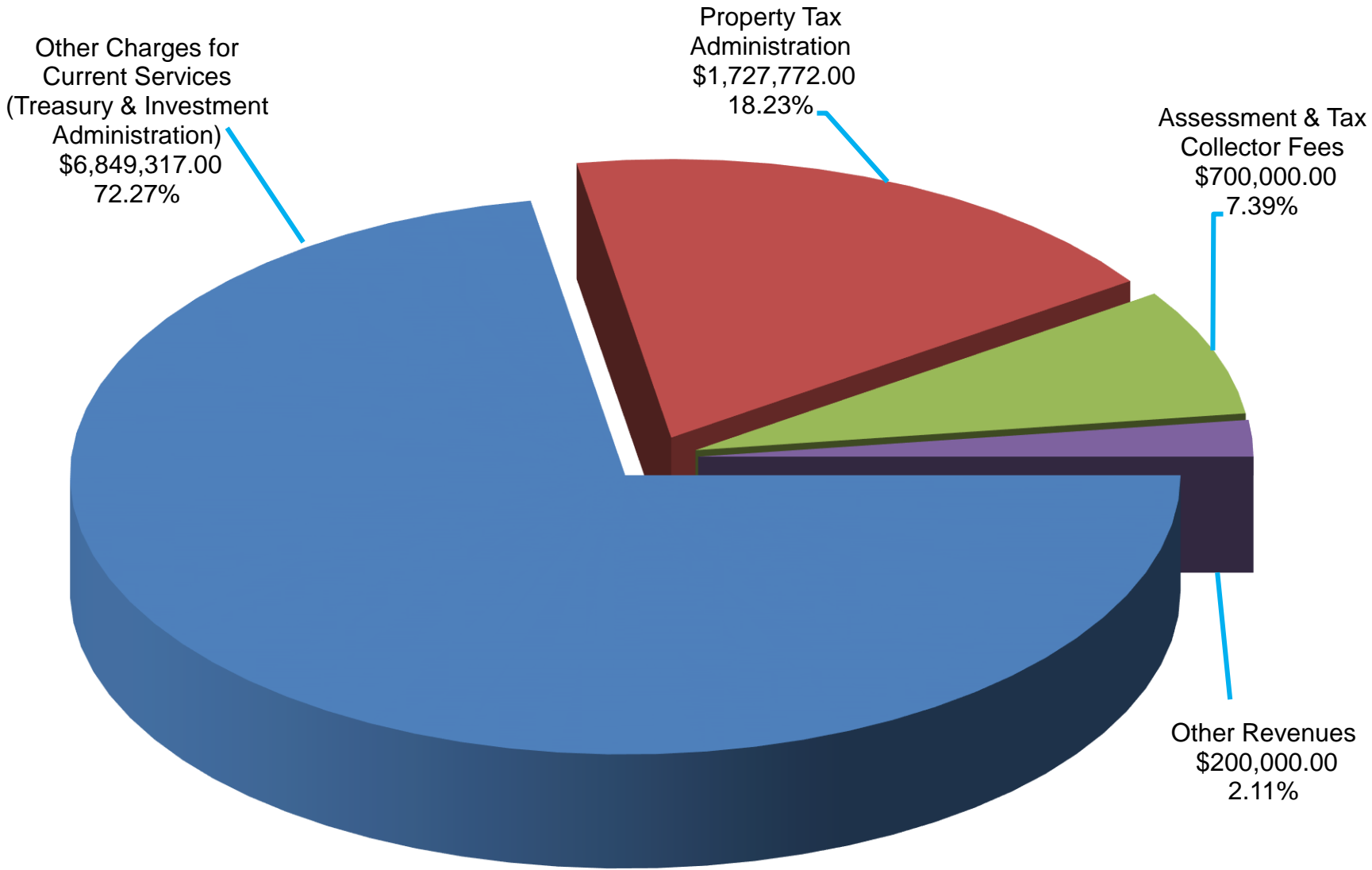


# Appropriation by Major Objects



**Total Appropriations: \$12,349,529 - 100%**

# Total Revenue by Source



**Total Revenue: \$9,477,089 - 100%**

- **Increased Enforcement of Unsecured Accounts:** Each year, between 6,000 and 7,000 unsecured accounts go delinquent. Last year, this represented \$7 million uncollected, or about \$1,000 each. A good collector can work on up to 350 accounts/year, but would focus on larger ones, so in prior years, one collector was able to collect \$2.4 million.
- **Increasing the Yield on the Investment Pool:** The pool will probably average about \$5 billion this year. Each basis point of increase yields \$500,000. We believe we can improve performance by at least 50 basis points. The share going to the County's general fund plus other interest-earning funds is about 55% of the pool, so therefore approximately \$13.7 million.

- **New Cannabis Tax**: We are projecting that the 15 new licensees may raise in the range of \$1 million-\$2 million.
- **Increased Business License Tax**: We currently collect approximately \$3.5 million each year. Our rates are approximately  $\frac{1}{4}$  the rates of some of the surrounding cities. If we could double our rates, that would raise another \$3.5 million.

**Questions?**

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