Travis County Commissioners Court Agenda Request

Meeting Date: March 25, 2014
Prepared By/Phone Number: Tina Morton, Deputy Chief
Travis County Tax Assessor- Collector
512-854-9702

Elected/Appointed Official/Dept. Head:
Bruce Elfant
Travis County Tax Assessor- Collector

Commissioners Court Sponsor:

AGENDA LANGUAGE:

RECEIVE UPDATE REGARDING TRAVIS COUNTY TAX OFFICE BUDGET AND OTHER ISSUES AND TAKE APPROPRIATE ACTION.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Please see attached presentation.

STAFF RECOMMENDATIONS:

ISSUES AND OPPORTUNITIES:

FISCAL IMPACT AND SOURCE OF FUNDING:

REQUIRED AUTHORIZATIONS:

Travis County Tax Office

WORK SESSION WITH

TRAVIS COUNTY COMMISSIONERS COURT

MARCH 25, 2014

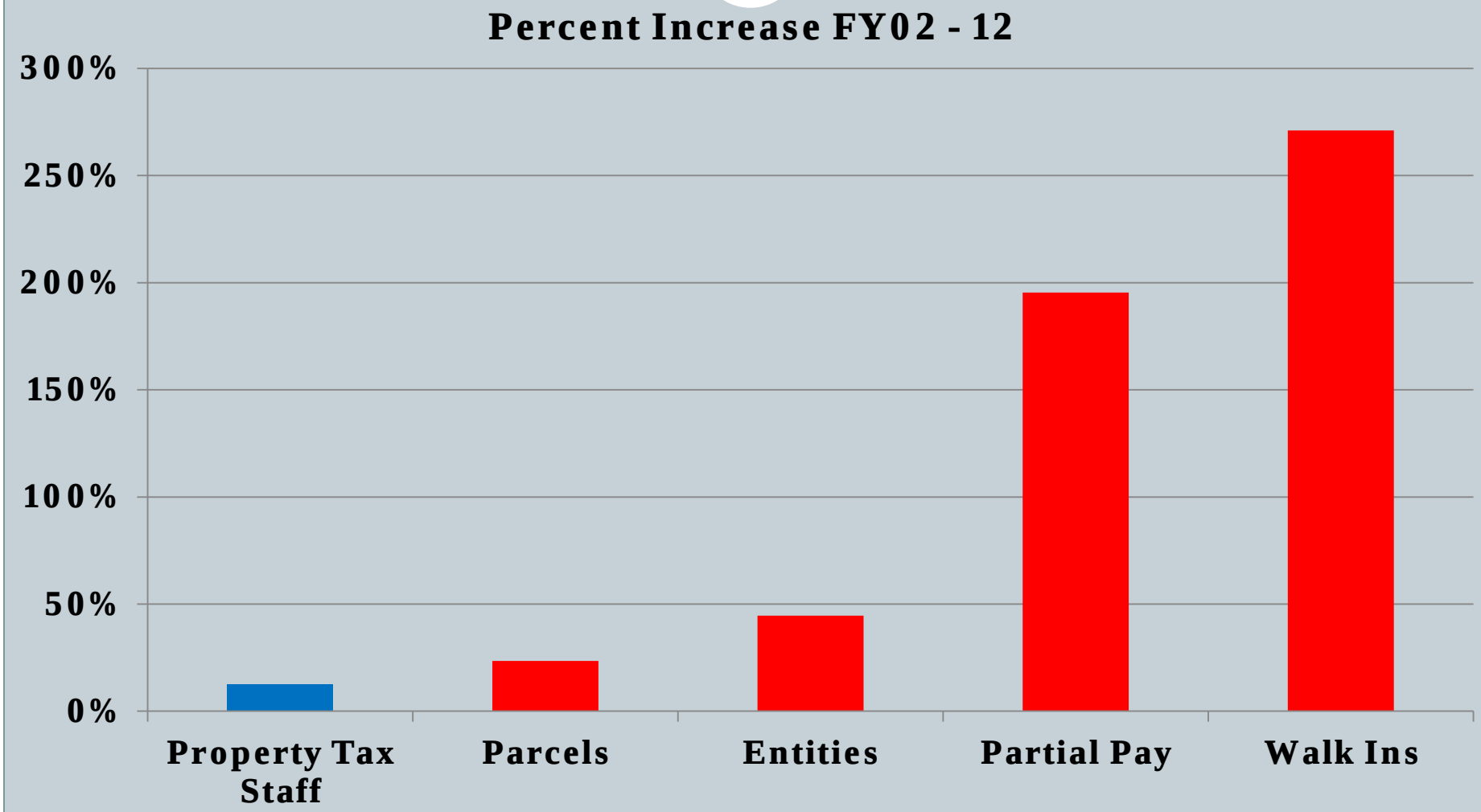
Serious Operational Deficiencies…

- Security
- Staffing
- Span of Control
- Internal Control
- Accountability
- Customer Service
- Succession Planning
- Transparency

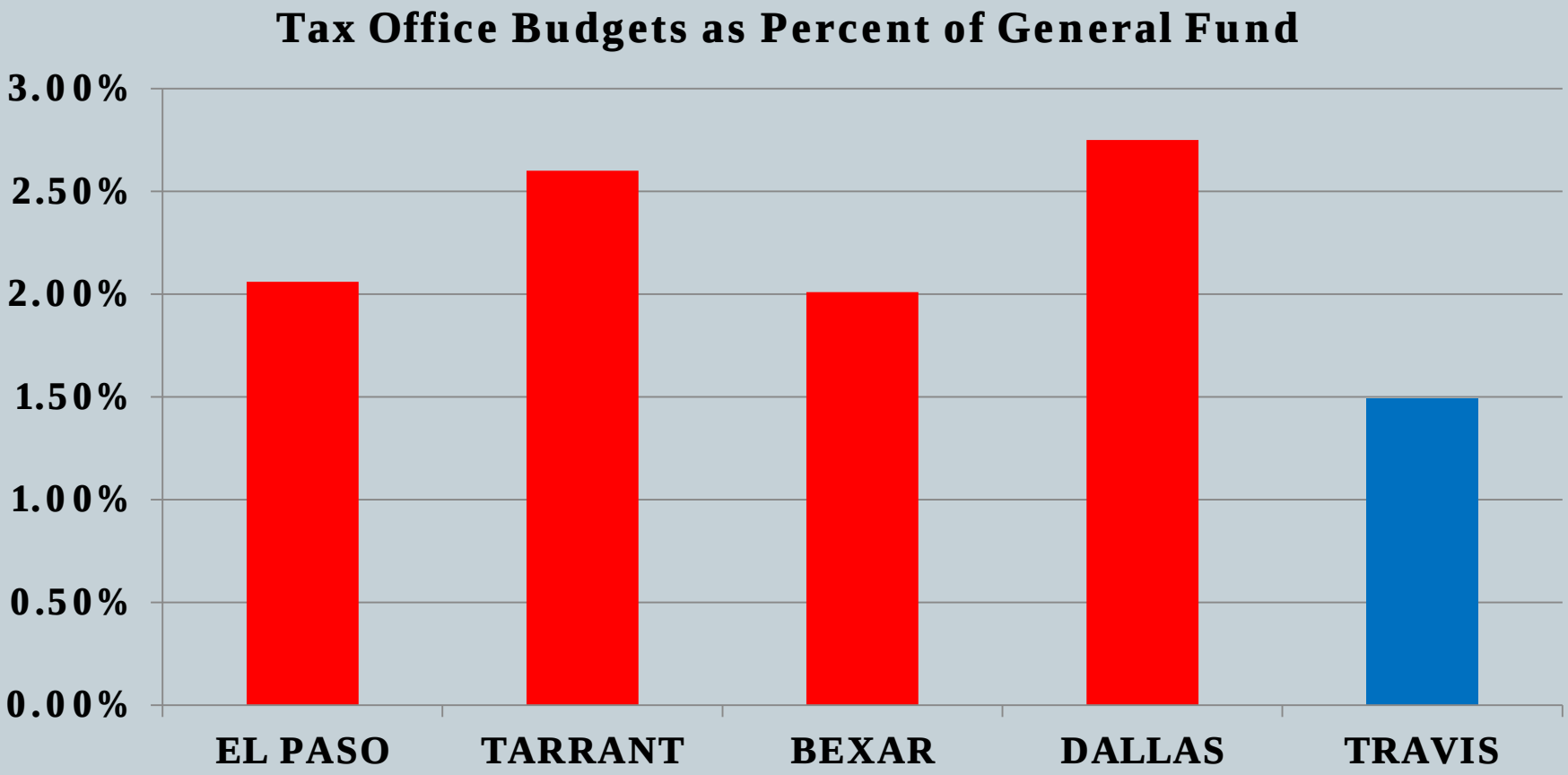
…have resulted in

- Theft
- Costly Errors
- Non compliance w/ State mandates and Contractual obligations
- Longer lines
- Increased legal exposure

Highest Workload Per FTE



Lowest investment in Tax Office



* Only Travis Tax Office responsible for delinquent taxes and voter registration

Unacceptable Risk for Significant Loss

Tax Office Considered "High Risk"

- Travis County Auditor's Office, August 1, 2013

Reorganization Summary

Initiated in FY12 budget; formal proposal FY13

Reviewed with HRMD, PBO, FMD & County Auditor

Propose 33 FTEs & 29 reclassifications over 3 years

Primary reasons:

- Known risks associated with $3.4 billion collections
- Required internal control redesign
- Inadequate staffing
- Span of control

First year Funding

- **2 MV positions** – State mandate to upgrade license plate inventory
  Funded 1/1/14 Currently hiring/training

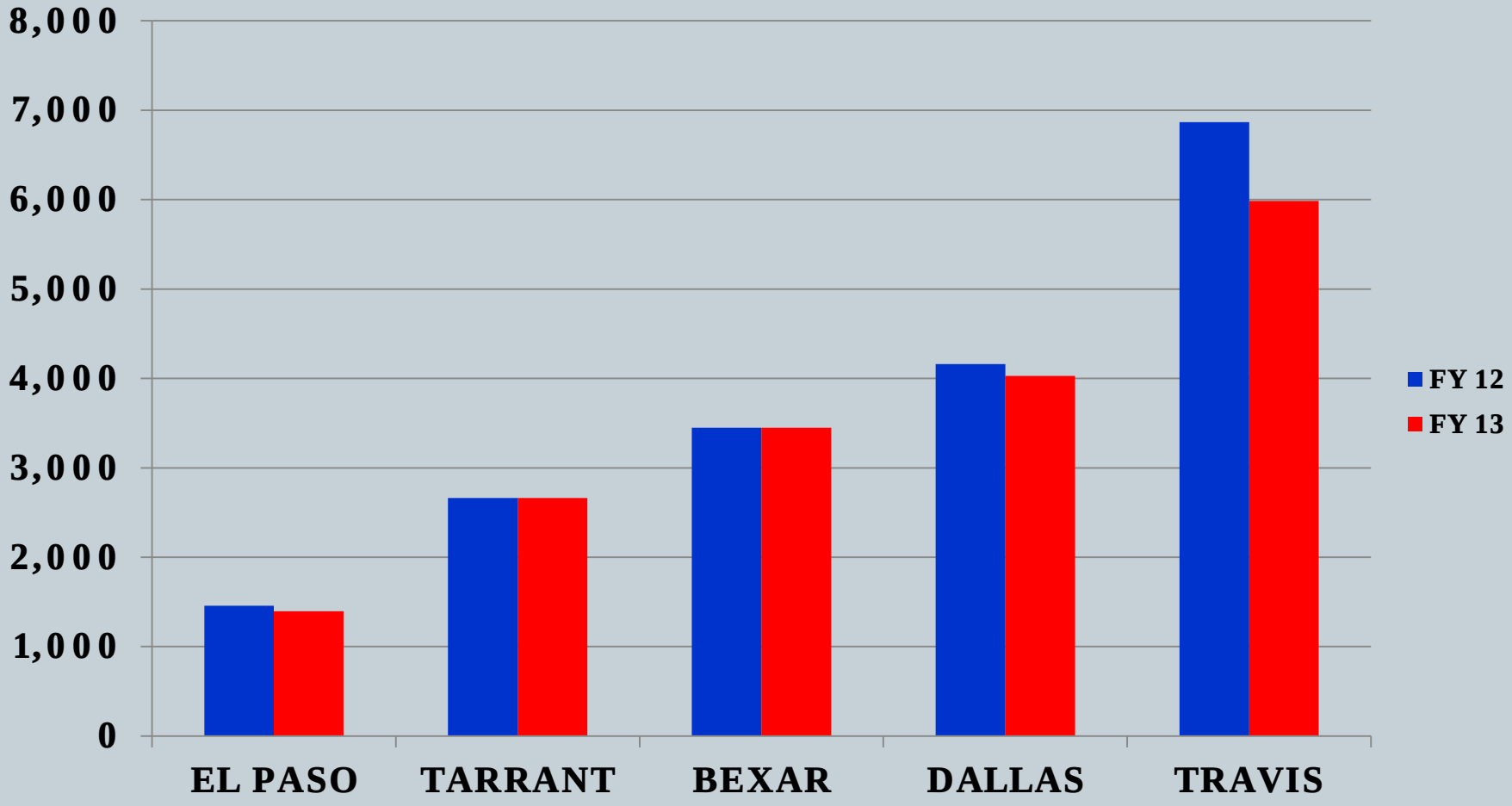
- **3 MV Supervisors** – hired, currently in training; must continue to also perform old duties due to staff shortage during hiring process.

- **2 Collections Supervisors** – hired, currently in training; working on programming issues; not monitoring employees; span of control basically unchanged

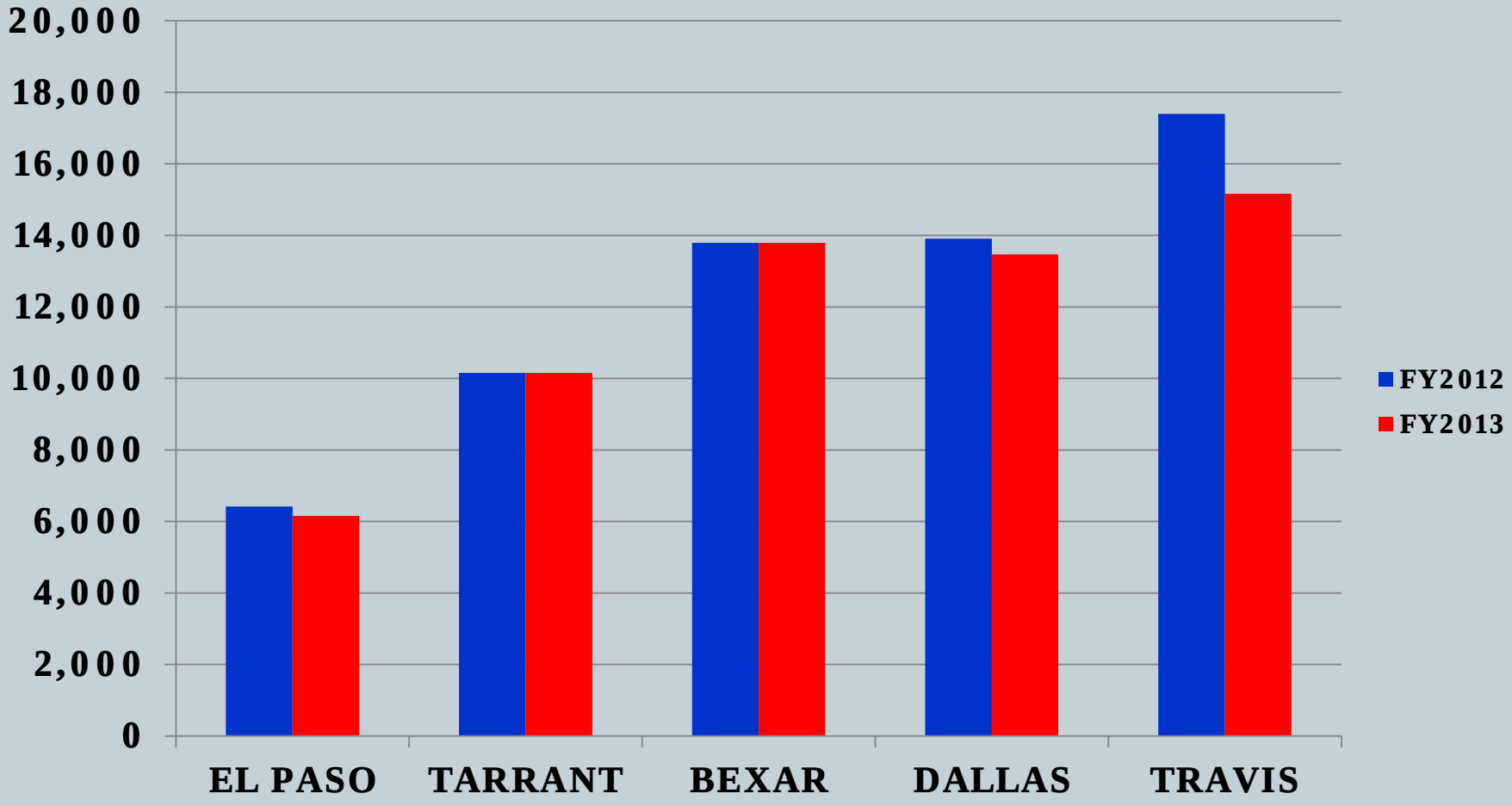
- **1 Financial Analyst Lead** -- Once training is complete, position will devote significant time to work with accounting and property tax software vendors to find ways to streamline department.

- **½ FTE, Com & Training -** Enables 660 more calls per month (3%) to be answered.

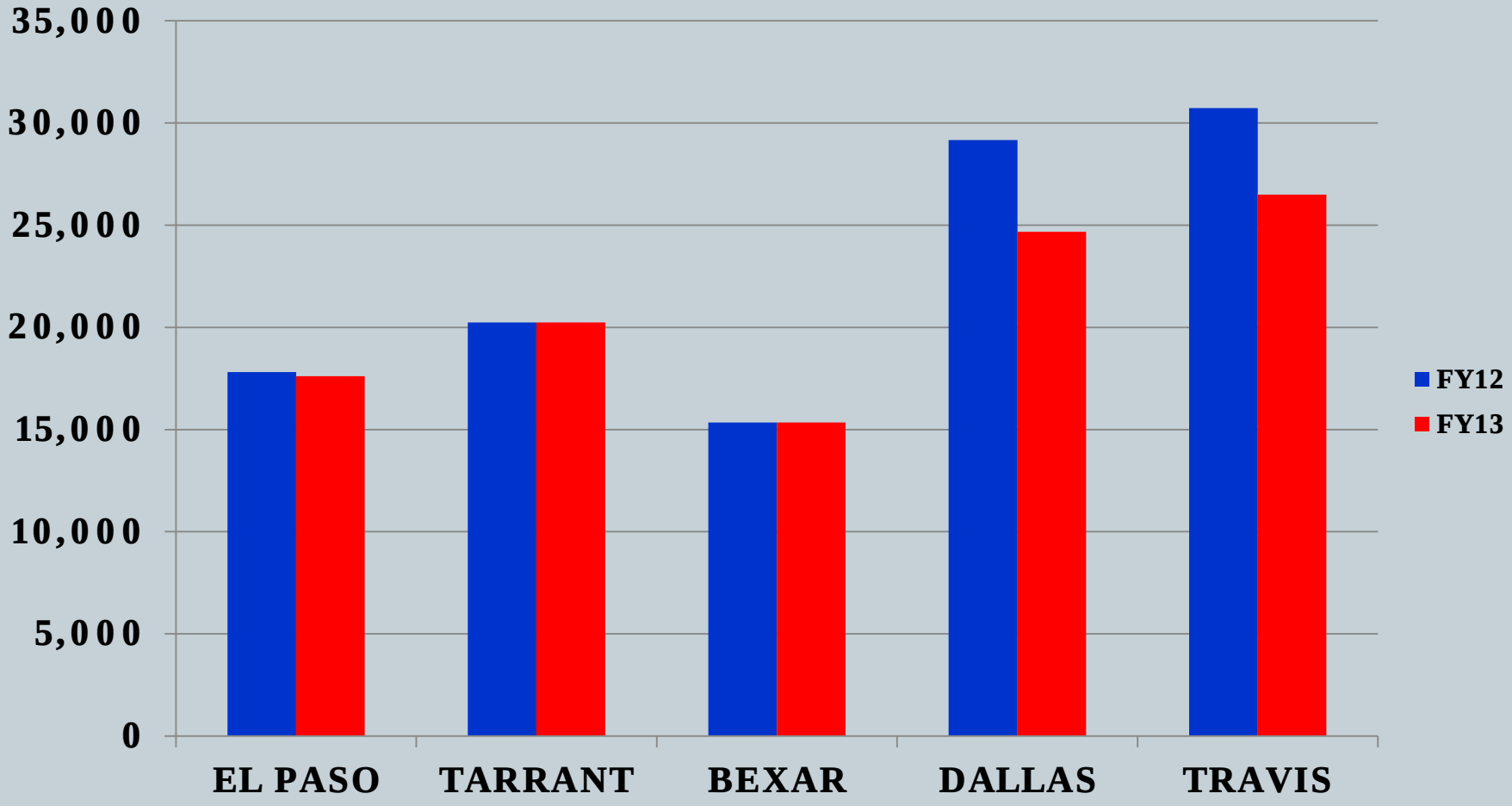
Vehicle Titles Per FTE



Vehicle Registrations Per FTE



Parcels Per FTE



Communications and Training

Function	Status	Impact
Phone Traffic	Receive 240,000 phone calls per year	25% of callers give up 50% gave up in January
		Repeated calls add more phone traffic Many come to Tax Office in person
	Average time per call increased due to mandates	Adds to backlog of calls
	Time on hold as long as 42 minutes	Limiting vacations and lunch
		Very frustrated customers

Communications and Training

Function	Status	Impact
Professional Certification Training	Need programming	May not comply with mandate
For 57 employees HB 538	Need Training Coordinator	May not comply with mandate

Voter Registration

Function	Status	Impact
Must accept VR applications timely by fax -SB 910 Effective 9/1/13	Requires programming Not complete	Voters not registered Possible legal challenges
Absentee ballots must be mailed within 45 days of election -UOCAVA and MOVE Act	Requires technical expertise to audit voter roll; Have come very close to missing deadline	Overseas military voters don't receive timely ballots Possible legal challenges
Must validate and sync daily with State database -HAVA	Have not routinely complied Received warning for 1st time	Voter data not validated with State Possible loss of up to $200,000 State funding Possible legal challenges

Voter Registration

Function	Status	Impact
Respond to requests for information within 10 days -Texas Open Records Act	Receive 5 requests per day Not in compliance	Litigation possible
_____	_____	_____
Online Voter Registration -Possible 2015 mandate	Don't have adequate technical staff to develop or implement	Non compliance with mandate

Collections and Technology

Function	Status	Impact
Send delinquent bills -HB 1597	Delayed Programming not complete	Delayed collections for 110 entities
Monthly Tax Sales	April and May canceled	Delayed collections for 110 entities
Dispersal of VIT Tax	Missed Statutory Feb. 11 deadline for dispersal	Delayed payments Violates contractual obligations to entities Potential litigation
Daily posting and deposits of funds	Funds not deposited same day 15 out of 25 peak days	Violates auditor rules Violates agreement w/entities Potential for loss

Collections and Technology

Function	Status	Impact
Dispersal of Court Costs	Review – 71 days behind Dispersal – 41 days behind	Violates Auditor standard
Refund Applications 50,000 – 60,000 per year Potential for costly errors -Mandate 60 days	45 – 60 days behind Not reviewing applications under $3,000	Potential for litigation
ETAX Program	2 years behind Lack of adequate resources to review & test program	Slows operations Slows refunds
BA I	Need new programming change orders	???????????

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Primary reasons:

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Project Status

Project	Status
• Department Technology Review	Incomplete
• Develop Department Strategic Plan	Incomplete
• Risk Analysis	**Barely started;** far from complete
•	
• SCOFFLAW	**Work has begun Implementation will require funding**
• Electronic Property Tax Billing	Implemented
• Electronic Payments	Implemented
• Electronic Receipts	Implemented
• Research Issues	
✓ Number of Tax Deferrals	Not Started
✓ Increase in 65+ Exemptions	Not Started
✓ Statute of Limitations	Not Started

“We have a fiduciary and statutory responsibility to these entities to safeguard their funds and to collect, account for and disburse these funds and in a timely manner.”

- Nicki Riley, Travis County Auditor

Request for FTEs

Communications & Training

Program Coordinator
Program Coordinator

Property Tax

Program Manager
Program Manager
Business Analyst I

Voter Registration

Business Analyst I

Total Cost: $450,934

FY14 Internally Funded Initiatives

Temporary Salary Savings - $41,035

- Overtime for elections
- Customer quality technology
- Currency validation technology
- Succession planning

Permanent Salary Savings - $51,000

- Reclassifications – technology and retention focused involving 6 slots

THE DAILY NEWS

County's missed payment to Valero costs $130K in penalties

Cyber thieves hit Gregg County for $200 K

...An international cyber attack on the Gregg County Tax Assessor has cost **at least seven taxing entities a total of about $200,000,** officials said Monday. Other Texas counties could also be victims.

State says [voter registrar] likely violating law with 'dead voters'

Texas tax-assessor faces criminal tax matters in an ironic twist

Starr County tax office raided in embezzlement probe

Tax assessor seeks judgment of no liability in cyber theft

Sheriff investigating missing money at tax office

Harris County school agency sues to void election

... the county's tax assessor-collector and voter registrar, acknowledged his office used the old boundary information, so the ballots were incorrect. As a result, some voters were denied the opportunity to cast ballots or cast them in the wrong race.

Tax Assessor Says at least $100,000 missing

Non-compliance with mandate HB 1597 9/1/13

- Have not sent delinquent bills yet
- Delayed revenue? Cash flow down
- Effect on bond rating?

Canceled April and maybe May Tax Sales – delayed revenue and also impacts ability to use it as a hammer collection tool; lose interest of regular bidders

Have not disbursed VIT tax; have not met 2/10 mandatory deadline to disburse; not meeting fiduciary and contractual responsibilities; consequences – entities unhappy; risk of lawsuit; get total

Stuck money in the vault for 15 out of 25 tax peak business days and could not post; did get an email from one jurisdiction asking why revenue slower this year; more potential for loss – moving paper –Cash Investment Manager asked about delay; normally there is only a 2 day delay in posting rather than putting into vault. Out of compliance with auditor rules; verbally promised daily posting to jurisdictions

Have not disbursed court costs since Jan 3 – 41 days behind; review fees daily 70 days behind. Not meeting Auditor standard;

Refund applications – TCAD supp roll changes 45 – 60 days behind in Dec /Jan fixed by pulling emps off customer service; did not get customers waited on; critical on refunds in Dec/Jan; during a peak time we were 45 – 60 days behind and the MANDATE is 60 days and we no longer have sovereign immunity; we are critical stages in both areas of refunds.

Software application needs – debugging on ETAX; running into out of balance problems; reporting functionality on ETAX is not addressed; must make decisions about disbursing when out of balance

ETAX was a two – year project; we are currently in the fourth year; cannot bring MV on until problems with ETAX are figured out. Escrow process is not yet complete therefor Refunds are slowed down. ETAX program conflicts with EZTAX so we had to shut one down. 50 – 60,000 refunds per year; the longer it takes the more phone calls we get – most emotional issue dealt with; cut checks for screamers.

ETAX programming – need work on accounting reports; $100,000 spent on software that is not yet complete; not the vendor's fault it's us.

BA I -- need new programming / change orders

Answered less than ½ calls received in January

2013 / 2014 comparisons

Collections – collected a lot more in January

Longer wait times

4,000 fewer calls answered – long transaction time

If you need 3 employees you actually need 5

Connect request: phone calls, increase call capacity; social media, training

How long should employees work without full lunch hours and vacation

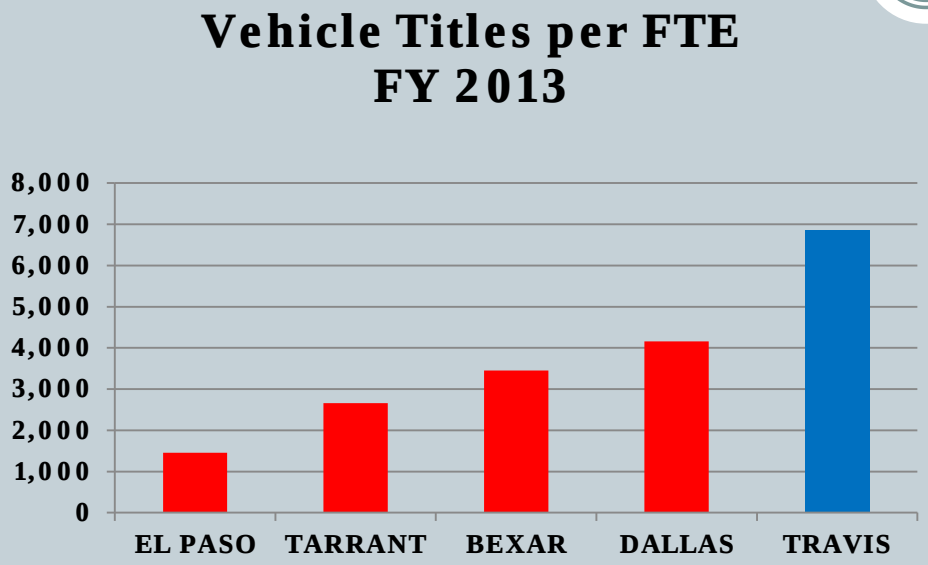
11,000 additional calls could be answered

State mandate for certification training – need training Project Coordinator to run it; adding 53 more employees in MV; doubling certification; because we are all certified, the mandate requires that we continue with new program

Web site is not compatible with newer technology such as a mobile phone or Ipad – just can't get to it.

Mention codes and that the Tax A/C is required by law to perform

Impact of FTEs - Motor Vehicles



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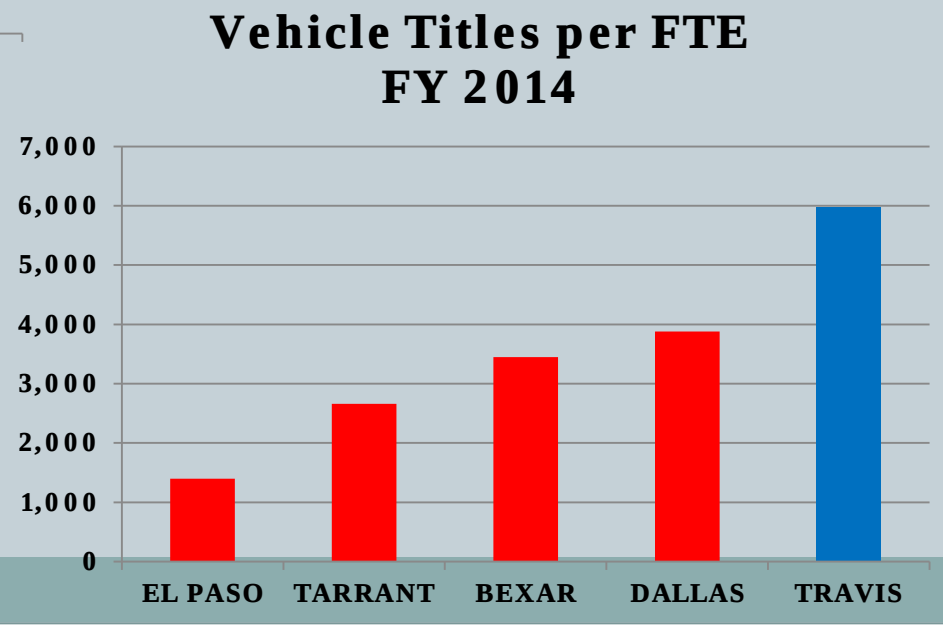
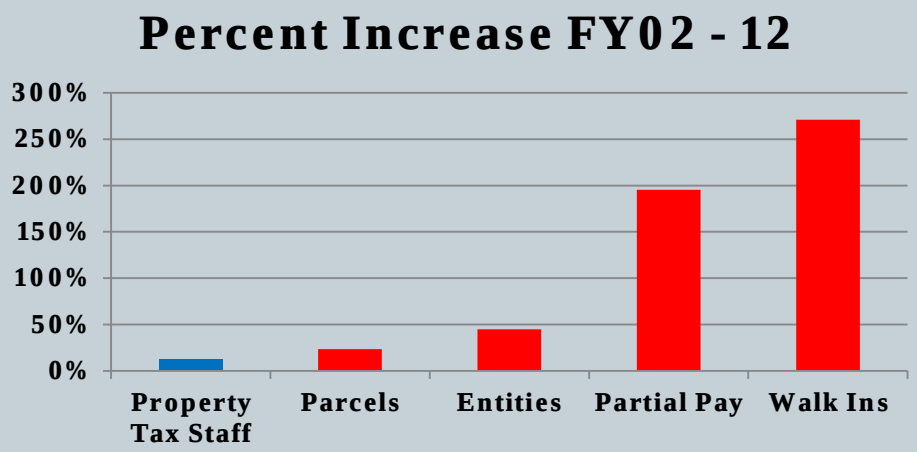
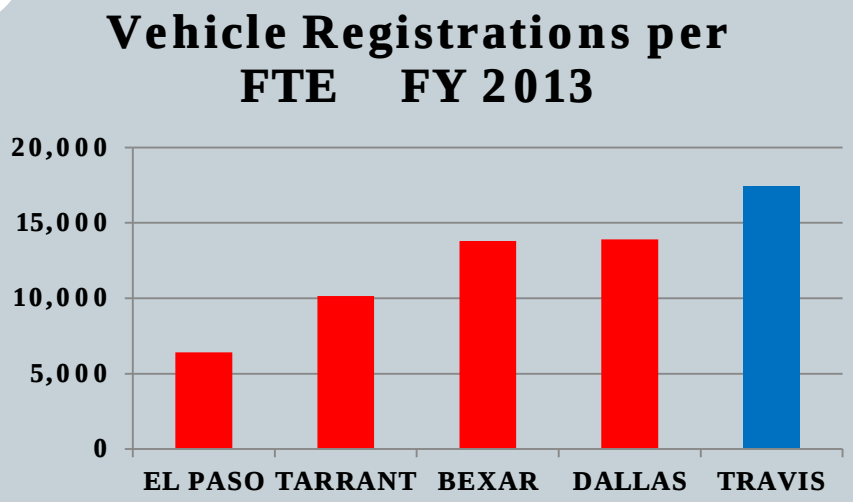
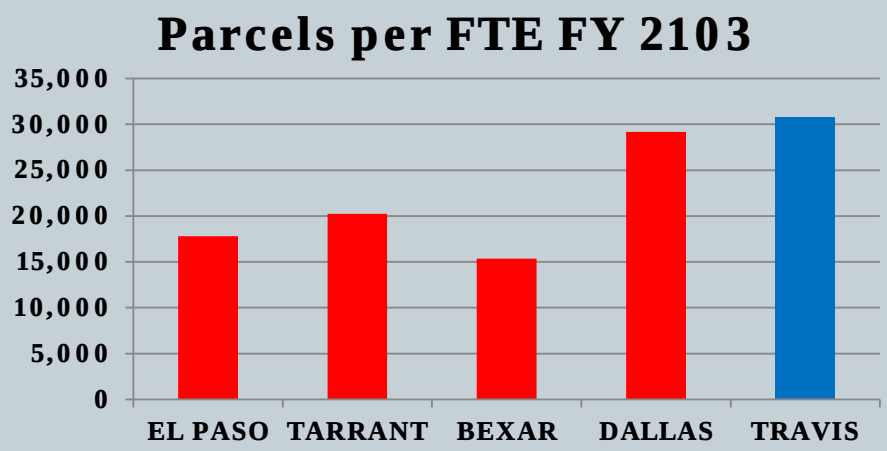
Titles per FTE per Year

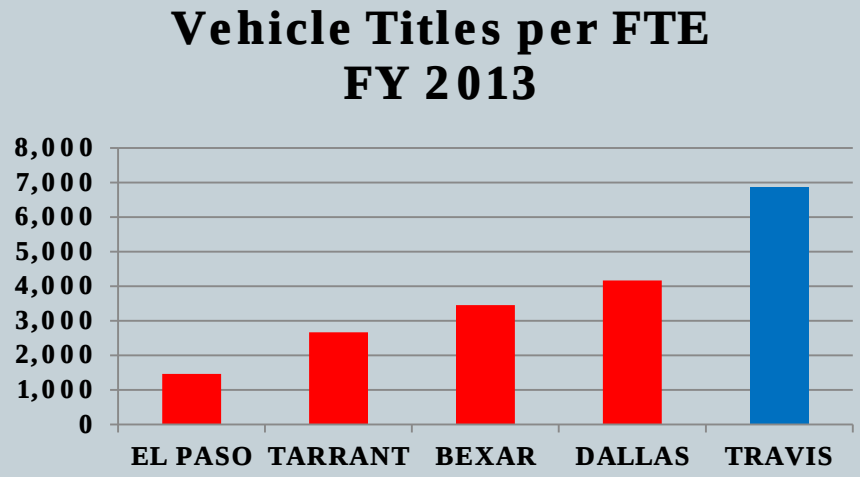


Highest Workload per FTE









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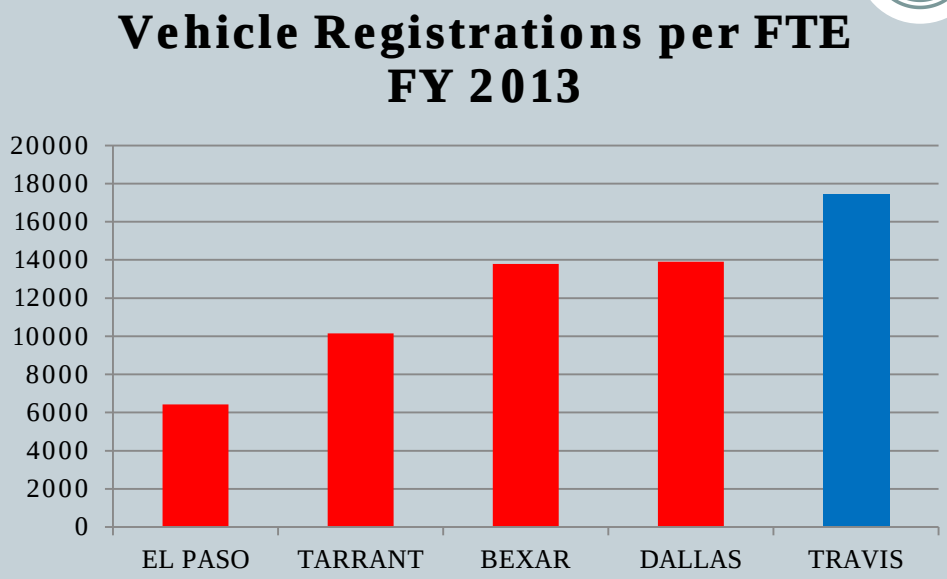

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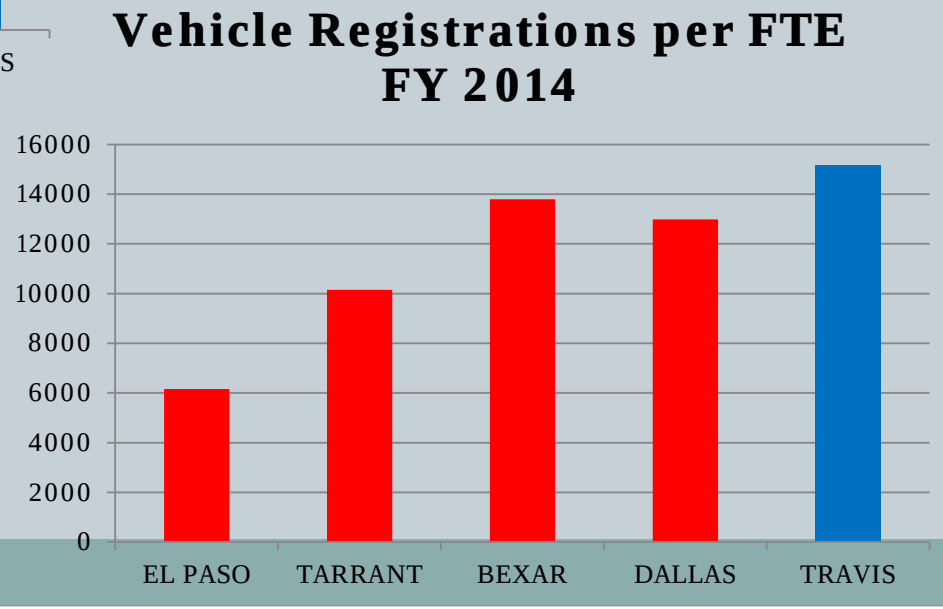
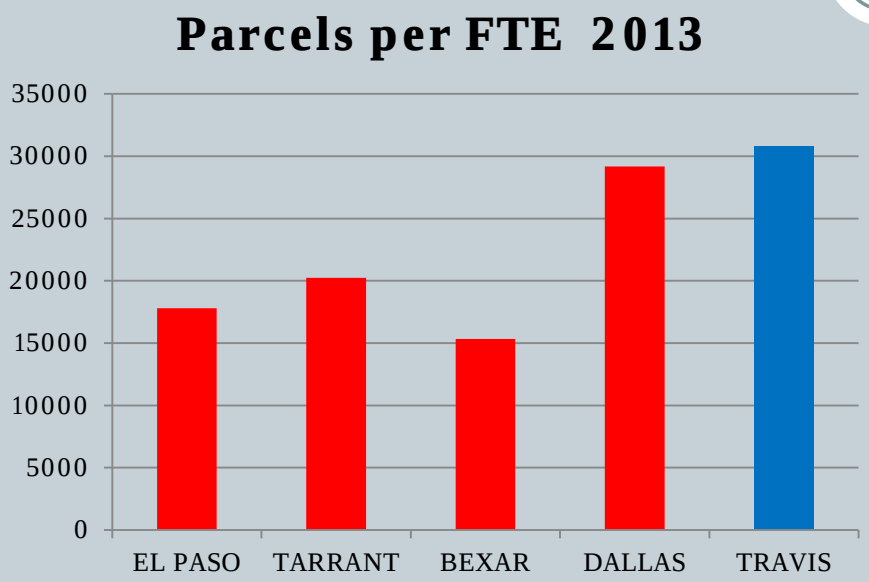
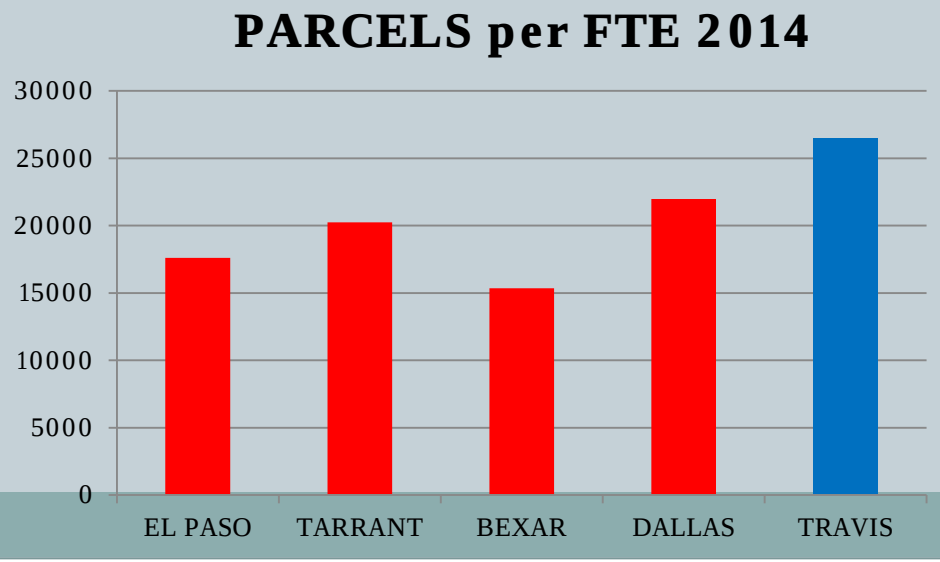
Vehicle Registrations per FTE per Year



Impact of FTEs – Property Tax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Parcels per FTE per Year