

City Treasurer - Departmental Performance Report

City Treasurer						
The mission of the City Treasurer's Office is to collect revenues and tax receipts due the City in the most efficient and effective manner and to invest these funds in a manner which will provide the highest investment returns. This is done while meeting goals of: maximum security/safety, providing for daily cash flow demands, and conforming with all State and local statutes governing the investment of public funds.						
Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Provide Restitution Collection and Monitoring						
Victims Receiving Restitution Services	#	23,000.0	18,140.0	21,178.0	23,000.0	26,000.0
Victims Supported by Restitution Services	%	100.0	100.0	100.0	100.0	100.0
Timely/Accurate Billing and Collection of Revenue						
General Property Tax Levies (in millions)	\$	610	610	591	619	610
Revenue from On-Time Parking Tickets	\$	583,000	499,041	356,342	360,000	583,278
Revenues from Animal Licenses	\$	450,000	220,034	435,119	449,961	449,961
Revenues from Delinquent Parking Tickets	\$	360,000	499,041	356,342	360,000	360,000
Financial						
Prudent and Safe Investment of Funds						
Average Yield on Investments	%	2.0	4.5	2.0	0.6	1.0

Major Changes

The City Treasurer’s FY 2010-11 operating budget totals \$4,349,408, which is 14.4% less than the previous year. This reduction is due to City cuts of \$619,070, which eliminated 7.68 positions, and State cuts of \$112,974, in which the consequences are undetermined at this time. To reflect the State cuts, a negative appropriation of \$112,974 is included in the Treasurer’s budget. This budget includes one position transferred from the Commonwealth’s Attorney’s Office to the Treasurer’s Office to continue the restitution program. The City Treasurer will be implementing a new revenue to offset the cost of this program.

The budget for this department was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized, with the adjustments discussed with City Council prior to adoption.

Change	Initial Budget Impact
Reduced City funding by \$610,070, or 14.4% from the previous year	<ul style="list-style-type: none"> • Eliminated .25 part-time position needed during peak revenue collections and a .60 part-time vacant delinquent collector previously reimbursed by the Storm Water Fund • Relinquished one Accountant due to delay in implementation of the Revenue Assessment and Collection System • Elimination of .60 part-time equivalent used in collection of delinquent trustee taxes equaling an expected loss of 750,000 in revenue collected • Closing of the Treasurer’s Kempsville satellite office, this equates to 4 FTEs plus operating costs • Delay in the processing of payments result in the loss of interest income, estimated at a minimum of \$203,000 a year as a result of eliminating an NCR operator and daily branch couriers, accounting for 1.23 positions • Cuts in postage and supplies will cause significant impacts on operations • Elimination of \$8,700 for State certification of deputies will result in a loss of \$19,000 in State revenue • Elimination of \$16,000 for Accurint, a locator tool for delinquent taxpayers will result in a significant delay in cash flow of delinquent revenues
Reduced State funding by \$112,974, or 14.5% from the previous year	<ul style="list-style-type: none"> • An adjustment will be made until an appropriate determination can be made for the consequences of further reductions to the City’s main revenue collection agency • Possibilities include closing the remaining satellite Treasurer’s Offices located at Pembroke One and at the Beach; and outsourcing mail operations; and eliminating additional revenue collection positions
Additional administrative fees on delinquent accounts	<ul style="list-style-type: none"> • Imposing fees on delinquent accounts at the start of the delinquency period, instead of waiting later is expected to generate over \$500,000

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

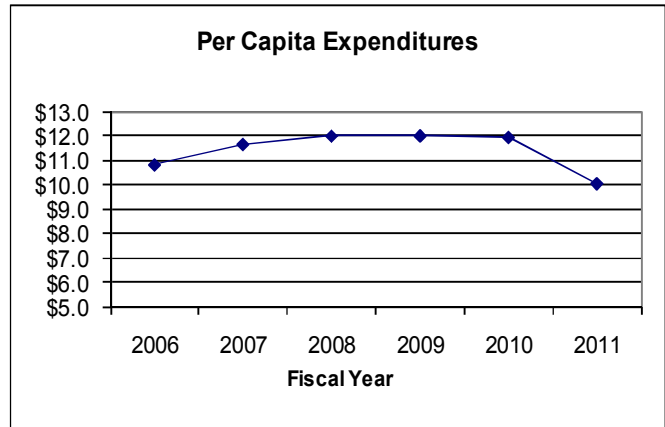
Departmental Overview

The City Treasurer is one of five elected Constitutional Officers in the City and as such is partially funded by the State Compensation Board. The Compensation Board reimburses about 90% of the Treasurer’s salary, and 50% of all other State salaries. The State reimburses a portion of fringe benefits (i.e., VRS retirement, FICA, and VRS group life insurance) based on State approved salary amounts. Also, the State reimburses 50% of the budgeted amount for specific office expenses (i.e., office supplies, internet access costs, stationary, postage, printing data processing services, telephone service, repairs, and the Treasurer’s association dues). *Note: This is subject to change depending on the final outcome of the State budget for FY 2010-11.*

- **Billing & Accounts Receivable** - This office mails out, receives, and processes payments for current and delinquent: real estate taxes, personal property taxes, trustee taxes, parking tickets and various other bills due to the City. In addition, they receive and process payments for consolidated utility bills. Furthermore, this office issues various licenses, including animal licenses and residential parking permits. All revenues of the government flow through this office for entry into the accounting records.
- **Investment Management** - The City Treasurer’s Office is responsible for the investment of all cash financial assets of the City in a manner that will provide the highest investment returns only after the goals of maximum security and safety, meeting daily cash flow demands, and conformance with all State and local statutes governing the investment of public funds have been met. All City investments are guided by a basic principle of secure investments where the investment of these public funds is not for speculative purposes, but for the safety of the capital and derivation of income. The Treasurer invests approximately \$500 million on an annual basis.

Trends and Issues

- Due to reduced State and City funding, the City Treasurer’s budget will be reduced by \$732,044. This reduction is illustrated in the decline in per capita expenditures for FY 2010-11 shown in the chart.
- The implementation of the Revenue Assessment and Collection System (RACS) in the Treasurer’s Office is not expected until FY 2011-12 and the Treasurer has given up a vacant Accounting position as a result. When RACS comes on board, the position will be needed.
- In addition to reducing the number of personnel to meet funding constraints, the department has also reduced certain line item accounts including: postage and office supplies.
- The Restitution Program intended to compensate victims of crime, has been moved from the Commonwealth’s Attorney’s Office to the City Treasurer. This program, along with one position, is expected to generate about \$70,000 in net revenues as a result of fees the Treasurer may impose on the wrongdoer.
- A change in the implementation of administrative fees on delinquent accounts is expected to generate \$518,246 in revenues. In the past, administrative fees were not imposed until every effort was made to collect the delinquent amount. With this new policy, administrative fees will be imposed at the time the bill becomes delinquent.



Fee Increase Schedule

Name of Fee	Current Amount	FY 2011 Proposed Amount	Date of Last Increase
Administrative Fees	\$0	\$518,246	New
Restitution Program	\$0	\$122,000	New

Council Amendment

On May 11, 2010, City Council voted to maintain operations of the City Treasurer's Kempsville Branch Office (4 full-time positions). Also restored was a full-time position for processing taxpayer payments and a part-time courier. A total of 5.23 positions were restored.

City Treasurer - Departmental Resource Summary

	<u>FY 2009 Actual</u>	<u>FY 2010 Adjusted</u>	<u>FY 2011 Adopted</u>	<u>Variance from FY 2010</u>
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
City Treasurer	5,089,968	5,081,452	4,654,443	(427,009)
Total Expenditures	<u>5,089,968</u>	<u>5,081,452</u>	<u>4,654,443</u>	<u>(427,009)</u>
<u>Revenues</u>				
City Treasurer	1,301,755	1,446,902	1,931,687	484,785
Total Revenues	<u>1,301,755</u>	<u>1,446,902</u>	<u>1,931,687</u>	<u>484,785</u>
General City Support	<u>3,788,213</u>	<u>3,634,550</u>	<u>2,722,756</u>	<u>(911,794)</u>
Total Department Expenditure	5,089,968	5,081,452	4,654,443	(427,009)
Total Department Revenue	<u>1,301,755</u>	<u>1,446,902</u>	<u>1,931,687</u>	<u>484,785</u>
Total General City Support	<u><u>3,788,213</u></u>	<u><u>3,634,550</u></u>	<u><u>2,722,756</u></u>	<u><u>(911,794)</u></u>

Position Summary by Program

<u>002 General Fund</u>				
City Treasurer	<u>76.68</u>	<u>73.68</u>	<u>72.23</u>	<u>-1.45</u>
Total	<u>76.68</u>	<u>73.68</u>	<u>72.23</u>	<u>-1.45</u>
Total Position Summary	<u><u>76.68</u></u>	<u><u>73.68</u></u>	<u><u>72.23</u></u>	<u><u>-1.45</u></u>