
COUNTY OF SPOTSYLVANIA



BOARD OF SUPERVISORS COMMUNICATION

Date: February 22, 2016

Purpose:

<input type="checkbox"/> BOS Follow-Up	<input type="checkbox"/> Schedule Notes *
<input type="checkbox"/> Future BOS Meeting	<input checked="" type="checkbox"/> Information Only *
<input type="checkbox"/> Emerging Issue	<input checked="" type="checkbox"/> Other: <u>FY17 Budget Info</u>

Title: Budget FY17 Justification and Reasons for Reinstating of Funds

Summary/Analysis: FYI. Please see the attached document which outlines three areas where my budget requests were reduced along with justifications and reasons for me requesting your consideration in reinstating these amounts to my budget request.

If you have any questions please let me know.

Conclusion/Recommended Action: To restore funds to my budget for printing, binding, postage and compensation.

Prepared By: Larry K. Pritchett

Reviewed By: 

In the budget request for The Treasurer's Office, I had requested funds that were not recommended. I have listed below by line item the requested amount, the proposed budget and the difference. I would like to discuss why I feel that it is important not only for my office but for the planned budget to include the funds not recommended.

- a. Printing and Binding:
 - i. Requested: \$73,500
 - ii. Recommended : \$66,300
 - iii. Difference: \$7,200
- b. Postage:
 - i. Requested: \$205,200
 - ii. Recommended: \$182,920
 - iii. Difference \$22,280
- c. Compensation:
 - i. Requested: convert two part-time positions to full time positions
 - ii. Recommended: removed from budget request.
 - iii. Difference: \$35,000.

Justification and reasons for requesting that you consider reinstating these amounts to my request:

- A) Printing and Binding:
 - a. The county recently sent out an RFP for the bill printing contract and we anticipate that our cost for this service may increase as it has been over three years since the existing contract was signed.
 - b. Looking at the expenses for FY16 we have spent \$35,425 and estimate we will spend \$66,000 for FY16.
 - c. The amount recommended for FY17 is \$66,300 and does not allow for any increase. This amount is needed so all tax bills can be generated and mailed.
- B) Postage:
 - a. The amount recommended for FY17 is actually less than what we spent in FY15 in the amount of \$185,674.
 - b. For FY16 we have spent \$98,000 and estimate that we will spend \$195,000.
 - c. Allowing for a 5% increase for FY17 will equal the \$205,000 request.
 - d. For the past two years the actual increase in postage expenditures has been 5%.
 - e. Working with staff to increase collections has also required more postage for mailing documents.
 - f. State mandated dog license laws has required us to do mailings for non-registered dogs also resulting in an increase in postage.
 - g. The requested amount is what is required to mail all billings required to collect taxes.
- C) Compensation:
 - a. Requesting that the two positions become full time due to the work load of the office and to help the efficiency of the office. The cutting of part time hours due to the

Affordable Care Act from 32 to 28 hours has decreased the tasks that our part time persons have the time to complete.

- i. In the past, those persons had been used to fill gaps that allowed full time positions to complete their own job duties without having to cover areas when persons were off, on vacation, etc.
- ii. They also were used to perform tasks that were considered follow up on our collection actions that had not been paid. This has been a time consuming process to complete the additional research and to assist in the maintaining of a manual collection system that requires periodic clean-up. This in the past has been a major duty of our part time staff. By cutting their hours, we are having to use full time persons to do that follow up which means that their new actions are decreasing.
- iii. Currently we are struggling to have all payments posted and deposited daily as well as posting all exonerations and adjustments.
- iv. We do not have time to research all returned mail.
- v. Making the positions full time will also help in training so we can have a backup for all job duties.
- vi. Staff overtime and compensation time also has increased and in some cases staff is maxing out compensation time.
- vii. Using an outside collection agency to collect past due accounts has been successful (collected over \$400,000 the first twelve months) but this process has increased the number of transactions for incoming payments and adjustments. Collection staff has to stop the research for collection actions to help post the incoming payments and do a daily process to send updated files to the agency and process daily emails and paperwork which result from their actions on the old accounts that we have exhausted all resources that we have to use to collect. If this continues, this will reduce the number of collection actions going out as well as it takes staff an average of about 2 hours each day to complete the additional work from outside collections.

Suggested impact if funds are not included in the recommended budget:

1. Will affect the number of outgoing collection actions which in return will affect the incoming revenue for collection of past due taxes.
2. Could also affect the completion of the daily transactions and depositing the funds timely.
3. Will prevent having a backup for all duties in the office which could mean the delay in the completion of office functions.
4. Could affect the overall efficiency of the office. With part time positions there is more turn over which means that we are training staff over and over for the same positions. It takes over six months to train someone to work at the counter as a cashier and completing the transactions for working and completing the incoming payments. This turnover in part time positions affects the operations of the office and our full time staff have to do the duties that we use part time staff for until they are trained.

5. Along with the daily operations staff is also working on putting into production a new Real Estate Tax system that requires a lot of time. Testing is needed for the conversion files and records as well testing to process the daily processes for real estate with the software. In the past several years we have put in place procedures for outside collections and a new online payment option that provides the user additional information for their tax and water accounts. These systems have the ability to have more features and enhancements such as offering e-billing. Once the real estate system is in place, we will begin the process of replacing our other systems that are housed on the AS400 as IS has advised that the AS400 will be phased out as an operating system. In order to make this happen additional staff and man hours are needed.

As in the past I have only requested the basic operating expenses for the office so I thank you for your consideration in adding back the above amounts to The Treasurer's Office budget for FY17.

TREASURER'S OFFICE WORK LOAD MEASURES FY17 BUDGET

Description	2013	2014	2015
Billing and Notices			
Taxable Parcels	59,835	60,460	60,766
Real Estate Abatements	994	1,157	1,219
Real Estate Tax Bills Processed	118,188	119,666	120,009
Personal Property Tax Bills Processed	203,770	198,565	210,659
Personal Property Address Changes	15,000	15,164	17,844
Personal Property Abatements	44,691	47,157	48,296
Dog Licenses	9,193	8,574	8,740
Dog Licenses Notices	5,311	4,098	4,776
Rabies Cert. Sent to Other Localities	2,006	1,190	1,353
Vehicle Licenses Fees Billed (abatements)	168,162	169,592	185,160
Utility Bills Collected	316,073	319,499	328,135
Trash Collection Bills	876	784	822
Annual Trash Decals Issued	107	87	82
Parking Tickets Collected	179	317	255
Business Licenses Accounts Collected	1,752	1,615	1,403
State Income Accounts Processed	1,139	1,316	1,199
Collection Action Taken on State Accounts	285	302	285
Collection Actions			
Debt Setoff Claims Filed	27,996	28,378	25,005
Parcels In Judicial Sale	492	473	558
Liens Issued (Bank, Wage & 3rd Party)	9,625	8,624	9,615
Distress Actions	47	72	176
Past Due Notices (Real Estate & Per Property)	115,240	103,311	106,638
DMV Stops	3,376	4,895	10,152
Payment Plans for Tax past due accounts	1,184	1,180	912
Uncollected Balance as of June 30			
	FY13	FY14	FY15
Personal Property (five Years)	\$ 5,275,878	\$ 5,303,993	\$ 4,977,141
Real Estate (twenty years)	\$ 3,564,898	\$ 3,172,975	\$ 2,906,584
Business Tangible (five years)	\$ 704,419	\$ 782,222	\$ 875,976
Meals Tax (five years)	\$ 57,150	\$ 50,853	\$ 51,486
Public Service (five Years)	\$ -	\$ -	\$ -
Transient Occupancy (five Years)	\$ 502	\$ 400	\$ -
Short Term Rental (five years)	\$ 365	\$ 61	\$ 418
Business Licenses (five years)	\$ 451,171	\$ 320,967	\$ 198,136
Special Tax Districts:			
Massaponnax	\$ -	\$ -	\$ -
Harrison Crossing	\$ -	\$ -	\$ -
Lee Hill East	\$ -	\$ -	\$ -
Lee Hill West	\$ -	\$ -	\$ -
Total			
Note: balance due is without the current year due to no collection action has been taken.			