

# TREASURER-TAX COLLECTOR

March 28, 2008



**2008**  
**BUSINESS PLAN**

# **Treasurer-Tax Collector 2008-09 Business Plan**

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## EXECUTIVE SUMMARY

Performance excellence through leadership and transparency is the theme of the Treasurer-Tax Collector Department for 2008-2009. The Honorable Chriss W. Street has served as the Treasurer-Tax Collector since December 2006. He is applying his many years of management experience in the private sector to initiate innovative concepts and processes. These efforts have revived fiscal deficit awareness and a commitment to driving down Net County Costs.

The 2008-2009 budget expenditures and staffing levels are projected to remain fairly steady over the coming year. Falling real estate values will negatively impact tax collections, and declining interest rates will potentially reduce interest income. The result will likely be declining revenues for the Department. To respond to this challenge, the Department will focus on enhancing revenue sources by attracting more fee-generating business and pursuing grant funding. Management is implementing a performance initiative, using metric-based measurement tools, to enhance productivity and restrain cost.

The Treasurer-Tax Collector will build on the successes we achieved during the last fiscal year. Our citizens deserve quality services from our Department at the least cost to the taxpayers. The Treasurer-Tax Collector Department of the County of Orange presents the following Business Plan as our roadmap to meeting this challenge.

# SECTION I – AGENCY OVERVIEW

## VISION STATEMENT

To be the premier Treasurer-Tax Collector's office throughout California and the nation.

## MISSION STATEMENT

The mission of the Orange County Treasurer-Tax Collector's office is to conduct business in a fair, courteous and professional manner. We are committed to transparency, efficiency and creating value. We will strive to deliver the highest quality financial and public services at the lowest possible cost to the Taxpayers of Orange County.

## CORE SERVICES

The Department's three core services are (1) Banking (2) Investment, and (3) Collecting Taxes. Each core service is described below:

### (1) Banking

- *Cash Management*  
To provide efficient, secure, and timely cash disbursements throughout County agencies to maximize use of financial resources and yield the best returns for participants.
- *Accounting and Compliance*  
To promote and maintain public trust by maintaining exceptional internal controls and methods of oversight to ensure adherence to the County's Investment Policy Statement.
- *Client Support & Development*  
To provide County agencies with tools, training and education to optimize services through reduced costs and more efficient cash management throughout the county.

## **(2) Investment**

- *Safety*  
To preserve entrusted funds and foster public trust by adhering to guidelines established in the Investment Policy Statement, and collaborating with various advisers, experts and committee members for guidance and insight.
- *Liquidity*  
To maximize the proficiency with which we forecast cash requirements in order to provide adequate liquidity to meet or exceed cash flow needs of pool participants.
- *Yield*  
To maximize the net investment yield on the investment pools, without compromising safety and liquidity, in order to ensure adequate resources are available to build for the future of our community.

## **(3) Collect**

- *Billing*  
To provide accurate and timely bills to maximize collection of property taxes prior to delinquency.
- *Taxpayer Support*  
To take advantage of varied methods of communication to disseminate information to taxpayers, including timing of and methods for payment of property taxes, in order to maximize tax receipts and minimize delinquent taxes.
- *Payment Processing*  
To support multiple payment processes to maximize convenience for the taxpayers and capitalize on timely investment of taxpayer dollars.
- *Delinquencies*  
To maximize investment returns by focusing efforts on the greatest opportunities for collection of delinquent taxes.

## **SECTION II – OPERATIONAL PLAN**

### **A. ENVIRONMENT**

- **Clients:**

The Treasurer-Tax Collector collects taxes on behalf of around 280 taxing jurisdictions. These jurisdictions include the county, schools, cities and special districts. Real property owners account for the largest percentage of service recipients, representing 878,800 of our 1.2 million tax bills. The top 20 corporations and companies are projected to pay 4.64 percent of the total \$4.56 billion due on the real property tax roll for the 2007-08 year.

Taxpayers deserve timely dissemination of tax bills, efficient remittance processing, proper cash handling, effective customer service and strong enforcement of delinquent taxes due. Taxpayers also deserve convenient options for paying taxes. The Orange County Treasurer-Tax Collector offers options to pay taxes in person, by mail, through mortgage impound accounts (CORTAC), credit card and electronic fund transfers.

Experience has shown that many residents still prefer to deliver their payments in person. In-person express payment services are available in the Treasurer-Tax Collector office at Civic Center Plaza in Santa Ana or via the night drop box. Treasurer-Tax Collector also installed an in-office express payment drop box to eliminate the need for payment-ready customers to wait in line. To further facilitate the receipt of payments, the Treasurer-Tax Collector offers extended office hours on tax payment due dates.

The Treasurer-Tax Collector provides remittance processing, accounting, banking, cash management and investment services to the County, special districts and school districts. Approximately \$6 billion is managed in three separate investment pools. In addition, approximately \$145 million is invested in specific funds for certain departments and special districts. Treasury clientele expect diligent cash flow planning, professional investment management and efficient, timely accounting and reporting services. Pool participants, the public and other interested parties expect to be provided with timely accurate information. A detailed monthly Treasurer's Management Report provides a complete yet concise summary of the holdings and investment activity of the Treasury Division. Current and past reports are available on the web at [www.ttc.ocgov.com](http://www.ttc.ocgov.com).

- **Challenges:**

### **The Economy**

Given the current economic climate and growing numbers of defaults and foreclosures, maximizing tax collection from all sources is a critical division challenge. The Department is continuously working on improving the efficiency and effectiveness of tax collection processes and systems. New strategies are regularly tested to maximize the use of resources.

The Treasurer-Tax Collector is planning to expand cross-training efforts in the Tax Compliance and Bankruptcy units to more fully utilize resources during the various tax collection cycles. The Treasurer-Tax Collector is also engaged in collecting statistical data to provide better insight into the efficiency and effectiveness of current operations with a goal of maintaining or improving collections in a difficult economic environment.

### **Collection**

Overall bankruptcy filings in the United States Bankruptcy Court, Central District of California, increased by 85% to 33,040 filings in 2007 compared to 17,828 in 2006. Bankruptcy filings in the Santa Ana Division of the Central District also increased by 85% to 4,731 filings in 2007 compared to 2,563 in 2006. The collection efforts of the Treasurer-Tax Collector related to bankruptcy claims were expanded through our State AB 589 grant funding. The total amount of bankruptcy collections increased 966% to \$4.0 million in 2007 from \$.4 million in 2006. We expect to see a continued increase in bankruptcy filings and a growing workload to accommodate the increase. The loss of AB 589 funds magnifies this challenge for Treasurer-Tax Collector staff.

It is expected that we will continue to see the effect of the economic downturn on tax collections through increasing delinquencies. A significant increase in delinquencies of secured real estate taxes and unsecured business property taxes results in additional work for our tax collection staff. We see a need to expand permanent staffing levels to accommodate the loss of AB 589 funds and the additional volume of delinquencies.

One ongoing challenge involves the volume and complexity of information required to train new staff. For example, it requires several months for new staff to quickly navigate through systems to find information and acquire sufficient knowledge to efficiently answer taxpayer questions. To effectively reduce this learning curve, the Treasurer-Tax Collector has assigned a senior staff member to lead the Tax Collection Division training function. One of the core functions of this position is to

analyze the needs of the group and determine how to effectively train new employees as quickly as possible.

## **Elimination of Grant Funding**

A significant challenge now facing the Treasurer-Tax Collector is the pending loss of funds from the Assembly Bill 589 State Grant. The grant provides funds to enhance property tax administration. In fiscal year 2007-08 the Treasurer-Tax Collector has \$285,000 available from the AB589 State Grant, specifically for the purpose of improving the collection of delinquent unsecured taxes and bankruptcy claims.

The county and the Treasurer-Tax Collector have both benefited considerably from the receipt of AB 589 grant. This grant provided a tremendous opportunity to boost unsecured tax collection and improve the bankruptcy collection process as noted above. Through strategic hiring and assignment of eight extra help staff, the Treasurer-Tax Collector increased 2006/2007 collections of delinquent unsecured taxes over 2005/2006 by 23% and increased bankruptcy collections for the same period by over 1300%.

Funding from the AB589 State Grant will not be available in FY 2008-09. This will have an immediate impact on the department's ability to collect delinquent taxes. This may have a negative impact on revenues associated with collection of taxes.

Treasurer-Tax Collector is actively assessing how to sustain increased rates of tax collection and the related fees. The resolution to this problem is still in progress; replacing the work of eight people is a formidable challenge. The department is exploring many options, including the availability of other possible grants, increased cross-training and more detailed work scheduling.

- **Resources:**

### **Funding**

The Treasurer-Tax Collector's budget for FY 2007-08 is \$14.7 million in expenditures and \$13 million in revenues. The difference, or Net County Cost, is \$1.7million. The components of the revenues are as follows:

Investment Services Revenue Paid by Treasury Pool Participants	\$	5.9
Merchant Services / Armored Car		0.9
Supplemental Tax Roll Reimbursement from the State		1.5



Tax Collector User Fees

4.7

Total Departmental Revenues

\$ 13.0

### **Treasury Management System Upgrade**

The Treasury Management system is another mission critical Treasury system. The Treasurer-Tax Collector utilizes two programs purchased from a major vendor of treasury software. SunGard Quantum and Risk programs provide the software to handle all of our accounting for investment and banking transactions. In addition, the system is used for cash flow projections and providing our portfolio managers with important tools to manage liquidity and project cash requirements for major outflows such as payroll, tax apportionments, and accounts payable.

These two systems were implemented in 2002/2003 and have aged to the point at which the vendor is beginning to limit available service. Treasurer-Tax Collector needs to upgrade the components of the Treasury Management System to the most current version available to ensure the highest level of support from the vendor for all aspects of system operation.

### **Net County Cost (NCC)**

Treasurer-Tax Collector has reduced its actual Net County Cost by 19% since FYE 2006-2007 and reduced the budgeted Net County Cost by 22% since FYE 2005-2006. The ultimate objective of the Treasurer-Tax Collector over the next two years is to eliminate its NCC burden now shouldered by the County of Orange. Since Treasury operations are already fully recoverable costs, the Treasurer-Tax Collector plans to focus on increasing secured and unsecured collection efforts. We plan to accomplish this goal through efficient use of resources, coupled with identifying new opportunities for cost recovery.

Each division within Treasurer-Tax Collector is involved in identifying opportunities for recovery and implementing operational changes that generate revenues or reduce costs. Each division shares the common goal of generating sufficient revenues to completely offset direct costs from outside vendors, as well as the actual (county) costs associated with infrastructure and overhead resources.

However, improving the obvious is not sufficient to achieve *operational optimization* (defined as "least cost and/or increased revenues with no drop in

service levels”). To help accomplish this goal, the Treasurer-Tax Collector assigned a point-person to lead this initiative for the department. The individual will be responsible for researching, analyzing and recommending changes to the Revenue and Taxation Code or other department policies to find ways to enhance revenue and/or reduce operating expenses.

## **Staffing**

The department is not adequately staffed to replace the work done by the temporary workers funded by the AB 589 State Grant program. Given the startling improvement in unsecured property tax collection resulting from strategic use of the AB589 grant funding, Treasurer-Tax Collector will be requesting funding in the 2008-2009 budget to replace three (3) of the eight positions.

Additionally, in conjunction with the recommendations provided to the Board of Supervisors by PFM Asset Management, the Treasurer-Tax Collector will be filling two previously vacant positions within the Investment Unit.

Finally, to ensure the PTMS project stays on course, Treasurer-Tax Collector’s head of IT (Administrative Manager III), plus one programmer position, are transferring permanently to the project. This leaves Treasurer-Tax Collector without senior IT leadership. This is not prudent in an environment heavily dependent on technology for many critical aspects of its business operations. Treasurer-Tax Collector is requesting a new Administrative Manager III position to replace the position moving to PTMS.

## **Productivity Enhancement**

Since it is the efforts of the workforce that ensure service delivery and attainment of business objectives, the Treasurer-Tax Collector plans to work closely with OC Public Works to complete its productivity enhancement initiative already underway. The project is aimed at maximizing effectiveness of the organization in order to meet the requirements of key strategies. The project involves exploring methods of increasing communication and collaboration by realigning work spaces, deploying resources to maximize service delivery and investing in staff wellbeing.

## **Information Technology**

Currently, several critical enterprise systems are used to manage tax information processing and fund accounting. Treasurer-Tax Collector must maintain sufficient technical staff to continue support and maintenance for the mainframe-

based Assessment Tax System (ATS). ATS is a 21-year-old product operating on a very high-cost mainframe platform and whose obsolescence is near.

The transition to PTMS is both a challenge and an opportunity. Treasurer-Tax Collector, in conjunction with the Auditor-Controller and Clerk of the Board, has had the opportunity to be fully engaged in the design of the new Property Tax Management System (PTMS) software, a modern server-based system. The new system will offer tremendous advantages to the county and to taxpayers in terms of lower overall operating costs and significant improvements in information management and retrieval. Full PTMS implementation is not anticipated until 2011.

### **Fund Accounting System**

As part of the PTMS development project, the replacement of the Treasury Fund Accounting System (FAS) was selected as a pilot development program. FAS currently operates on the county's mainframe platform. The current system is written in an old and increasingly difficult language to support.

FAS is a critical system used to track participant cash balances to allocate interest earnings from the Treasurer's investment pools. We are in the preliminary phase of user acceptance testing and expect to be fully implemented by June 30, 2008. In addition to operating efficiencies, we will offer our participants web access to their transaction history and cash balances.

## **B. ACTION PLAN**

### **COLLECTION:**

**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.

## **INVESTMENT:**

**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.

## **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

**RESOURCES:**

**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

**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.

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

**Strategies to meet Goal #6:**

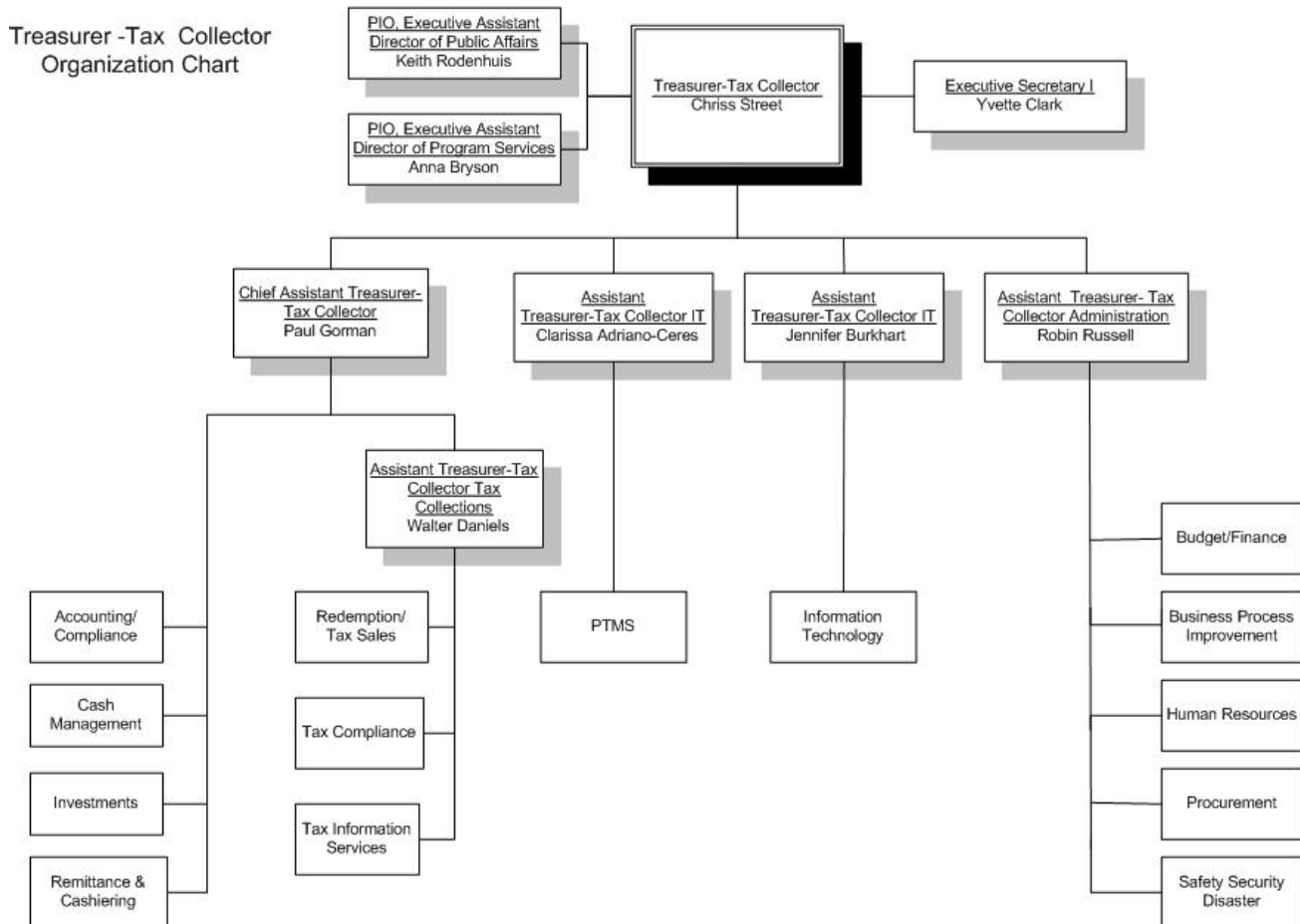
- Create “shadow” or second boxes for each position/staff member identified as critical on organization chart
- Identify backup for each by person in shadow box
- Assess the impact of personnel changes as each occurs
- Identify a replacement and/or backup for each critical position within defined period 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.

## SECTION III - Appendices

### APPENDIX A – Organization Chart



## **APPENDIX B – Significant Accomplishments (*Top Ten*)**

### **1. Major Improvement in Customer Service on the Phone and at the Public Counter**

Treasurer-Tax Collector consolidated three incoming customer service phone numbers into a single number. This was accomplished by strategically scheduling call center staff to handle the busiest periods, and by refining the already extensive staff training. As a result, the first installment period showed a decrease of 22% in the number of abandoned calls, the average waiting time was less than one minute, and the average talk time was less than three minutes.

Similarly, Treasurer-Tax Collector consolidated the Customer Service areas to the public to a single location –Room G-58. Previously, homeowners had to go to two different places to complete their transaction. Additionally, for the first time Treasurer-Tax Collector opened its office to receive property tax payments on a Saturday, (December 8, 2007) from 8:00 a.m. to 1:00 p.m. Treasurer-Tax Collector received very favorable comments from the public about this new service.

### **2. Full Speed Ahead with the Property Tax Management System**

The Treasurer-Tax Collector's office continues to lead and collaborate with the Property Tax Administration (PTA) departments in pursuing the development of the new Property Tax Management System (PTMS).

Last year, the Department completed Phase 3, which included a needs-assessment phase and pilot project. These steps addressed vital issues in the county IT infrastructure and project development standards. Phase 3 also built the foundation for the development efforts in the next and final phase of the project. Following Phase 3, the PTA departments jointly developed a system requirements specification and blueprint for implementation

### **3. First Time Ever: PDF On-line Secured Tax Bills**

In line with the department's goal of using technology to cost-effectively improve communication between the department and the public it serves, 2007-2008 marked the first time that taxpayers could view and print their secured tax bills via the internet, although taxpayers still receive a paper copy of their secured tax bills via US mail. Providing taxpayers with convenient, ever-available, on-line access to a PDF copy of their tax bill improves customer service. As a result, the department has experienced a reduction in taxpayer confusion about their tax debt, and fewer requests for duplicate (paper) copies of tax bills.

### **4. Innovative Business Partnership with Animal Care Services**

The Treasurer-Tax Collector entered into an innovative agreement with the Health Care Agency – Orange County Animal Care Services (OCACS) to provide printing, mailing, and



remittance processing services for approximately 10,000 payments per month. OCACS processes over 160,000 dog licenses each year, and assists more than 15,000 residents to redeem their beloved pet or adopt new ones into their families. As a result, Treasurer-Tax Collector has increased year-round off-peak utilization of its high speed remittance processing and imaging equipment.

The Treasurer-Tax Collector partnered with OCACS, the County Data Center, and FSSI, a third party vendor for printing and mailing services. The process starts with OCACS providing electronic data for FSSI to print, stuff, sort, and mail dog license invoices and certificates. Residents remit payment to the Treasurer-Tax Collector. Treasurer-Tax Collector staff process and deposit the payments, and scans deposits for accounting purposes. In addition to processing its payments, Treasurer-Tax Collector also provides OCACS with images of every payment received as well as any accompanying correspondence or documents. OCACS can search and retrieve images easily using the OnBase imaging software provided by the Data Center. This process has eliminated the inefficiency of handling and filing of paper correspondence, resulting in cost savings for the county. OCACS is very pleased with the results.

## **5. Wildly Successful Results from AB-589 State Grant Funding**

The funding from this Grant from the State of California was used to improve unsecured tax collection. Treasurer-Tax Collector employed one Extra Help retired Tax attorney to make recommendations for improvement of the bankruptcy process, and to review the more complex correspondence and claims. Treasurer-Tax Collector brought on two staff to serve as Tax Compliance Officers and five staff to serve as "Skip Tracers" to provide support to all the Tax Compliance Officers. The Skip Tracers go through the process of actually finding each individual that owes taxes, and then pass that information on to the Tax Compliance Officers. Now, the Tax Compliance Officers can efficiently concentrate just on doing collections. As a result, the Treasurer-Tax Collector increased collections of delinquent unsecured taxes by 23%.

## **6. Faster Deposits for Faster Investment: Image Exchange (Check 21)**

The Treasurer-Tax Collector implemented Check 21 in December 2007. The Remittance Processing System was upgraded in February 2007. One feature of this upgrade enabled the Image Exchange platform. Image Exchange is a by-product of the Check Clearing for the 21<sup>st</sup> Century Act (Check 21) enacted in October 2003.

Check 21 legislation facilitates the truncation of physical checks and allows for the presentment of substitute checks. Many banks took the substitute check a step further and now exchange checks using only images of the items. This practice, Image Exchange, is an efficient method to process checks through the banking system. Image Exchange eases the difficulty of managing thousands of checks per day and accelerates the presentment of checks to the bank. It also accelerates the availability of funds, which allows those funds to be invested sooner.

## **7. Faster and More Efficient Remittance Processing Capability**

A new NCR iTran 8000 (for remittance processing) and OPEX 3690 (for mail opening and scanning) was installed in February 2007. A second iTran was installed in November 2007. The iTran has a dual stream encoding feature which accelerates the processing and depositing functions. This facilitated an obvious reduction in processing time during the recent peak tax collection period. The OPEX 3690 has the capability of capturing images of correspondence in addition to payments. This particular feature was a key selling point in enrolling Treasurer-Tax Collector's first remittance processing client, Orange County Animal Care Services.

## **8. Leading the County in Safety, Security and Disaster Preparedness**

Treasurer-Tax Collector identified county, state and federal safety, security and disaster (SSD) requirements affecting the department and streamlined the compliance process. Treasurer-Tax Collector consolidated SSD responsibilities under a single position, and developed timelines, templates and procedures for timely compliance. The SSD Coordinator became certified in major incident management by completing Incident Command System (ICS) 300/400 training sponsored by the California Specialized Training Institute. The SSD Coordinator was also certified in compliance with the 29 CFR (Code of Federal Regulation) 1910.120 standard by completing the 24 hour Hazwoper course. This course covers OSHA requirements regarding hazardous substances, chemicals and materials in the work place. This course also provided assistance on developing a site safety plan and creating a more effective Injury and Illness Prevention Program (IIPP).

## **9. New 2007-2008 Secured Tax Bill Increased Accuracy of Payments and Reduced Refunds**

Treasurer-Tax Collector completely redesigned the secured tax bill for 2007-2008 to a more simplified and easy-to-read format. In the past many homeowners paid their taxes on time, but erroneously included the penalty amount. On the new bill, the amount due was shown encased in a box and highlighted in yellow. Additionally, there was a larger font used for the information on the back of the tax bill and on the insert flyer that is included with each bill. Comments from homeowners report that they were pleased with the changes. As a result of this and other enhancements, Treasurer-Tax Collector anticipates improved accuracy of payments and a consequent reduction in the number of refunds issued.

## **10. Treasurer-Tax Collector Pilot's Balanced Scorecard Program for County**

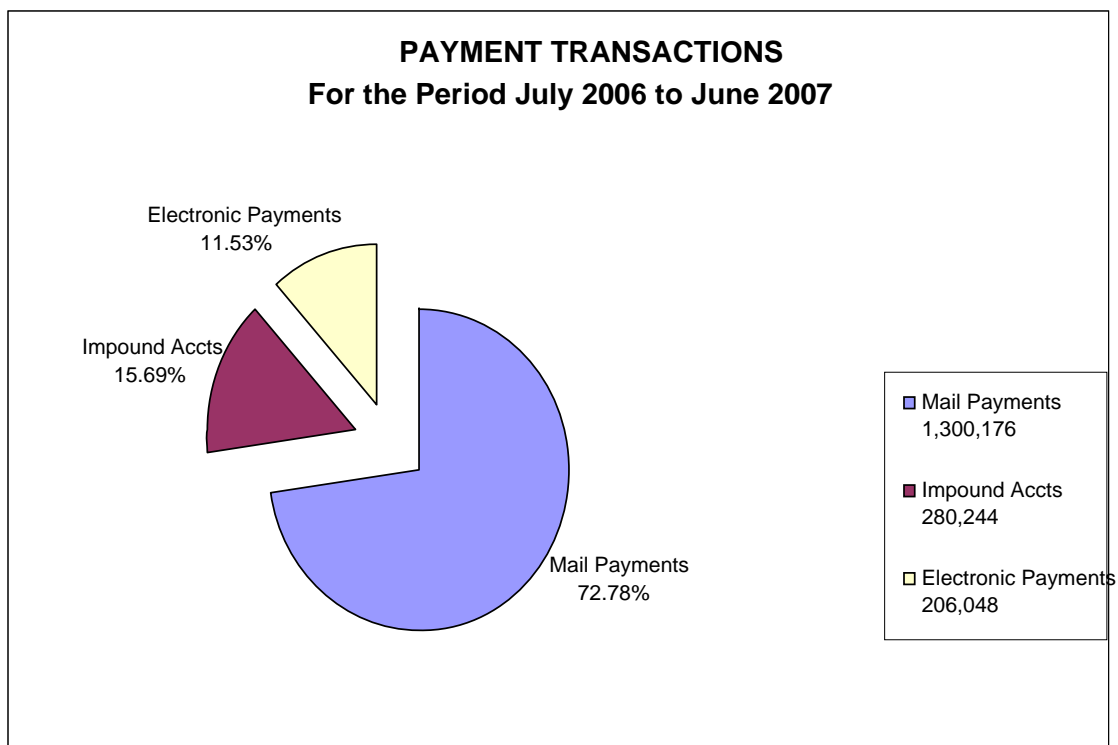
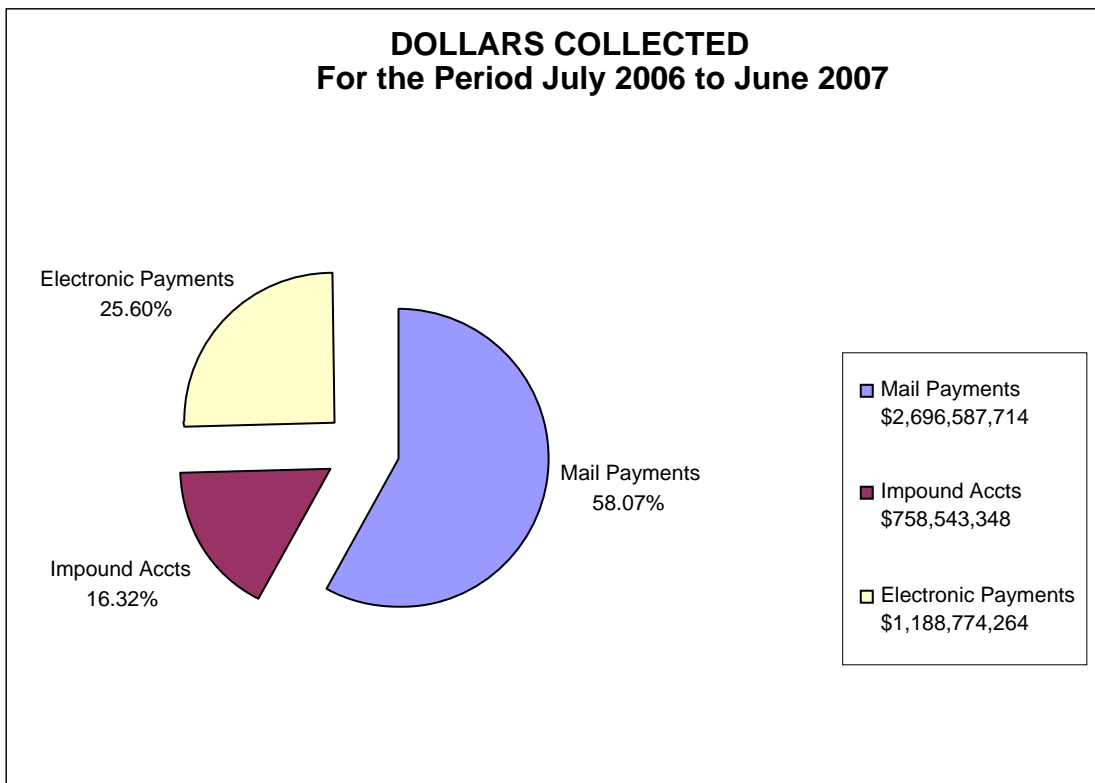
Treasurer-Tax Collector served as a pilot department for the Balanced Scorecard pilot project in conjunction with the CEO's Strategic Focus Program. The Department worked with the Board-selected consultant, inCentergy Consulting Group, whose President very ably facilitated the implementation of the project.

Treasurer-Tax Collector completed step one of the planning process, and has identified critical department performance measures, baselines and target goals. Treasurer-Tax Collector initiated planning for implementation of step two in March 2008. This includes

implementing step one, and developing creative assessment methods to aggregate the data for "collective significance", applying new tools to facilitate cross functional analysis and decision-making, and improving measurement consistency for improved budget reporting and performance accountability.

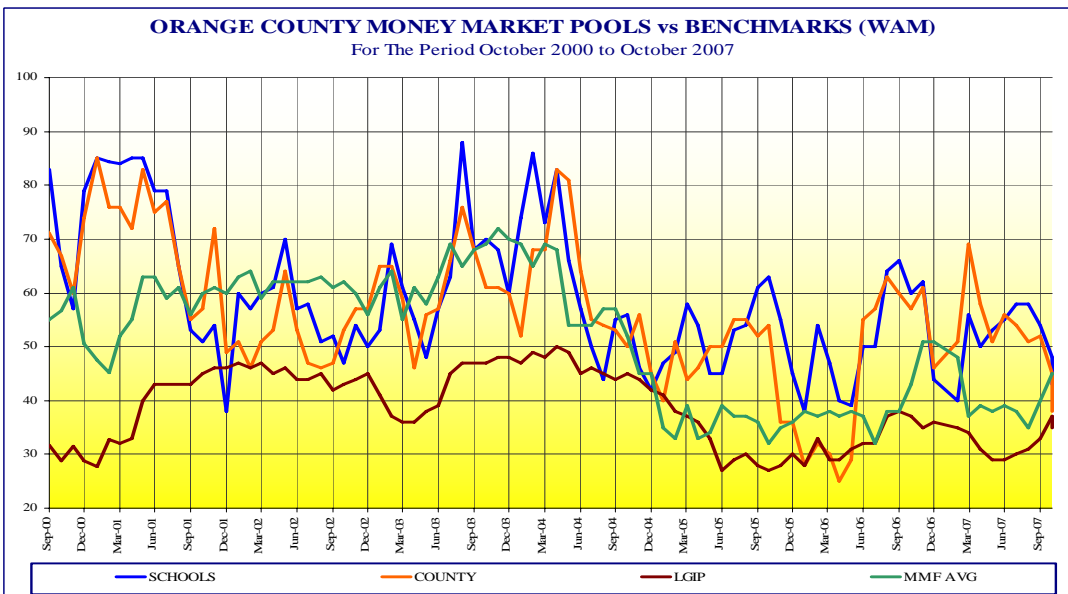
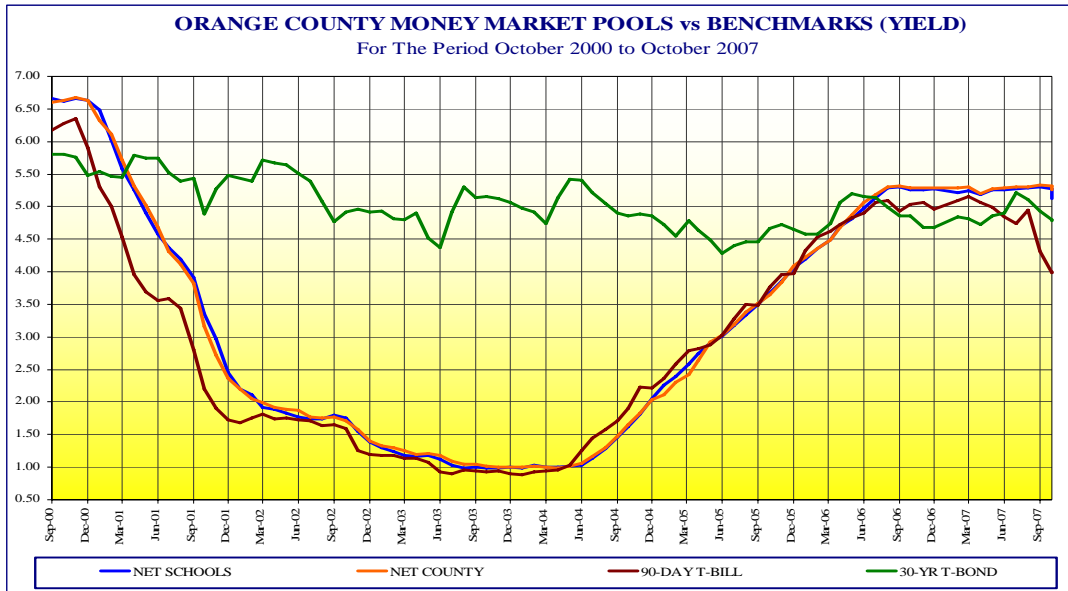
## APPENDIX C – Other Critical Demographics / Service Expectations

### Distribution of Property Taxes



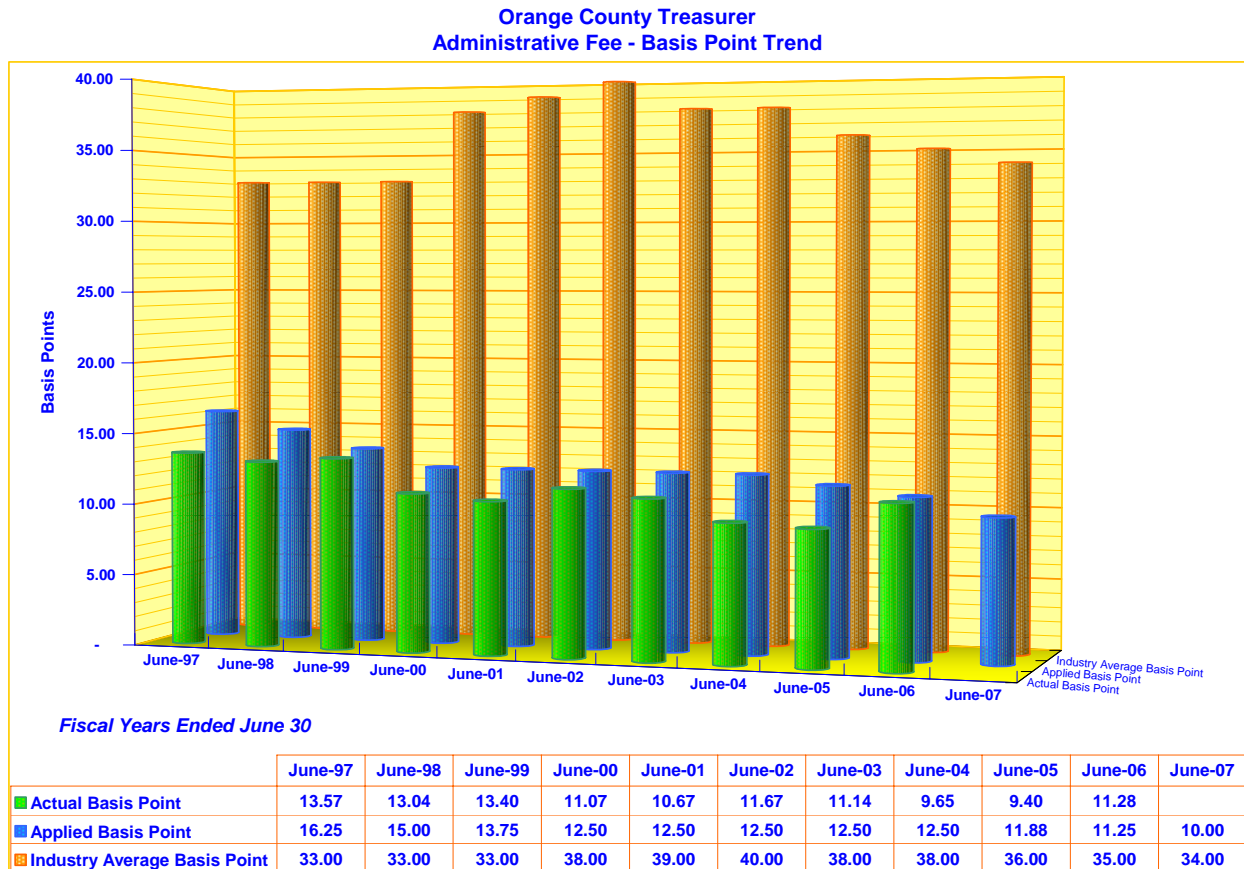
## APPENDIX C – Other Critical Demographics / Service Expectations

**Graph - Orange County Money Market Pools vs. Benchmarks (Yield)**



## APPENDIX C – Other Critical Demographics / Service Expectations

### Graph – Administrative Fee – Basis Point Trend



## APPENDIX C – Other Critical Demographics / Service Expectations

OUTCOME INDICATOR	FY 2006-07 RESULTS	FY 2007-08 PLAN	FY 2007-08 ANTICIPATED RESULTS	FY 2008-09 PLAN	HOW ARE WE DOING?
<p><b>NET INVESTMENT RETURN</b></p> <p><b>What:</b> Within parameters of the investment policy, obtain a portfolio yield that meets or exceeds the 90-day US T-Bill and money market benchmarks.</p> <p><b>Why:</b> To continue to provide safe, efficient and effective investment returns for our clients.</p> <p><b>ADMINISTRATION FEE CHARGED TO POOL PARTICIPANTS</b></p> <p><b>What:</b> To charge the lowest possible administration fee cost.</p> <p><b>Why:</b> To provide a modest investment return to pool participants with minimum administrative costs.</p>	<p>Fed stayed constant at 5.25%. The OCIP money market portfolios have consistently outperformed the institutional money market fund benchmark and the 90-day T-Bill.</p> <p>Administration fee reduced to 10.00 basis points , July 1, 2006 (i.e. 0.10%).</p>	<p>Position the portfolios in order to increase liquidity and safety, while preparing for an increase in inflation expectations.</p> <p>Administration fee to remain at 10.00 basis points (i.e. 0.10%)</p>	<p>Returns in the money market portfolios have decreased due to aggressive Fed rate cuts and the yield curve has returned to a positive slope. The longer portfolios will benefit from an increase in inflation expectations..</p> <p>Administration fee to remain at 10.00 basis points subject to final cost studies (i.e. 0.10%)</p>	<p>Inflation expectations will continue to rise and the yield curve will remain positively sloped.</p> <p>Administration fee to remain at 10.00 basis points (i.e. 0.10%)</p>	<p>On target.</p> <p>On target.</p>
<p><b>RATING OF INVESTMENT POOL</b></p> <p><b>What:</b> Maintain highest rating.</p> <p><b>Why:</b> To assure safest money market practices are being followed.</p>	<p>The County and the Educational Investment Pools retained their credit ratings.</p> <p>Moody's: Aaa MR1 &amp; Fitch: AAA/v1+</p>	<p>Preserve the investment pools credit ratings.</p> <p>Moody's: Aaa MR1 &amp; Fitch: AAA/v1+</p>	<p>Invest conservatively to maintain the investment pools credit ratings of:</p> <p>Moody's: Aaa MR1 &amp; Fitch: AAA/v1+</p>	<p>Maintain the investment pools' "triple A" credit ratings. The Treasurer is obtaining a rating from S&amp;P and is discontinuing Fitch.</p>	<p>On target.</p>
<p><b>STATE PROPERTY TAX COLLECTION RATES FOR SECURED AND UNSECURED PROPERTY</b></p> <p><b>What:</b> Exceed State property tax collection rates for secured &amp; unsecured property by minimizing unpaid taxes.</p> <p><b>Why:</b> To maximize collections in property taxes for service recipients and County General Fund.</p>	<p>County of Orange collection percentage ratings for Secured taxes exceeded state median. Of the 58 counties in the State of California, the County of Orange Secured tax collection is 97.4 % with ranking of 11<sup>th</sup> in the state. The County of Orange Unsecured tax collection is 93.1% with a ranking of 36th.</p>	<p>To continue to exceed the state median.</p>	<p>To continue to exceed the state median.</p>	<p>To maintain high collection rankings and percentages.</p>	<p>On target.</p>
<p><b>ELECTRONIC PAYMENTS</b></p> <p><b>What:</b> Increase the number and amount of electronic tax payments received as a percentage of the total number and amount of taxes collected.</p> <p><b>Why:</b> The capability to pay online and by IVR is available 24/7 to taxpayers. Both the County and the taxpayer reap the benefits of efficiency, time savings and cost-effectiveness through this payment method.</p>	<p>Dollars collected electronically decreased from 33% to 26% and the number of transactions paid electronically increased from 11% to 12%. The current year decrease is a result of a change in policy for title company wires. These electronic payments were time-intensive and therefore were discouraged.</p>	<p>To increase electronic payments of taxpayers with tax liabilities equal to or greater than \$25,000.</p>	<p>To continue to increase the dollar amount and number of electronic payments.</p>	<p>To continue to increase the dollar amount and number of electronic payments.</p>	<p>On target.</p>