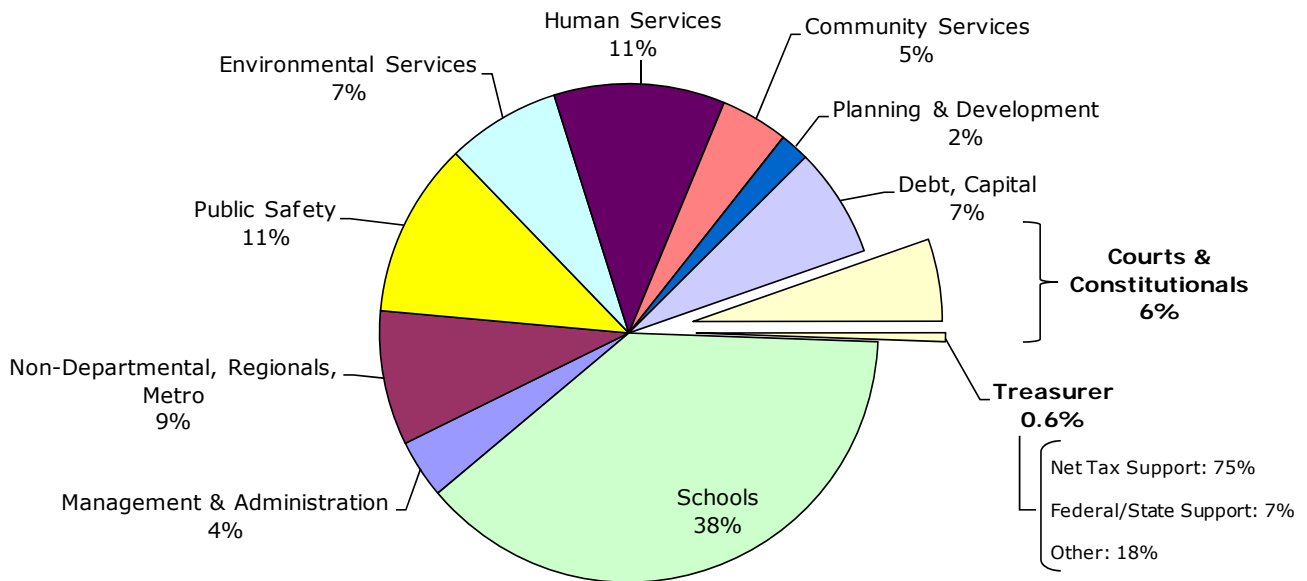


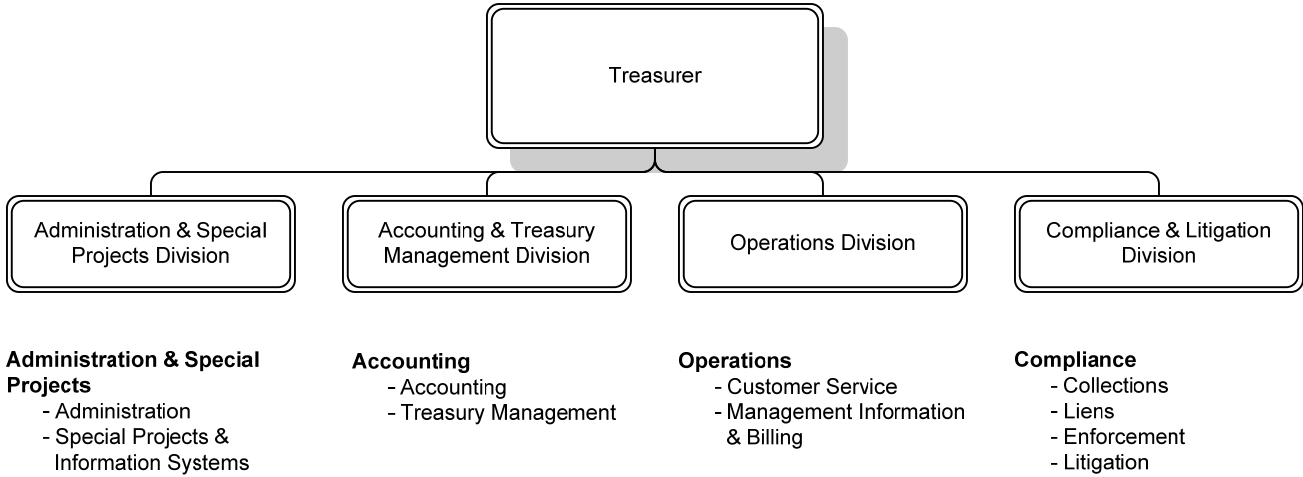
*Our Mission: To receive, safeguard, and disburse County funds*

In order that society can conduct itself in a civilized manner, that the ends of justice can be served, and that government can ensure the provision of services to its citizenry, it is the mission of the Treasurer's Office, as defined by the Constitution of Virginia, to receive or collect state and local taxes and other revenues; to safeguard the funds; and to disburse the funds in accord with the dictates of the local governing body.

### FY 2014 Proposed Budget - General Fund Expenditures



**LINES OF BUSINESS**



**SIGNIFICANT BUDGET CHANGES**

The FY 2014 proposed expenditure budget for the Treasurer’s Office is \$6,201,472, a three percent increase from the FY 2013 adopted budget. The FY 2014 proposed budget reflects:

- ↑ Personnel increases due to employee step increases, a three percent increase in the County’s cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections. Personnel expenses are also impacted by changes in the lines of business listed below.
- ↑ Non-personnel expense primarily increases from addition to postage (\$5,000), printing (\$3,450) and consultants (\$17,500), all for the court collection effort, and an increase in contract maintenance for call-monitoring software (\$2,200).
- ↑ Revenue increases are primarily the result of the adding administrative collection fees (\$445,376) related to court collections (see below), and an increase in grant funds due to a partial restoration of cuts in local aid from the State (\$3,483). These increases are partially offset by a decline in Parkulator device fees (\$30,000), and a decline in revenue generated from DMV service charges (\$3,000).

**Administration & Special Projects**

- ↓ Hold management specialist position vacant for six months (\$57,926).  
IMPACT: Duties of this position will be reassigned to existing staff, increasing workload and increasing the time to complete regularly assigned work.

**Compliance & Litigation**

- ↑ Collect debt on behalf of Arlington Courts. Add two limited term collector positions (2.0 FTE, \$119,426) to enable the Treasurer’s office to collect over \$15.0 million in overdue Circuit Court and General District Court debt. The positions will be eliminated when the fees generated from court collections do not fully offset the costs associated with program.  
IMPACT: Fee revenues will increase by approximately \$445,376, reducing overall net tax support by \$300,000.

**DEPARTMENT FINANCIAL SUMMARY**

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$5,276,562	\$5,279,186	\$5,531,240	5%
Non-Personnel	666,182	641,768	670,232	4%
<b>Total Expenditures</b>	<b>5,942,744</b>	<b>5,920,954</b>	<b>6,201,472</b>	<b>5%</b>
Fees	998,258	689,000	1,101,376	60%
Grants	432,001	434,394	437,877	1%
<b>Total Revenues</b>	<b>1,430,259</b>	<b>1,123,394</b>	<b>1,539,253</b>	<b>37%</b>
<b>Net Tax Support</b>	<b>\$4,512,485</b>	<b>\$4,797,560</b>	<b>\$4,662,219</b>	<b>-3%</b>
Permanent FTEs	59.75	59.75	61.75	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	<b>59.75</b>	<b>59.75</b>	<b>61.75</b>	

ADMINISTRATION AND SPECIAL PROJECTS

**PROGRAM MISSION**

To ensure optimal use of available resources and high-quality service by providing functional office-wide administrative and systems support in areas including personnel management; detailed statistical analyses; preparation and monitoring of County and State budgets; information system analysis, design, and support; and special projects assigned by the Treasurer.

**Administration**

- Provides administrative support to the Treasurer.
- Performs and coordinates all office personnel functions.
- Oversees state and local legislative activities.
- Conducts statistical analyses and assists the Treasurer with projects necessary for reporting, presenting, and disseminating public information.

**Special Projects and Information Systems**

- Performs both on-going and special one-time projects.
- Designs office forms, tax bills and other distribution materials.
- Prepares and monitors both County and State annual budgets.
- Designs and maintains the Treasurer’s website.
- Performs information systems analysis, design, testing, documentation, and programming.

**SIGNIFICANT BUDGET CHANGES**

- Personnel increases due to employee step increases, a three percent increase in the County’s cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections. Personnel increases are offset by the reduction below.
- ↑ Non-personnel expense primarily increases from an escalation in contract maintenance for call-monitoring software (\$2,200).
- ↓ Fee revenue decreases are due to an anticipated decline in Parkulator device fees (\$30,000), and a decline in revenue generated from DMV service charges (\$3,000). These declines are partially offset by an increase in grant funds due to a partial restoration of cuts in local aid from the State (\$3,483).
- ↓ Hold management specialist position vacant for six months (\$57,926).  
IMPACT: Duties of this position will be reassigned to existing staff, increasing workload and increasing the time to complete regularly assigned work.

**ADMINISTRATION AND SPECIAL PROJECTS**

**PROGRAM FINANCIAL SUMMARY**

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$910,101	\$913,509	\$906,946	-1%
Non-Personnel	349,946	160,441	162,955	2%
<b>Total Expenditures</b>	<b>1,260,047</b>	<b>1,073,950</b>	<b>1,069,901</b>	<b>-</b>
Fees	354,318	289,000	256,000	-11%
Grants	432,001	434,394	437,877	1%
<b>Total Revenues</b>	<b>786,319</b>	<b>723,394</b>	<b>693,877</b>	<b>-4%</b>
<b>Net Tax Support</b>	<b>\$473,728</b>	<b>\$350,556</b>	<b>\$376,024</b>	<b>7%</b>
Permanent FTEs	8.00	8.00	8.00	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	

**PROGRAM MISSION**

To safeguard, manage, and account for all revenues and bond proceeds received for the County Government and Public Schools, ensuring the security, proper stewardship and availability of these funds to meet County and Public School expenditure requirements. To provide and manage banking services for the County Government and Public Schools.

**Accounting**

- Prepares and enters data that accurately reflect revenue activity for the general fund and special purpose funds.
- Reports and remits funds received on behalf of the Commonwealth (e.g. estimated state income tax payments) and reports abandoned property to the Commonwealth.
- Ensures the integrity of transactions entered into the general and subsidiary ledgers.
- Monitors established control procedures.
- Completes bank reconciliations.
- Develops policies and procedures to ensure that internal controls and the security of County funds are maintained.

**Treasury Management**

- Monitors the receipt of funds.
- Forecasts cash flow requirements.
- Selects banking services and maintains banking relationships.
- Manages the investment portfolio for the County and seeks to match projected cash flow requirements with investment maturities.
- Manages the County’s arbitrage program.
- Prepares the Treasurer’s reports to the County Finance Board.

**SIGNIFICANT BUDGET CHANGES**

- ↑ Personnel increases due to employee step increases, a three percent increase in the County’s cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections.

**PROGRAM FINANCIAL SUMMARY**

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$1,169,343	\$1,048,476	\$1,089,437	4%
Non-Personnel	2,761	8,388	8,388	-
<b>Total Expenditures</b>	<b>1,172,104</b>	<b>1,056,864</b>	<b>1,097,825</b>	<b>4%</b>
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Tax Support</b>	<b>\$1,172,104</b>	<b>\$1,056,864</b>	<b>\$1,097,825</b>	<b>4%</b>
Permanent FTEs	10.00	10.00	10.00	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	

**PERFORMANCE MEASURES**

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Bank reconciliation within accounting close date	100%	100%	100%	100%	100%	100%
Investment performance to ensure earnings over 90 day T-bill rate	100%	100%	100%	100%	90%	90%

Supporting Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Cash flow actual to forecast	95%	92%	90%	90%	90%	90%
Meet or exceed the DMF monthly closing schedule	100%	100%	100%	100%	100%	100%
Number of audit exceptions in the annual state funds audit report	0	0	0	0	0	0
Number of significant audit (outside) exceptions included in the final audit report attributable to the Treasurer's office	0	0	0	0	0	0

- Investment performance relative to the 90-day T-bill rate is highly dependent on actions by the Board of Governors of the Federal Reserve, as well as other unanticipated trends in broader economic markets, and is therefore difficult to predict with accuracy.

## PROGRAM MISSION

To manage, accurately and efficiently, all revenue transactions, issue various County licenses, and provide vehicle-related State DMV services. Also, to maximize customer convenience through efficient face-to-face, telephone and written customer service, by accurately and efficiently managing billing, decal programs, dog licensing and other programs and providing electronic and other alternative methods of payment.

The Operations Division is comprised of two sections: Customer Service and Management Information and Billing.

### Customer Service

- Processes all directly-remitted County revenue, and provides the associated face-to-face customer service required to help customers understand their obligations and resolve problems.
- Processes payments received by other County departments and agencies.
- Transmits payment files for nightly posting to the accounts receivable files.
- Provides frontline County services, by among other activities, issuing County vehicle decals and dog licenses, and accepting applications and payments for residential zone parking permits.
- Operates a DMV Select office providing vehicle-related State DMV services.

### Management Information and Billing

- Maintains the accounts receivable files for all County taxes, and adjusts those accounts to assess and abate late payment penalties, resolve payment posting problems, and process customer refunds.
- Reconciles the accounts receivable files to the County's general ledger.
- Performs and coordinates updates to handle real estate tax exemptions and deferrals, new construction tax billing, and other real estate issues.
- Coordinates with other County agencies and outside vendors to produce timely and accurate tax bills.
- Manages programs for processing payments through lockbox services and alternative customer payment options.

## SIGNIFICANT BUDGET CHANGES

- ↑ Personnel increases due to employee step increases, a three percent increase in the County's cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections.



OPERATIONS

PROGRAM FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$1,372,029	\$1,514,317	\$1,584,596	5%
Non-Personnel	159,975	276,915	276,915	-
<b>Total Expenditures</b>	<b>1,532,004</b>	<b>1,791,232</b>	<b>1,861,511</b>	<b>4%</b>
Total Revenues	-	-	-	-
<b>Net Tax Support</b>	<b>\$1,532,004</b>	<b>\$1,791,232</b>	<b>\$1,861,511</b>	<b>4%</b>
Permanent FTEs	20.00	20.00	20.00	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	

PERFORMANCE MEASURES

Licensing Unit

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Average number of days to process and mail dog licenses (days)	4	4	4	4	4	4
Average number of days to process and mail vehicle decals	5	5	5	5	5	5

Supporting Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Average time a taxpayer waits for assistance at a counter (minutes)	9	6	6	6	6	6
Decal issuance	152,000	147,490	157,567	158,198	158,000	160,000
Decal revenue	\$3,460,529	\$3,665,341	\$4,913,198	\$4,931,030	\$5,000,000	\$5,000,000
Dog license revenue	\$52,791	\$58,862	\$51,553	\$66,188	\$65,000	\$65,000
Dog license sales (accounts)	2,500	2,978	2,949	3,856	3,500	3,500
Percent of change of address transactions completed accurately and within established timeframe	100%	100%	100%	100%	100%	100%
Percent of decals processed within 7 days	98%	98%	98%	98%	98%	98%
Percent of dog licenses within 4 days	95%	100%	98%	100%	100%	100%
Percent of incoming mail processed within one business day	100%	100%	100%	100%	100%	100%

**Management Information Billing Section**

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Taxpayers receive accurate billing information within 30 days of the due date	100%	100%	100%	100%	100%	100%
Time to mail taxpayer refunds on overpaid accounts (days)	30	30	30	30	30	30

Supporting Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Average response time for real estate tax inquiries (days)	2	2	2	2	2	2
Number of accounts billed	226,211	238,796	249,247	236,328	238,000	240,000
Number of automated payments processed (bank account debit or credit card)	24,629	25,870	33,057	34,085	36,000	38,000
Number of fleet vehicles billed through the Fleet payment program	7,729	7,441	6,975	6,871	7,000	7,000
Number of manual adjustments to tax accounts	45,000	39,475	789	3,330	1,000	1,000
Number of tax bills processed through the real estate mass payment program (mortgage company tax services)	72,118	71,404	73,228	72,712	74,000	74,000
Number of transactions processed through the internet (e-check and credit card)	154,527	158,451	164,174	198,391	200,000	210,000
Number of transactions processed through the wholesale & retail lockbox system	305,455	286,433	267,891	265,913	265,000	250,000
Percent of mortgage company/tax service mass mailings processed within established timeframes	100%	100%	100%	100%	100%	100%

- Beginning in FY 2011, the number of manual adjustments to tax accounts significantly decline because of full implementation of ACE, which now automates much of this process.

## PROGRAM MISSION

To reduce the debt owed to the County.

The Compliance and Litigation Division's responsibility is to ensure the equitable distribution of the tax burden over the County's private and business population through the prompt and efficient collection of County taxes and revenues. The Division is comprised of four functional areas: Collections, Liens, Enforcement and Litigation.

### Collections

- Collects overdue debt through a variety of methods, including distress warrants for seizure of vehicles or other property; liens against wages, bank accounts or rents; seizure of state income tax refunds; warrants against funds owed to the debtor by the County; and motions for judgment through the appropriate court.

### Liens

- Uses information acquired by collectors and gained through its own efforts to issue liens on wages, bank accounts, rents and commercial accounts receivable.
- Submits delinquent accounts to the Virginia Department of Taxation's set-off debt program.
- Collects overdue parking tickets and other department and agencies' debts for the County and for Reagan National Airport.

### Enforcement

- Finalizes the efforts of the Collection and Lien Sections by performing on-site visits to enforce liens and immediately take possession or impound physical assets and currency.
- Liquidates assets by holding public auctions or other appropriate legal methods.
- Identifies vehicles that are not in compliance with the County's vehicle licensing ordinance.

### Litigation

- Files and litigates all claims in Bankruptcy Court.
- Pursues uncollected accounts through Motions for Judgment in General District Court.
- Tracks, pursues and responds to inquiries on judgments.
- Targets delinquent real estate for sale.
- Answers legal questions and interprets statutes and regulations.
- Works with the Treasurers' Association of Virginia to reform and enhance tax collection tools and other laws affecting treasurers.

**SIGNIFICANT BUDGET CHANGES**

- ↑ Personnel increases due to employee step increases, a three percent increase in the County’s cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections. Personnel costs also increase due to the proposed debt collection program by the Treasurer for the Circuit Court and General District Court.
- ↑ Non-personnel expense increases from addition to postage (\$5,000), printing (\$3,450) and consultants (\$17,500) associated with the proposed debt collection program by the Treasurer for the Circuit Court and General District Court.
- ↑ Fee revenue increases are the result of adding administrative collection fees (\$445,376) associated with the proposed debt collection program by the Treasurer for the Circuit Court and General District Court.
  
- ↑ Collect debt on behalf of Arlington Courts. Add two limited term collector positions (2.0 FTE, \$119,426) to enable the Treasurer’s office to collect over \$15.0 million in overdue Circuit Court and General District Court debt. The positions will be eliminated when the fees generated from court collections do not fully offset the costs associated with program.

**IMPACT:** Fee revenues will increase by approximately \$445,376, reducing overall net tax support by \$300,000.

**PROGRAM FINANCIAL SUMMARY**

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$1,825,089	\$1,802,884	\$1,950,261	8%
Non-Personnel	153,500	196,024	221,974	13%
<b>Total Expenditures</b>	<b>1,978,589</b>	<b>1,998,908</b>	<b>2,172,235</b>	<b>9%</b>
Fees	643,940	400,000	845,376	111%
Grants	-	-	-	-
<b>Total Revenues</b>	<b>643,940</b>	<b>400,000</b>	<b>845,376</b>	<b>111%</b>
<b>Net Tax Support</b>	<b>\$1,334,648</b>	<b>\$1,598,908</b>	<b>\$1,326,859</b>	<b>-17%</b>
Permanent FTEs	21.75	21.75	23.75	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	<b>21.75</b>	<b>21.75</b>	<b>23.75</b>	

**PERFORMANCE MEASURES**

**Compliance Division**

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Delinquent clearances: total clearances	\$37,793,950	\$29,525,572	\$26,832,948	\$32,817,961	\$32,507,178	\$34,086,045

**COMPLIANCE**

<b>Supporting Measures</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Actual</b>	<b>FY 2013 Estimate</b>	<b>FY 2014 Estimate</b>
Administrative collection fees	\$213,779	\$330,036	\$576,819	\$643,940	\$684,475	\$845,376
Compliance: total clearances/ FTEs	\$1,661,272	\$1,297,827	\$1,233,699	\$1,508,872	\$1,494,583	\$1,435,202
Delinquent clearances: business license	\$9,432,324	\$2,434,888	\$2,438,874	\$6,207,995	\$6,434,868	\$6,823,334
Delinquent clearances: other debt	\$714,827	\$692,439	\$236,625	\$957,971	\$578,760	\$798,697
Delinquent clearances: other taxes	\$5,161,788	\$1,569,937	\$740,111	\$1,656,664	\$1,746,143	\$2,120,629
Delinquent clearances: parking tickets	\$5,353,895	\$4,516,516	\$5,225,958	\$5,966,828	\$5,668,487	\$5,385,062
Delinquent clearances: personal property	\$11,885,315	\$13,848,513	\$11,787,863	\$12,355,114	\$12,972,870	\$13,880,971
Delinquent clearances: real estate	\$5,245,801	\$6,463,279	\$6,403,517	\$5,673,389	\$5,106,050	\$5,077,352

- With the implementation of the ACE financial system in FY 2012 there were reporting issues for delinquent clearances of "other taxes", "business license" and "other debt."
- The anticipated decline in delinquent real estate clearances reflects projected and improved economic conditions.

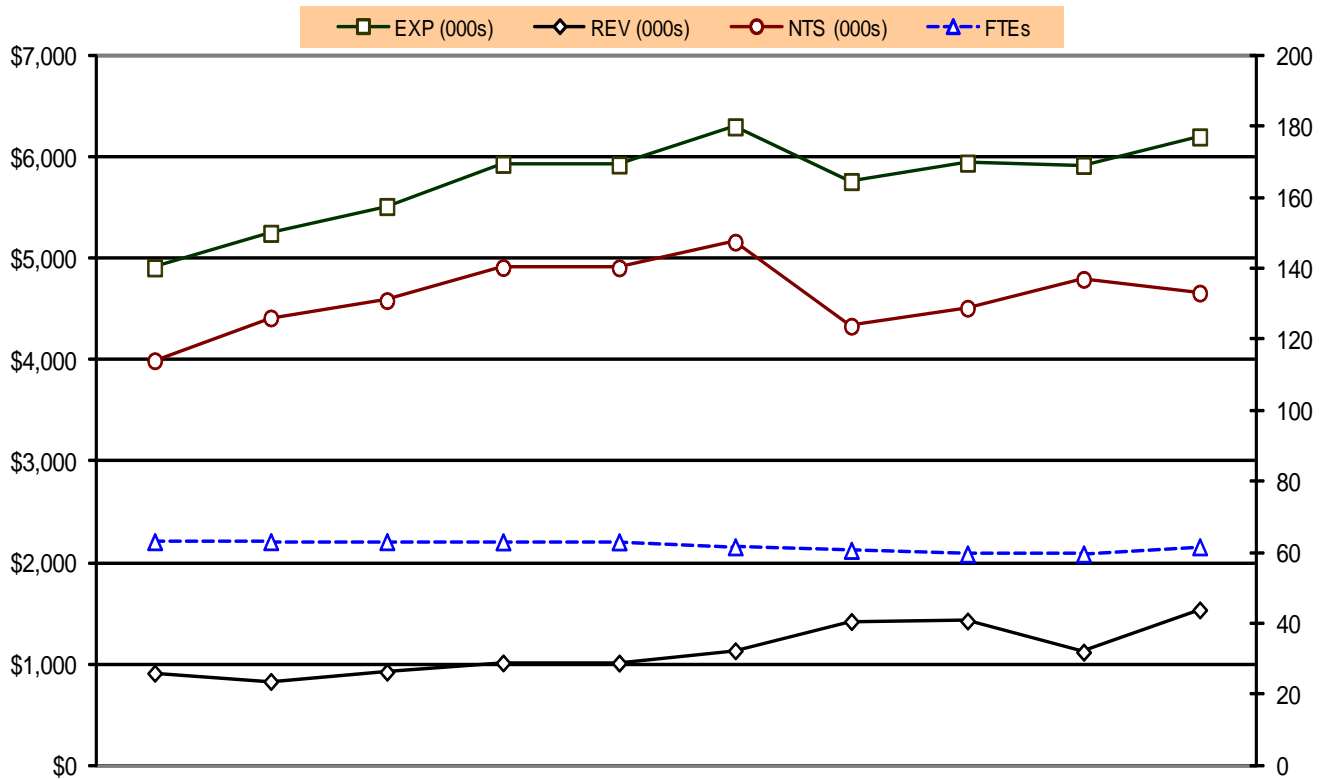
**Litigation**

<b>Critical Measures</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Actual</b>	<b>FY 2013 Estimate</b>	<b>FY 2014 Estimate</b>
Total court collection	\$1,110,466	\$535,660	\$858,490	\$1,292,065	\$1,227,462	\$1,166,089

<b>Supporting Measures</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Actual</b>	<b>FY 2013 Estimate</b>	<b>FY 2014 Estimate</b>
Dollar value of delinquent real estate taxes owed to the County	\$621,000	\$455,212	\$441,648	\$324,503	\$276,508	\$235,612
Percent of claims filed within established timeframes	100%	100%	100%	100%	100%	100%
Percent of customer inquiries on judgments satisfied/fulfilled within established timeframes	100%	100%	100%	100%	100%	100%

- In FY 2009 the Treasurer's Office changed its court procedure to seek judgments on debts over six months old instead of waiting until the fourth or fifth year, creating a spike delinquent real estate taxes owed.

EXPENDITURE, REVENUE, NET TAX SUPPORT AND FULL-TIME EQUIVALENT TRENDS



	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted Budget	FY 2014 Proposed Budget
<b>EXP (000s)</b>	\$4,911	\$5,251	\$5,515	\$5,931	\$5,925	\$6,300	\$5,761	\$5,943	\$5,921	\$6,201
<b>REV (000s)</b>	\$915	\$834	\$927	\$1,017	\$1,015	\$1,136	\$1,425	\$1,430	\$1,123	\$1,539
<b>NTS (000s)</b>	\$3,996	\$4,417	\$4,588	\$4,914	\$4,910	\$5,164	\$4,336	\$4,513	\$4,798	\$4,662
<b>FTEs</b>	63.2	63.2	63.2	63.15	63.15	61.75	60.75	59.75	59.75	61.75

Fiscal Year	Description	FTEs
FY 2005	<ul style="list-style-type: none"> <li>▪ No significant changes.</li> </ul>	
FY 2006	<ul style="list-style-type: none"> <li>▪ Eliminated the Department of Motor Vehicle (DMV) charge for the withholding of automobile registrations on delinquent taxpayers (\$45,000) (along with the associated \$45,000 in offsetting fee revenue).</li> <li>▪ A DMV satellite office was opened in November 2004. The County collects three and one-half percent of all transactions conducted (split evenly between the Treasurer’s office and the Commissioner of Revenue’s office).</li> </ul>	
FY 2007	<ul style="list-style-type: none"> <li>▪ No significant changes.</li> </ul>	
FY 2008	<ul style="list-style-type: none"> <li>▪ No significant changes.</li> </ul>	
FY 2009	<ul style="list-style-type: none"> <li>▪ No significant changes.</li> </ul>	
FY 2010	<ul style="list-style-type: none"> <li>▪ Eliminated an Administrative Assistant IV position (\$44,641, 1.0 FTE) in the Operations Division. (1.0)</li> <li>▪ Added funding for an overstrength position (\$79,841) in the Administration and Special Projects Division.</li> <li>▪ Decreased personnel expenses by \$164,182 in anticipation of higher staff turnover during FY 2010 and elimination of temporary position (0.4). (0.4)</li> </ul>	
FY 2011	<ul style="list-style-type: none"> <li>▪ Eliminated a Treasury Specialist position (\$78,814, 1.0 FTE) in the Compliance Division. (1.0)</li> <li>▪ Reduced the non-personnel budget for unclassified services (\$1,000), consultants (\$1,500), county publications (\$2,000) and wearing apparel (\$1,792).</li> </ul>	
FY 2012	<ul style="list-style-type: none"> <li>▪ Transfer of 1.0 FTE to the Department of Technology Services for support of the ACE system. (1.0)</li> </ul>	
FY 2013	<ul style="list-style-type: none"> <li>▪ No significant changes.</li> </ul>	