

Treasurer-Tax Collector

2013

Business Plan



TREASURER-TAX COLLECTOR

The department's mission, vision and goals are aligned with the County's Great Goal - Building for the Future of Our Community, maintaining fiscal integrity. The specific mission, vision, goals and strategies are as follows:

The mission of the Office of the Treasurer Tax Collector:

- Ensure safe and timely receipt, deposit, collection and investment of public funds.

The vision of the Office of the Treasurer Tax Collector:

- Implement best business practices which maximize value, minimize costs and provide excellent taxpayer and customer service to both our internal and external customers.

Goals:

- Invest public funds in a manner that provides for maximum security of principal and preservation of capital (while conforming to all Federal, State and local laws statutes and resolutions governing investment of public funds)
- Maintain sufficient liquidity to enable participants to meet their operating requirements
- Obtain a reasonable rate of return throughout budgetary and economic cycles (within the investment policy risk parameters and given cash flow needs)
- Cost-effectively improve customer services (while delivering a high-quality of accurate, timely customer service)
- Improve the overall knowledge base of TTC staff
- Assist the County via cost reductions during these fiscally challenging times (without significantly impacting customer service levels)
- Streamline tax and agency processes in order to improve collection percentages of property tax and County agency revenues

Business Strategies

The department initiated the following long-range business strategies which echo several of the County's guiding principles. The guiding principles that our business strategies support are as follows: to deliver quality and timely services by leveraging our resources through innovation and technology and to create a safe, ethical and caring environment that attracts, develops and rewards an exceptional workforce. We believe that by following these strategies and incorporating them into TTC's day-to-day operating policies and practices, TTC will be actively working to implement its defined business strategies, which support the overall strategic focus of the County of Orange.

- Develop and monitor sound risk principles using policies, organizational roles, operating procedures and internal controls
- Use improved technology to facilitate greater operational flexibility, better use of staff resources, reduce costs and provide better customer service to the taxpayers
- Continue implementation of the long-range strategy of consolidating County cashiering, billing and collection efforts.

- Identify opportunities for cost reduction and greater operating efficiencies in the Treasury, Administration and Collection Divisions

Balanced Scorecard

TTC developed four metrics to represent how the organization is performing relative to its core mission: *Ensure safe and timely receipt, deposit, collection and investment of public funds.* The metrics are as follows:

- Annual Property Tax Collection Rates
- Average Monthly Net Asset Value (NAV) for OC and Educational MMF's (OCMMF & OCEMMF)
- Cash Available To Meet Operating Cash Flow Requirements and Voluntary Participants' Redemptions Without Any Loss Of Principal
- Number of Investment Pool Compliance Incidents Reported

Changes in Metrics

TTC's 2012-13 Business Plan included maintenance or reduction in Net County Cost. This measure was eliminated because it is affected by a number of variables beyond the control of the department. For example, TTC does not control mandated changes in pension and health benefits. The TTC has removed this measure because it is not a valid measure of operational effectiveness.

TTC's 2012-13 metric for Liquidity has been modified. This new metric tracks available cash and cash needs, plus a specified level of reserves and provides for a liquidity cushion in case unexpected cash needs arise.

Treasurer-Tax Collector 2012-13 Balanced Scorecard Summary

		Performance Results			
		Trend	Excel Level	Target Level	Concern Level
Service Area: Tax Collector Division					
	\$ Secured Collection Results	↑	●		
	\$ Unsecured Collection Results	↑	●		
Service Area: Investment Division					
	Avg NAV Orange County Money Market Fund	↑	●		
	Avg NAV Educational Money Market Fund	↑	●		
	Liquidity - Orange County Money Market Fund	New Measure			
	Liquidity - Educational Money Market Fund	New Measure			
	# Compliance Incidents	↑	●		

Fiscal Year 2012-13 Business Plan Update Summary of Key Goals and Measures

Department:	Treasurer-Tax Collector			Service Area:	Tax and Revenue Division			
Alignment to Great Goal:	Strategic Initiative II. Building for the Future of Our Community Great Goal 1. Maintain fiscal integrity.			Mission Critical Service:	Streamline property tax and County agency collection processes to improve property tax and County agency revenue collection percentages. Deliver quality and cost-effective services by leveraging our resources through innovation and technology.			
Performance Measure:	ANNUAL PROPERTY TAX COLLECTION RATES							
What:	Annual percent property tax collected during the fiscal year							
Why:	Measures County revenue by identifying the percent of property taxes collected							
Frequency of Measurement/Baseline	FY 11-12 Results	FY 12-13 Plan	FY 12-13 Results	FY 13-14 Plan	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Annually Baseline: Fiscal year 2010-11 collection rates including penalties were: 98.35% - Secured 95.00% - Unsecured as of June 30, 2011	Fiscal year 2011-12 collection rates including penalties were: 98.51% - Secured 95.30% - Unsecured	Meet or exceed fiscal year 2010-11 secured and unsecured percent collection rates	As of 4-30-2013, fiscal year 2012-13 we are on track to meet our target. Property tax collection rates including penalties were: 97.57% - Secured 95.49% - Unsecured	Meet or exceed fiscal year 2011-12 secured and unsecured percent collection rates	More than 0.5% higher than fiscal year 2010-11 percent collection rates	Equal to or up to 0.5% higher than fiscal year 2010-11 percent collection rates	Below fiscal year 2010-11 percent collection rates	Department is on track to meet or exceed the FY 2010-11 collection rates.
Department:	Treasurer-Tax Collector			Service Area:	Investment Division			
Alignment to Great Goal:	Strategic Initiative II. Building for the Future of Our Community Great Goal 1. Maintain fiscal integrity.			Mission Critical Service:	Invest public funds in a manner that provides maximum security of principal and preservation of capital while conforming to all Federal and State laws, local ordinances and resolutions governing the investment of public funds.			
Performance Measure:	Average Monthly Net Asset Value (NAV) for OC and Educational MMF's (OCMMF & OCEMMF)							
What:	OC County and Educational Money Market Funds (MMF) net asset value measure							
Why:	NAV equal to 1.0000 means if investment was sold customers would get 100% of principal returned							
Frequency of Measurement/Baseline	FY 11-12 Results	FY 12-13 Plan	FY 12-13 Results	FY 13-14 Plan	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Monthly Baseline: Average NAV of 1.0000 in OCMMF & OCEMMF	Maintained average Net Asset Values: OCMMF 1.0001 OCEMMF 1.0001	Maintain average NAV of 1.0000 in OCMMF & OCEMMF	As of 4-30-2013, fiscal year-to-date average NAVs were: OCMMF 1.0001 OCEMMF 1.0001	Maintain average NAV of 1.0000 in OCMMF & OCEMMF	Average Net Asset Value above 1.0000	Average Net Asset Value equal to 1.0000	Average Net Asset Value less than 1.0000	The Department continues to invest public funds in a manner that provides for maximum security of principal and maintains the public trust. It is meeting its FY 2012-13 plan.

Fiscal Year 2012-13 Business Plan Update Summary of Key Goals and Measures

Department:	Treasurer-Tax Collector			Service Area:	Investment Division			
Alignment to Great Goal:	Strategic Initiative II. Building for the Future of Our Community Great Goal 1. Maintain fiscal integrity.			Mission Critical Service:	Maintain sufficient liquidity to enable pool participants to meet their operating cash flow requirements.			
Performance Measure:	Cash Available To Meet Operating Cash Flow Requirements and Voluntary Participants' Redemptions Without Any Loss Of Principal							
What:	Have sufficient funds available to cover operational cash needs and voluntary participants' redemptions							
Why:	Measures amount of cash available to pool participants							
Frequency of Measurement/Baseline	FY 11-12 Results	FY 12-13 Plan	FY 12-13 Results	FY 13-14 Plan	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Monthly Baseline: To have available cash balances in OCMMF and OCEMMF which are equal to or greater than (1) the sum of the operational needs, (2) each voluntary participant's first \$50 million balance, and (3) \$50 million for unexpected cash needs for the current day and the next two trading days	Note: Because this performance measure has changed from the previous year's liquidity measure, FY 2011-12 results are not available.	To have available cash balances in OCMMF and OCEMMF which are equal to or greater than (1) the sum of the operational needs, (2) each voluntary participant's first \$50 million balance, and (3) \$50 million for unexpected cash needs for the current day and the next two trading days	Note: Because this performance measure has changed from the previous year's liquidity measure, FY 2012-13 results are not available.	To have available cash balances in OCMMF and OCEMMF which are equal to or greater than (1) the sum of the operational needs, (2) each voluntary participant's first \$50 million balance, and (3) \$50 million for unexpected cash needs for the current day and the next two trading days.	100% of the days the cash balances in OCMMF & OCEMMF are greater than the sum of operational needs and each voluntary participant's first \$50 million plus \$50 million for the current day and the next two trading days.	100% of the days the cash balances in OCMMF & OCEMMF are equal to the sum of operational needs and each voluntary participant's first \$50 million for the current day and the next two trading days.	Less than 100% of the days the cash balances in OCMMF & OCEMMF are less than the sum of operational needs and each voluntary participant's first \$50 million for the current day and the next two trading days.	Because this performance measure has changed from the previous year, FY 12-13 results are not available for the entire period. However since implemented, TTC is meeting these liquidity measures.

Department:	Treasurer-Tax Collector			Service Area:	Investment Division			
Alignment to Great Goal:	Strategic Initiative II. Building for the Future of Our Community Great Goal 1. Maintain fiscal integrity.			Mission Critical Service:	Develop and monitor sound risk principles using policies, organizational roles, operating procedures and internal controls.			
Performance Measure:	Number of Investment Pool Compliance Incidents Reported							
What:	Total number of compliance incidents reported during fiscal year							
Why:	It measures compliance with State code and the Investment Policy Statement.							
Frequency of Measurement/Baseline	FY 11-12 Results	FY 12-13 Plan	FY 12-13 Results	FY 13-14 Plan	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Annually Baseline: 0-3 non-compliance incidents per fiscal year	4 non-compliance incidents reported in fiscal year 2011-12	Maintain non-compliance incidents to 0-2 per fiscal year	As of 4-30-2013, no non-compliance incidents reported	Maintain non-compliance incidents to 0 per fiscal year	0 non-compliance incidents per fiscal year	0 non-compliance incidents per fiscal year	Greater than 0 non-compliance incident per fiscal year	TTC is on track to meet our target of zero compliance incidents this fiscal year.