

City of Springfield**FY 06 Recommended Budget**

Function: Finance
Department: Collector's Office
Department Budget: \$725,331

Department Mission:

The mission of the Collector's Office is to collect all revenue due to the City of Springfield and to do so promptly, courteously, and in a manner that inspires public confidence in the integrity and fairness of the Department.

Department Highlights:

The Collector's Office operates within the department of Finance for the City. The department is responsible for the billing and collecting of all city funds including real estate and personal property taxes and motor vehicle excises, as well as miscellaneous departmental receipts. The Collector's Office has the responsibility to place liens on properties for the City of Springfield for non-payment of taxes to protect the City's financial interest. The Collector's Office would like to improve the daily collections of all receivables by implementing an automated operation at the cashier window to service the taxpayers more efficiently. This project would not increase the Collector's budget; it would require the time and resources of the programming staff of the MTS Department. This would allow the department to capture payment information on a timelier basis and provide better data to the taxpayers. The implementation would be a tool to streamline the daily cash reconciliation process and improve our accuracy and timing in reporting of receipts to the Treasurer and Auditor.

Currently the Collector's Office provides on line payments for parking tickets and motor vehicle excises. In fiscal year 2006, the Collector's Office will promote a method for online collection of real estate taxes with no additional increase in the budget. The department will redesign tax bills in a more customer friendly, easily readable format that will assist in increasing our collections. In closing, the Collector's Office will continue to work with the MTS Department to develop or implement software or new technology to enhance our operation to better service the taxpayers and employees of the City.

In closing, Collector Office staff is taking a more proactive approach in the collection of all committed taxes. The department has seen an increase in collection in taxes from January 2004 through April 2005. The chart below is to illustrate the increase in collections by this department.

Fiscal Year	Gross Tax Levy	Overlay Reserves For Abatements	Net Tax Levy	Total Collections	% of Net Tax Levy	% of Gross Tax Levy
2005	\$131,027,441	\$6,798,667	\$124,228,774	\$ -	0.00%	0.00%
2004	\$125,591,475	\$5,407,439	\$120,184,036	\$117,137,994	97.47%	93.27%
2003	\$115,874,803	\$2,498,585	\$113,376,218	\$106,804,739	94.20%	92.17%
2002	\$111,317,505	\$2,411,106	\$108,906,399	\$102,353,095	93.98%	91.95%
2001	\$106,688,937	\$3,212,186	\$103,476,751	\$ 97,459,722	94.19%	91.35%
2000	\$102,482,491	\$3,995,111	\$ 98,487,380	\$ 94,161,453	95.61%	91.88%

Program: Collections
Function: Finance
Department: Collector's Office

Program Goal:

The goal of the Collection Program is to increase the tax collection rate by processing return mail, tax payments and city departmental receipts on a timely and accurate manner, and to ensure all monies are accounted for properly.

Program Narrative:

In order to increase the City of Springfield's collection rate for all receivables and provide accurate information to the taxpayers of the City, the department must prepare accurate bills on a timely basis, produce Municipal Lien Certificates within a reasonable amount of time, and provide the highest level of customer services to the taxpayers of the City. Another important duty of the Collector is to file tax liens in a timelier manner.

Program Objectives:

1. Increase collection rate by 2%.
2. Maintain collections by issuance of bills and Municipal Lien Certificates timely and efficiently.
3. To complete the Tax Lien process within 120-150 days from the 4th quarter due date and reduce the number of days it takes to turn over the liens to the Treasurer's Office.
4. Implement an automated operation at the cashier window.

Key Program Measures	FY 2004	FY 2005	FY 2006
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
<i>Customer Service</i>			
Days it takes to Process Municipal Lien Certificates	10 Days	10 Days	8-10 Days
<i>Billing</i>			
Collection Rate	93.27%	*95%*	97%
Bills Processed (Real Estate, Personal and MVE)	300,000	300,000	300,000
<i>Municipal Lien Certificates</i>			
Municipal Lien Certificates Issued	8,011	8,609	9,000
<i>Tax Title Liens</i>			
Demand letters issued.	3,418	8,595	4,500
Final notices issued	3,221	5,436	2,500
Properties advertised	445	1,444	1,500
Tax liens issued.	321	1,225	1,000
Days it takes to process to the Treasurer Office	30 Days	20 Days	10 Days

Proposed Program Changes:

Increase in budget is due to the Collector's Office taking a more proactive approach in placing liens on properties. In previous years, the department would manage the Tax Liens process anywhere from 365 to 720 days. The focus of the Collector's Office in fiscal year 2006 is to advertise delinquent accounts earlier in the process, about 120 to 150 days, in order to increase the timeliness of collections. This more proactive approach may cause more properties to be involved in tax taking process, which will increase filing fees, postage and advertisement costs at an estimated cost of \$90,000. This additional increase for filing fees, postage and advertisement costs will pass on to the delinquent taxpayers. When the delinquent taxpayer makes payment to the Collector's Office or Treasurer's Office, the City will recoup these costs. Additional increases are associated with the leasing of the postage mail machine at an estimated cost of \$16,000, which was previously budgeted by the Finance Department. The purchase of 4 currency counter/counterfeit machines, billing envelopes not purchased in FY 2005 and maintenance for the Pitney Bowes folding/inserting machine, which was not funded in FY 2005. The remaining increases can be attributed to routine services such as security and armored car services.

**City of Springfield
Program Summary
Finance
Collector's Office
Collections**

FY 06 Recommended Budget

	Actual Expenditures FY 04	Adopted FY 05	Actual 03/31/05	Estimated 06/30/05	Proposed FY 06
EXPENDITURE SUMMARY					
Regular Payroll	\$ 341,177	\$ 372,696	\$ 266,055	\$ 367,019	\$ 355,934
Overtime	-	-	-	-	-
Purchase of Service	181,218	240,901	136,162	196,462	359,397
Materials and Supplies	421	500	143	191	5,500
Intergovernmental	-	-	-	-	-
Other	-	2,150	1,205	1,607	4,500
Capital Outlay	-	-	-	-	-
Total	\$ 522,816	\$ 616,247	\$ 403,565	\$ 565,279	\$ 725,331

	Actual FY 04	Estimated FY 05	Proposed FY 06
REVENUE SUMMARY			
Non General Fund			
Grants	\$ -	\$ -	\$ -
Bond Proceeds	-	-	-
Fees/Parking Meters	24,968	14,913	33,600
Reimbursements	-	-	-
Total Non General Fund	\$ 24,968	\$ 14,913	\$ 33,600
General Fund			
General Fund Fees	\$ -	\$ -	\$ -
General Fund Contribution	497,848	550,366	691,731
Total General Fund	\$ 497,848	\$ 550,366	\$ 691,731
Total	\$ 522,816	\$ 565,279	\$ 725,331

	Actual FY 04	Adopted FY 05	Proposed FY 06
FUNDED POSITIONS/FTEs			
Deputy Collector	1	1	1
Revenue Ctl Analyst	1	1	1
Administrative Assistant	1	1	1
Accounts Serv Coordinator	1	1	1
Accounts Payable Clerk	1	1	1
Clerical	6	6	6
Total	11	11	11

APPROPRIATION SUMMARY			
Personal Services	\$ 341,177	\$ 372,696	\$ 355,934
Other Than Personal Services	\$ 156,671	\$ 243,551	\$ 335,797
Capital Outlay			
TOTAL	\$ 497,848	\$ 616,247	\$ 691,731