OFFICE OF THE TREASURER-TAX COLLECTOR

CHRISS W. STREET
TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

JENNIFER BURKHART, CFA
ASSISTANT TREASURER-TAX COLLECTOR

WALTER DANIELS
ASSISTANT TREASURER-TAX COLLECTOR
TAX COLLECTION

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

HALL OF FINANCE & RECORDS
11 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ttc.ocgov.com

March 25, 2009

To: Frank Kim, Director

From : Paul Gorman, Chief Assistant Treasurer-Tax Collector

Re: 2009 Performance Measure Update for 2008/2009 Business Plan

We have attached an update of our 2008/2009 Business Plan Performance Measures based on our Business Plan submitted in 2008.

The Treasurer-Tax Collector (TTC) is currently implementing Accentuate, the County selected software for reporting Balanced Scorecard performance measures. Our 2008 Business Plan was a transition year between reporting our traditional performance measures as reported in previous Business Plans and full implementation of Balanced Scorecard using the Actuate Software. As such, some of the performance measures and strategic goals do not meet the criteria set forth in the Business Plan Instructions.

Our progress in implementing Balanced Scorecard using Accentuate is highlighted in the performance measure for Strategic Goal 5 on page of the attached Performance Measure Update.

The TTC has utilized its new Business Process Improvement unit to focus on maximizing cost recovery and revenues. Many fees and cost studies have been reviewed and revised to ensure the County and the TTC is appropriately charging for services and recovering costs. The decrease in our budgeted Net County Cost as highlighted in Strategic Goal 4 on page 4 reflects our significant and productive efforts in this area. In addition the TTC is actively seeking County agencies in need of remittance processing and imaging services. Our successful partnership with Animal Care is one example where the TTC is able to recover labor and overhead costs during non-peak periods and utilize the available capacity of our high speed remittance processing and imaging equipment.

The TTC is also shifting staff resources to collection and revenue generating activities in non-peak periods. The recent loss of AB 589 grant monies forced us to reduce labor for the tax collection function however we continue to use skip tracing and other tools to improve the efficient use of our collection officer's time to collect delinquent taxes and the related fees.

In a very difficult economic environment the TTC remains focused on reducing our NCC and increasing revenues and tax collections for the benefit of the County and its stakeholders.

Treasurer-Tax Collector
Business Plan Performance Measure Update
For the Fiscal Year Ended June 30, 2009

ACTION PLAN and PERFORMANCE MEASURE UPDATE
<ins>Reported by Core Service Areas</ins>

<ins>**COLLECTION:**</ins>

Strategic Goal #1: Cost-effectively improve customer services and streamline tax collection processes

Strategies to meet Goal # 1:
- Expand the number and variety of payment options
- Cross-train more staff
- Strategically assign trained staff to high customer need areas during the peak payment periods

Performance Measure for Goal # 1:
- To remain in the top third of performers statewide.

PERFORMANCE MEASURE: Remain in top third of counties for collections
WHAT: Current year secured and unsecured taxes
WHY: maintain or increase collections for benefit of all property tax beneficiaries

FY 07-08 Results *	FY 08-09 Plan *	FY 08-09 Anticipated Results *	FY 09-10 Plan *	How are we doing?
13th out of 58 counties in Secured (96.5%) and Unsecured (98%) collections	Remain in top third	After the first installment secured collections are at 89% vs. 88.2% in 07/08.	Remain in top third	Collections keeping pace with prior year.

<u>**INVESTMENT:**</u>

Strategic Goal #2: Upgrade the Treasury Management System to the most current version available.

Strategies to meet Goal # 2:
- Upgrade SunGard Quantum and SunGard Risk (components)
- Coordinate the upgrade with SunGard professionals.
- Collaborate with SunGard to prepare a project implementation plan and budget
- Perform strategic testing in each area involved in the upgrade to
- identify and eliminate any plan discrepancies
- Troubleshoot all revealed problems and obtain solutions from SunGard professionals
- Implement the necessary changes, implement the upgrade
- Run parallel systems for the designated period, and given acceptable performance, move the new version into production

Performance Measure for Goal #2:
- Successful implementation within the established budget and time frame.

PERFORMANCE MEASURE: Successful Implementation of SunGard Quantum and Risk Upgrade				
WHAT: Upgrade to current version and new functionality				
WHY: Processing efficiencies and decreased manual processes.				

FY 07-08 Results *	FY 08-09 Plan *	FY 08-09 Anticipated Results *	FY 09-10 Plan *	How are we doing?
Prepared project implementation plan and obtained BOS approval.	Successful implement-tation by March 2009	Successful implementtation by March 2009	Upgrade will be completed by June 2009	Upgrade completed in March 2009 within budget.

Treasurer-Tax Collector
Business Plan Performance Measure Update
For the Fiscal Year Ended June 30, 2009

BANKING:

Strategic Goal #3: Begin the test phase of the new Financial Accounting
System (FAS) Pilot Project.

Strategies to meet Goal #3:
- Obtain the authorization to proceed with this phase from the IT department on the FAS application program
- Coordinate with internal staff on the preparation of a test plan
- Communicate all problems/suggestions to the IT department for resolution
- Retest areas of the application where changes were made
- Collaborate with the IT department on the implementation process after all testing is complete

Performance Measure for Goal #3:
- Increased operating efficiencies due to improved, more "user friendly" interface

PERFORMANCE MEASURE: FAS upgrade efficiencies
WHAT: rewrite of treasury fund Accounting System
WHY: Get off main frame and a pilot for PTMS

FY 07-08 Results *	FY 08-09 Plan *	FY 08-09 Anticipated Results *	FY 09-10 Plan *	How are we doing?
Pilot project begins user acceptance testing	Engage ACS to complete program modifications to prepare to run parallel and go live	Auditor-Controller IT will complete modifications. User acceptance testing, parallel and live by June 30	Develop electronic interface with the Department of Education to reduce manual postings	Due to transfer from ACS to Auditor-Controller IT the implementation has been delayed but we expect to implement the production version of the program by June 30, 2009

<u>**RESOURCES:**</u>

Strategic Goal #4: Increase revenues and reduce operating costs throughout the Department

Strategies to meet Goal # 4:
- Redesign Tax Bills and Notices
- Streamline the production process
- Reduce over payments and the number of payments received on the wrong properties.
- Maximize cost recovery for client services rendered to taxpayers as allowed by the State of California
- Initiate a new Business Process Improvement unit; assign senior staff member to lead effort
- Identify grants that would qualify for funding
- Research the Revenue and Taxation code to identify opportunities to increase service fees
- Conduct studies on other counties to identify revenue opportunities and fee structures
- Conduct department cost analysis and efficiency improvement studies
- Expand the number and type of services for which fixed costs can be shared by bringing in partners

Performance Measure for Goal #4:
- Meet or reduce budgeted Net County Cost

PERFORMANCE MEASURE: Reduction in Net County Cost (NCC)
WHAT: meet or reduce NCC
WHY: Reduce Costs to County General fund by fully recovering costs an operating efficiencies

FY 07-08 Results *	FY 08-09 Plan *	FY 08-09 Anticipated Results *	FY 09-10 Plan *	How are we doing?
60% reduction in Budgeted NCC	20% reduction in Budgeted NCC	20% reduction in Budgeted NCC	Continue to meet or reduce NCC	The new Business Process Improvement Unit is reviewing all fees and cost studies to maximize cost recovery. This combined with a focus on increasing collections is resulting in increases cost recovery for the TTC. Secured and Unsecured tax bills have been redesigned. The TTC is also actively looking to utilize existing capacity in remittance processing and imaging equipment by taking on work for other County agencies (eg. Animal Care)

<u>**RESOURCES: (Continued)**</u>

Strategic Goal #5: Continue implementation of the Balanced Scorecard (BSC) program as County pilot department.

Strategies to meet Goal #5:
- Participate in RFP review for selecting the BSC software vendor
- Validate adequacy of initial measures and results; adjust as necessary

Performance Measure for Goal #5:
- Implement collection of Phase I metrics and performance measures
- Implement Phase II by creating and applying diagnostic tools and techniques to assess operational performance, and conduct simultaneous analysis at multiple levels within the Treasurer-Tax Collector.

PERFORMANCE MEASURE: Implement Balanced Scorecard reporting for performance measures
WHAT: Implement Actuate software to report on performance measures
WHY: Tool for management to monitor the effect of strategic changes in operations and provide meaningful reporting to stakeholders .

FY 07-08 Results *	FY 08-09 Plan *	FY 08-09 Anticipated Results *	FY 09-10 Plan *	How are we doing?
Worked with outside vendor on Phase I	Utilize County selected BSC software to report on key performance measures within TTC	In final stages of Phase II entering measure data into Actuate Software. Roll out desktop access for managers and executive management by first quarter of 09-10.	Full implementation of BSC software and monthly reporting of TTC performance measures	We participated in the Software selection process, culminating in the selection of the Actuate Software. We have defined the critical business processes and establish the first specific set of measures to track the ultimate output or result of each. . For each measure we defined specific qualitative or quantitative targets, defined the data collection process, the appropriate measurement interval (frequency), baseline percentage (starting point), and developed the ranges associated with a range rating of green, yellow or red.

<u>**RESOURCES: (Continued)**</u>

Strategic Goal #6: Ensure the business continuity plan is current and complete.

Strategies to meet Goal #6:
- Create "shadow" or second boxes for each position/staff member identified as critical on organization chart
- Identify backup for each by person in shadow box
- Assess the impact of personnel changes as each occurs
- Identify a replacement and/or backup for each critical position within defined period of time (TBD)
- Create and implement a state-of-the-art emergency system operation in the event of a major catastrophe

Performance Measure for Goal # 6:
- Update and complete Business Continuity Plan.

PERFORMANCE MEASURE: Update and complete Business Continuity Plan
WHAT:
WHY:

FY 07-08 Results *	FY 08-09 Plan *	FY 08-09 Anticipated Results *	FY 09-10 Plan *	How are we doing?
Participated in County wide Business Interruption planning by working with County vendor	Update Business Continuity Plan	This goal has been deferred.	Reevaluate this goal and determine an appropriate timeline for implementation.	.TTC management will reevaluate this goal in light of budget constraints and hiring freezes