

# AUDITOR-CONTROLLER- TREASURER-TAX COLLECTOR PROPOSED BUDGET • FY 2019-20 & 2020-21

## PROPOSED BUDGET

All Funds	FY 2018-19	FY 2019-20	Δ	FY 2020-21	Δ
Revenues	3,351,027	3,085,086	-7.9%	3,141,968	1.8%
<i>General Fund</i>	2,986,019	3,438,015	15.1%	3,815,015	11.0%
<b>Total Financing</b>	<b>6,337,046</b>	<b>6,523,101</b>	<b>2.9%</b>	<b>6,956,983</b>	<b>6.7%</b>
<b>Total Expenditures</b>	<b>6,337,046</b>	<b>6,523,101</b>	<b>2.9%</b>	<b>6,956,983</b>	<b>6.7%</b>
Total Staffing	45.75	45.75	0.0%	45.75	0.0%
<i>Unfunded Staffing</i>	(3.55)	(2.55)	-28.2%	(2.55)	0.0%
<b>Funded Staffing</b>	<b>42.20</b>	<b>43.20</b>	<b>2.4%</b>	<b>43.20</b>	<b>0.0%</b>

## FOCUS AREAS



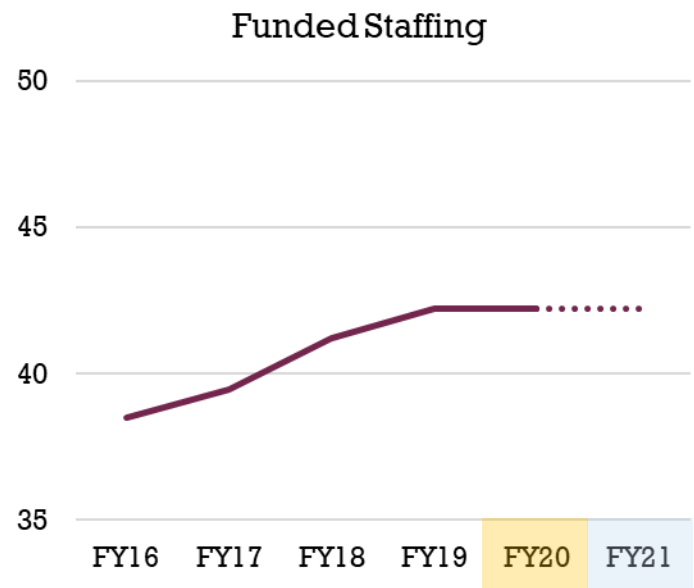
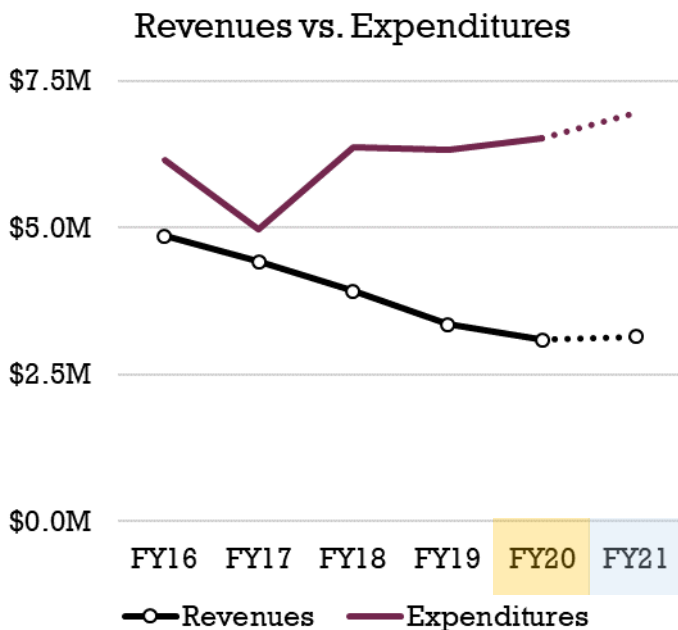
Sustainable Environment



Operational Excellence

For Department Priorities:  
[Operational Plan Section III](#)

## BUDGET TRENDS



A General Fund contribution offsets the difference between expenditures and revenues.

Staffing has increased due to increased activity with Transient Occupancy Tax, Cannabis Business Tax, and Financial Reporting and Debt Management.

## OVERVIEW

### Mission

To serve as the Chief Financial Officer of Santa Cruz County, providing high quality financial services and inspiring trust and confidence.

Auditor-Controller-  
Treasurer-Tax  
Collector

General  
Accounting

Audit &  
Systems

Treasury & Tax  
Collections

Central  
Collections

### GENERAL ACCOUNTING

Records, processes and monitors County financial transactions including payroll, claims, general ledger and fixed assets, and prepares financial statements and manages the County's Debt Service. Computes tax rates, maintains tax levy records of accountability, and answers questions on tax bills.

### AUDIT & SYSTEMS

Conducts internal and external financial reviews, audits and special studies including departmental internal control reviews and plans for disaster recovery for financial systems. Staffs the Whistleblower Hotline and prepares the annual Cost Allocation Plan and the final Adopted County Budget.

### TREASURY & TAX COLLECTIONS

Depository for all funds for school districts, special districts and County departments. Maintains and monitors County investments and banking. Collects County property, Transient Occupancy and Cannabis Business Taxes.

### CENTRAL COLLECTIONS

Evaluates, reviews and collects delinquent County property tax, fee and fine accounts.

## YEAR 1 BUDGET OVERVIEW

### 2019-20 RECOMMENDED BUDGET

The 2019-20 recommended budget shows an increase of \$186,055 in expenditures and a decrease of \$265,941 in revenues, resulting in a \$451,996 increase in General Fund contribution.

### EXPENDITURES

The increase in Salaries and Benefits of \$163,798 is for existing staff and a reorganization based on current business needs.

The increase in Services and Supplies of \$13,692 is primarily due to increases in Professional Services, including disaster recovery analysis, audit services, a security camera maintenance agreement, and increased services for the property tax auction.

### REVENUES

The decrease in revenues of \$265,941 is due to the reduction of \$225,614 in Certificates of Participation (CERTS) revenue associated with the completed implementation of the financial system, reduced cost recovery and tax lien release fees, some of which is offset by increases in collection fees and banking services.

### STAFFING

Staffing is reorganized based on business needs to delete a vacant Central Collections Supervisor, add a Sr. Accounting Technician to support collections, delete an unfunded Property Tax Systems Coordinator, and add an IT Business Systems Analyst mid-year to Information Services to support complex financial systems.

# YEAR 1 BUDGET DETAIL

Budget Unit: 12

<b>All Funds</b>	<b>Actual 2017-18</b>	<b>Adopted 2018-19</b>	<b>Estimated 2018-19</b>	<b>Recommended 2019-20</b>	<b>Change from 2018-19</b>	
<b>Revenues</b>						
Taxes	134,764	143,000	142,620	140,000	(3,000)	-2.1%
Licenses & Permits	250	250	250	250	0	0.0%
Intergovernmental	3,021	0	2,444	0	0	0.0%
Charges for Services	3,078,602	2,783,418	2,739,493	2,770,311	(13,107)	-0.5%
Miscellaneous	117,621	198,745	135,959	174,525	(24,220)	-12.2%
Other Financing	239,450	225,614	225,614	0	(225,614)	-100.0%
<b>Total Revenues</b>	<b>3,573,708</b>	<b>3,351,027</b>	<b>3,246,380</b>	<b>3,085,086</b>	<b>(265,941)</b>	<b>-7.9%</b>
<i>General Fund</i>	<i>2,052,440</i>	<i>2,986,019</i>	<i>3,201,570</i>	<i>3,438,015</i>	<i>451,996</i>	<i>15.1%</i>
<b>Total Financing</b>	<b>5,626,148</b>	<b>6,337,046</b>	<b>6,447,950</b>	<b>6,523,101</b>	<b>186,055</b>	<b>2.9%</b>
<b>Expenditures</b>						
Salaries & Benefits	4,904,813	5,454,015	5,307,245	5,617,813	163,798	3.0%
Services & Supplies	2,015,013	2,520,820	2,640,868	2,534,512	13,692	0.5%
Other Charges	1,291	2,886	1,294	323	(2,563)	-88.8%
Fixed Assets	239,750	162,815	95,295	0	(162,815)	-100.0%
<b>Subtotal</b>	<b>7,160,867</b>	<b>8,140,536</b>	<b>8,044,702</b>	<b>8,152,648</b>	<b>12,112</b>	<b>0.1%</b>
<i>IntraFund Transfers</i>	<i>(1,534,719)</i>	<i>(1,803,490)</i>	<i>(1,596,752)</i>	<i>(1,629,547)</i>	<i>173,943</i>	<i>-9.6%</i>
<b>Total Expenditures</b>	<b>5,626,148</b>	<b>6,337,046</b>	<b>6,447,950</b>	<b>6,523,101</b>	<b>186,055</b>	<b>2.9%</b>
Total Staffing		45.75	45.75	45.75	0.00	0.0%
<i>Unfunded Staffing</i>		<i>(3.55)</i>	<i>(2.55)</i>	<i>(2.55)</i>	<i>1.00</i>	<i>-28.2%</i>
<b>Funded Staffing</b>		<b>42.20</b>	<b>43.20</b>	<b>43.20</b>	<b>1.00</b>	<b>2.3%</b>

## YEAR 1 FINANCING CHANGES

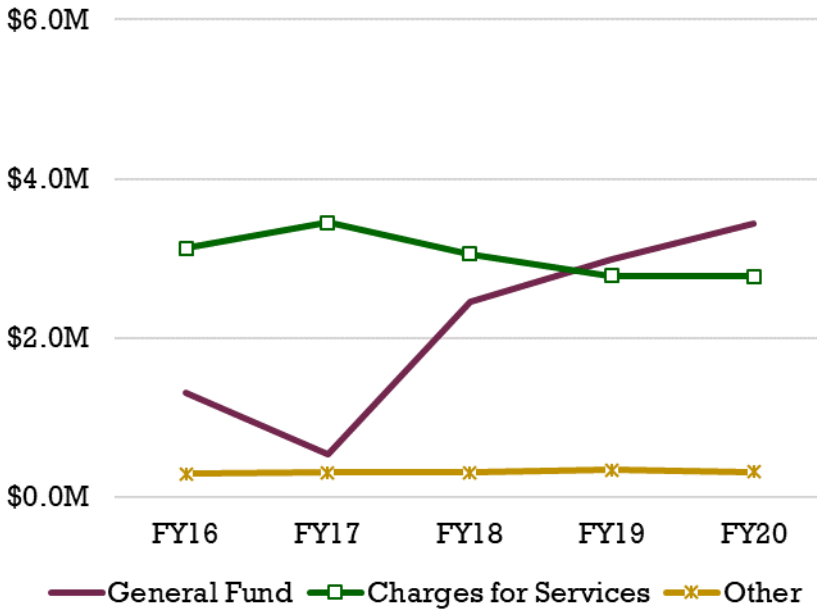
Financing Sources	Description/ Impact	Increase/ (Decrease)
Taxes	Reduced cost recovery for delinquent tax fees.	(3,000)
Charges for Services	Decreased redemption fees and other reimbursements.	(13,107)
Miscellaneous	Decreased escheatment revenue.	(24,220)
Other Financing	Decreased one-time CERTS revenue for completed projects.	(225,614)
General Fund	Increased General Fund contribution.	451,996
<b>Total</b>		<b>186,055</b>

## YEAR 1 EXPENDITURE CHANGES

Financing Uses	Description/ Impact	Cost/ (Savings)
	Increased cost for existing staff.	296,056
Salaries & Benefits	Delete a Collections Supervisor and add a Sr. Acct. Technician.	(66,267)
	Delete a Prop. Tax Systems Coord and add a IT Bus. Systems Analyst mid-year based on current system needs	(65,991)
Services & Supplies	Increase cost for Disaster Recovery analysis, audit services, and camera maintenance agreement.	13,692
Other Charges	Reduced cost for expiring copier lease.	(2,563)
Fixed Assets	Reduced for completed implementation of financial systems software.	(162,815)
IntraFund Transfers	Adjustment to departmental billings for services.	173,943
<b>Total</b>		<b>186,055</b>

## FINANCING TRENDS

### 5-Year Financing by Sources



### GENERAL FUND

Non recoverable costs are part of the General Fund contribution.

### CHARGES FOR SERVICES

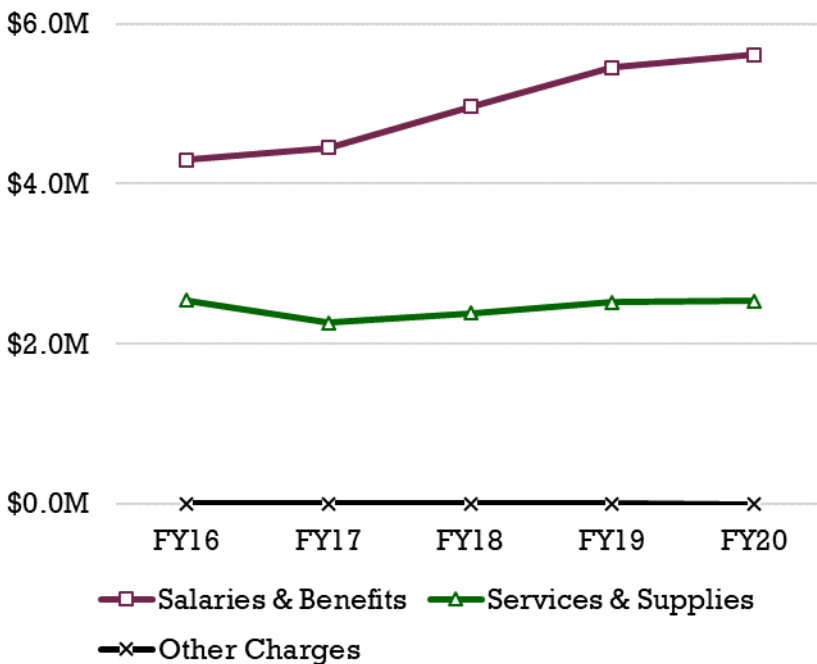
The majority of financing comes from charges for services, wherever possible, to recover costs provided to manage the County Treasury and Property Taxes for all jurisdictions that utilize the County for services.

### OTHER

Other revenues include recoverable cost of taxes, and one-time costs for financial system upgrade.

## EXPENDITURE TRENDS

### 5-Year Expenditures by Uses



### SALARIES & BENEFITS

The majority of the Auditor-Controller-Treasurer-Tax Collector budget is spent on staffing necessary to carry out the services required of the office.

### SERVICES & SUPPLIES

Includes costs for overhead such as office supplies, telephone service, banking and investment services, data processing, software licensing, and audit services.

### OTHER CHARGES

Minor financing charges.

\*Expenditures do not include IntraFund Transfers.

# ACCOMPLISHMENTS & ACCOUNTABILITY

## PRIOR YEAR GOALS

### 1. County Banking

The ACTTC issued a Request for Proposal for both comprehensive County banking and credit card processing services. New contracts for these services are anticipated in 2018-19.

### 2. Transient Occupancy Tax (TOT)

Signed a contract with HOST Compliance, a company that utilizes web-searching software to identify illegal vacation rentals. This office will locate and notify illegal rentals of their TOT tax responsibilities and perform audits as needed.

### 3. Successor Agency Consolidation of the Oversight Boards

On July 1, 2018, the individual Successor Agency Boards will be consolidated into one countywide consolidated redevelopment oversight board in accordance with Senate Bill No. 107 and Health and Safety Code Section 34179j. The Auditor-Controller is responsible for staffing and administration of the Board.

### 4. Debt Management

Signed a contract for SymPro Debt Management Software. The software will assist the County in planning for future debt offerings and enhance internal and external debt reporting. It will automate debt service schedules, interest calculations and the Comprehensive Annual Financial Report (CAFR) annual reporting.

## 2018-19 ACCOMPLISHMENTS

### 1. County Banking

The Auditor-Controller-Treasurer-Tax Collector (ACTTC) entered into a contract with a new primary bank and is finalizing the process of transferring all bank accounts, and implementing new banking services. Additionally, the ACTTC entered into an agreement with a new merchant services provider (credit card processor), which resulted in a reduction in the convenience fee passed on to County customers, when applicable.

### 2. Transient Occupancy Tax (TOT)

The ACTTC's agreement with Host Compliance resulted in recovering unpaid TOT from short term rental hosts, which offsets the cost of the contract.

### 3. Successor Agency Consolidation of the Oversight Boards

On July 1, 2018, the ACTTC and other County staff as assigned, successfully combined the five individual Successor Agency Boards into one countywide consolidated redevelopment successor agency oversight board. The consolidated redevelopment successor agency oversight board held its first two meetings in 2018-19.

### 4. Debt Management

ACTTC staff are completing the process of entering all outstanding debt schedules, and new debt issuances, into the SymPro Debt Management system. SymPro software is expected to go live by June 30, 2019.

## YEAR 2 PROJECTED BUDGET OVERVIEW

### 2020-21 PROJECTED BUDGET

The estimates included in the 2020-21 projected budget assume a status quo operation and reflect known changes with a projected increase to the General Fund contribution of \$377,000.

### EXPENDITURES

The increase in Salaries and Benefits of \$435,938 is for existing staff included in the 2019-20 budget.

Services and Supplies expenditures decrease from 2019-20 budget by \$34,158 due to expenditures in the 2019-20 budget for disaster recovery analysis that do not occur in the 2020-21 budget.

### REVENUES

The revenue increase of \$56,882 mainly relates to increase in treasury pool revenue for reimbursement of staff costs and a new check remittance machine.

## YEAR 2 PROJECTED BUDGET DETAIL

Budget Unit: 12

All Funds	Adopted 2018-19	Recommended 2019-20	Projected 2020-21	Change from 2019-20	
<b>Revenues</b>					
Taxes	143,000	140,000	140,000	0	0.0%
Licenses & Permits	250	250	250	0	0.0%
Charges for Services	2,783,418	2,770,311	2,827,193	56,882	2.1%
Miscellaneous	198,745	174,525	174,525	0	0.0%
Other Financing	225,614	0	0	0	0.0%
<b>Total Revenues</b>	<b>3,351,027</b>	<b>3,085,086</b>	<b>3,141,968</b>	<b>56,882</b>	<b>1.8%</b>
<i>General Fund</i>	<i>2,986,019</i>	<i>3,438,015</i>	<i>3,815,015</i>	<i>377,000</i>	<i>11.0%</i>
<b>Total Financing</b>	<b>6,337,046</b>	<b>6,523,101</b>	<b>6,956,983</b>	<b>433,882</b>	<b>6.7%</b>
<b>Expenditures</b>					
Salaries & Benefits	5,454,015	5,617,813	6,053,751	435,938	7.8%
Services & Supplies	2,520,820	2,534,512	2,500,354	(34,158)	-1.3%
Other Charges	2,886	323	0	(323)	-100.0%
Fixed Assets	162,815	0	50,000	50,000	0.0%
<b>Subtotal</b>	<b>8,140,536</b>	<b>8,152,648</b>	<b>8,604,105</b>	<b>451,457</b>	<b>5.5%</b>
<i>IntraFund Transfers</i>	<i>(1,803,490)</i>	<i>(1,629,547)</i>	<i>(1,647,122)</i>	<i>(17,575)</i>	<i>1.1%</i>
<b>Total Expenditures</b>	<b>6,337,046</b>	<b>6,523,101</b>	<b>6,956,983</b>	<b>433,882</b>	<b>6.7%</b>
Total Staffing	45.75	45.75	45.75	0.00	0.0%
<i>Unfunded Staffing</i>	<i>(3.55)</i>	<i>(2.55)</i>	<i>(2.55)</i>	<i>0.00</i>	<i>0.0%</i>
<b>Funded Staffing</b>	<b>42.20</b>	<b>43.20</b>	<b>43.20</b>	<b>0.00</b>	<b>0.0%</b>

