

2012

Business Plan Update



TREASURER-TAX COLLECTOR

From the Office of
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Orange County Treasurer



2012 Business Plan Update

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

Vision

- Implement best business practices which maximize value, minimize costs and provide timely, accurate and courteous service to our internal and external customers

Goals

- Invest public funds in a manner that provides for maximum security of principal and maintains the public trust
- Maintain sufficient liquidity to enable participants to meet their operating cash requirements
- Obtain a stable market rate of return throughout budgetary and economic cycles
- Provide timely, cost-effective, accurate and courteous customer service
- Invest resources to develop and maintain knowledgeable and competent staff
- Act in an ethical and professional manner while maintaining honest, respectful and open communications
- Streamline cashiering and collection processes to increase timely collection of public revenues for the benefit of Orange County citizens

Business Strategies

- Develop, maintain and monitor a fiscally sound organization using operating policies and procedures, defined organizational roles, strong internal controls and risk management principals
- Use technology to complement staff resources and maximize the value of taxpayer dollars to provide transparent and timely customer service
- Consider centralization of County cashiering, billing and collection efforts for Departments and agencies when overall costs can be decreased and collected revenues increased
- Encourage, empower and recognize staff for implementing operating efficiencies and enhancing processes
- Provide staff training and feedback to support and enhance core work knowledge, skills and abilities
- Foster a spirit of collaboration in a work environment that recognizes and rewards excellent performance

Balanced Scorecard

TTC developed five 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 and Agency Collection Rates
- Safety – Average Monthly Net Asset Value for County and Educational Money Market Funds (MMF)
- Compliance - Number of Compliance Incidents Reported Within the Investment Pools
- Liquidity - Rolling 3-Day Investment Maturities for County and Educational MMF's
- Maintenance or Reduction in Net County Cost

Metric Revision

The first metric, Annual Property Tax and Agency Collection Rates, has been expanded to cover other Agency receivables collected by the Treasurer-Tax Collector.

Treasurer-Tax Collector 2011-12 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	↔			◆
	% Liquidity Educational Money Market Fund	↔			◆
	# Compliance Incidents	↔		▲	
Service Area: Treasurer-Tax Collector					
	Maintenance or Reduction in Net County Cost (NCC)	↓			◆

2011-12 Business Plan Update Summary of Key Goals 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 tax and agency processes in order to improve property tax collection percentages and County agency revenues. Deliver quality and cost-effective services by leveraging our resources through innovation and technology.			
Performance Measure:	ANNUAL PROPERTY TAX AND AGENCY COLLECTION RATES						
What:	Annual percent of property tax and agency receivables collected during the fiscal year						
Why:	Measures County revenue by identifying the percent and amount of property taxes and agency revenues received						
Frequency of Measurement/Baseline	FY 10-11 Results	FY 11-12 Target	FY 11-12 Results	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Annually Baseline: FY 09-10 collection rates: property tax collection rates for secured were 97.8%; for unsecured were 96.6% as of June 30, 2010	Annual collection rates: secured 98.5% and unsecured 96.1% as of June 30, 2011	Work with County Departments to streamline billing, cashiering, and collections efforts	Meet or exceed FY 09-10 secured tax collection rates, but unsecured rates may drop below FY10-11 collection rates	Greater than FY 09-10 collection rates	Equal to or within 0.5% of FY 09-10 collection rates	More than 0.5% below FY 09-10 collection rates	On track to meet or exceed FY 09-10 secured tax collection rates, but unsecured tax collection rates are currently lower than at the same time last year
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 for maximum security of principal and preservation of capital, while conforming to all Federal, State and local statutes and resolutions governing investment of public funds.			
Performance Measure:	SAFETY - AVERAGE MONTHLY NET ASSET VALUE (NAV) FOR ORANGE COUNTY AND EDUCATIONAL MONEY MARKET FUNDS						
What:	NAV measure for the OC County and Educational Money Market Funds (MMF)						
Why:	NAV at 1.0000 means if investment was sold customers would get 100% of principal returned						
Frequency of Measurement/Baseline	FY 10-11 Results	FY 11-12 Target	FY 11-12 Results	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Monthly Baseline: Average NAV of 1.0000 in OCMMF & OCEMMF	Maintained an average NAV: OCMMF 1.0002 & OCEMMF 1.0001	Maintain average NAV of 1.0000 in OCMMF & OCEMMF	Average NAVs as of 2-29-2012 are: OCMMF 1.0001; OCEMMF 1.0001	Greater than 1.0015	0.9985 - 1.0015	Less than 0.9985	Expected to maintain 1.0000 average NAV values in Orange County Money Market Fund and Orange County Educational Money Market Fund

2011-12 Business Plan Update Summary of Key Goals 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 participants to meet their operating requirements.			
Performance Measure:	LIQUIDITY - ROLLING 3-DAY INVESTMENT MATURITIES						
What:	Percentage of OCMMF and OCEMMF Investments maturing within a rolling 3-Day period						
Why:	Measures the percent of relative ease by which assets are convertible to cash in emergency situations						
Frequency of Measurement/Baseline	FY 10-11 Results	FY 11-12 Target	FY 11-12 Results	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Annually Baseline: Average of 15% of investments maturing within 3 business days in OCMMF & OCEMMF	Average of 10.83% OCMMF & 11.90% OCEMMF investments maturing within 3 business days	Average 15% OCMMF & OCEMMF investments maturing within 3 business days	As of February 29, 2012 maintained an average of 12.86% OCMMF & 13.95% OCEMMF maturing within 3 business days	Above an average of 15% maturing within 3 business days	Average of 15% maturing within 3 business days	Below an average of 15% maturing within 3 business days	Results through February 29, 2012 show improvement toward the 15% liquidity target. Treasurer will be revising measure once cash management needs are updated and will update percentage of cash needed at that time.
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:	COMPLIANCE - NUMBER OF COMPLIANCE INCIDENTS REPORTED WITHIN THE INVESTMENT POOLS						
What:	Number of compliance incidents reported						
Why:	Measures effectiveness of controls around Investment Pool compliance						
Frequency of Measurement/Baseline	FY 10-11 Results	FY 11-12 Target	FY 11-12 Results	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Monthly Baseline: 0-4 non-compliance incidents per year	4 non-compliance incidents in FY 2010-2011	Maintain non-compliance incidents to 0-4 per year	4 non-compliance incidents reported as of February 29, 2012	No compliance incidents per fiscal year	4 non-compliance incidents or fewer per fiscal year	More than 4 non-compliance incidents per fiscal year	Four non-compliance incidents reported in FY 2011-12 as of February 29, 2012

2011-12 Business Plan Update Summary of Key Goals Measures

Department:	Treasurer-Tax Collector		Service Area:	Treasurer-Tax Collector			
Alignment to Great Goal:	Strategic Initiative II. Building for the Future of Our Community Great Goal 1. Maintain fiscal integrity.		Mission Critical Service:	Identify opportunities for cost reduction and greater operating efficiencies in the Treasury, Investment, Administration and Collection Divisions. Use improved technology to facilitate greater operational flexibility, better use of staff resources, reduce costs and provide better customer service to the taxpayers.			
Performance Measure:	MAINTENANCE OR REDUCTION IN NET COUNTY COST (NCC)						
What:	Maintenance or reduction in Net County Cost						
Why:	Measures the levels at which we can reduce overall Net County Cost to the General Fund						
Frequency of Measurement/Baseline	FY 10-11 Results	FY 11-12 Target	FY 11-12 Results	Excel (Green)	Target (Yellow)	Concern (Red)	How Are we Doing
Frequency: Annual Baseline: Maintain NCC lower than budgeted.	Actual NCC was \$1.183 million below budgeted NCC	Maintenance or reduction in Net County Cost	Because of rebates of Investment Administrative Fees to pool participants related to FYs 2006-2011 but not yet booked, the Treasurer-Tax Collector will not meet budgeted NCC.	Below budgeted Net County Cost	At budgeted Net County Cost	Greater than budgeted Net County Cost	Because of rebates of Investment Administrative Fees to pool participants related to FYs 2006-2011 but not yet booked, the Treasurer-Tax Collector will not meet budgeted NCC in FY 11-12.