

TREASURER-TAX COLLECTOR'S DEPARTMENT

I. DEPARTMENT MISSION OR MANDATE

Pursuant to State mandates, the Treasurer-Tax Collector is responsible for the collection of property taxes for county agencies, special districts, school districts and all the cities within Contra Costa County. In performing this function, the department seeks to serve the taxpaying public by utilizing the most efficient means of billing, collection, and dissemination of information. The California Government Code mandates the Department's responsibility for the safekeeping of all County funds, those of the County's 18 school districts, Office of Education, and the Community College District. The Department acts as their money manager and investment entity, investing surplus funds in accordance with Government Code Section 53601 and the Treasurer's Investment Policy. The Department also manages and invests funds for the 21 Special Districts that are voluntary pool participants. The Department manages the County's cash flow and short-term borrowings and is an active participant in nearly all long and short-term borrowings for county agencies, school districts, and the Community College District.

II. MAJOR PROGRAM DESCRIPTIONS

A. TREASURER DIVISION

Serves as the County bank receiving and processing treasury deposits from various county departments, and state and federal agencies.

Manages cash flow and administers a comprehensive investment program for the County, its school and community college districts, special districts, and maintains an active role in nearly all short-term borrowings and long-term debt issues.

Manages the County Investment Pool in a manner that is responsive to the public trust and consistent with State law, the County's Investment Policy, and invests public funds in the following manner:

1. The primary objective of the Treasurer's investment of funds is to safeguard investment principal.
2. The secondary objective is to maintain sufficient liquidity to insure that funds are available to meet daily cash flow requirements.
3. The third and last consideration is to achieve a reasonable rate of return or yield consistent with the first two objectives.

BUDGET: \$ 1,541,757

FTE: 7.4

B. TAX COLLECTOR DIVISION

Collects property taxes and assessments for the County, all cities and school districts, and a number of special districts within Contra Costa County. It strives to serve its customers by providing timely and accurate services in a manner that is fair, legal, and courteous. To meet service obligations, the Tax Collector’s Division uses technical expertise, employing modern, innovative, cost-effective, and flexible methodologies.

BUDGET: \$ 4,144,351
 FTE: 19.5

C. BUSINESS TAX DIVISION

Levies and collects business license taxes, cannabis business taxes, and transient occupancy taxes from entities engaged in business-related activity within the unincorporated area of the County.

BUDGET: \$ 171,632
 FTE: 1.5

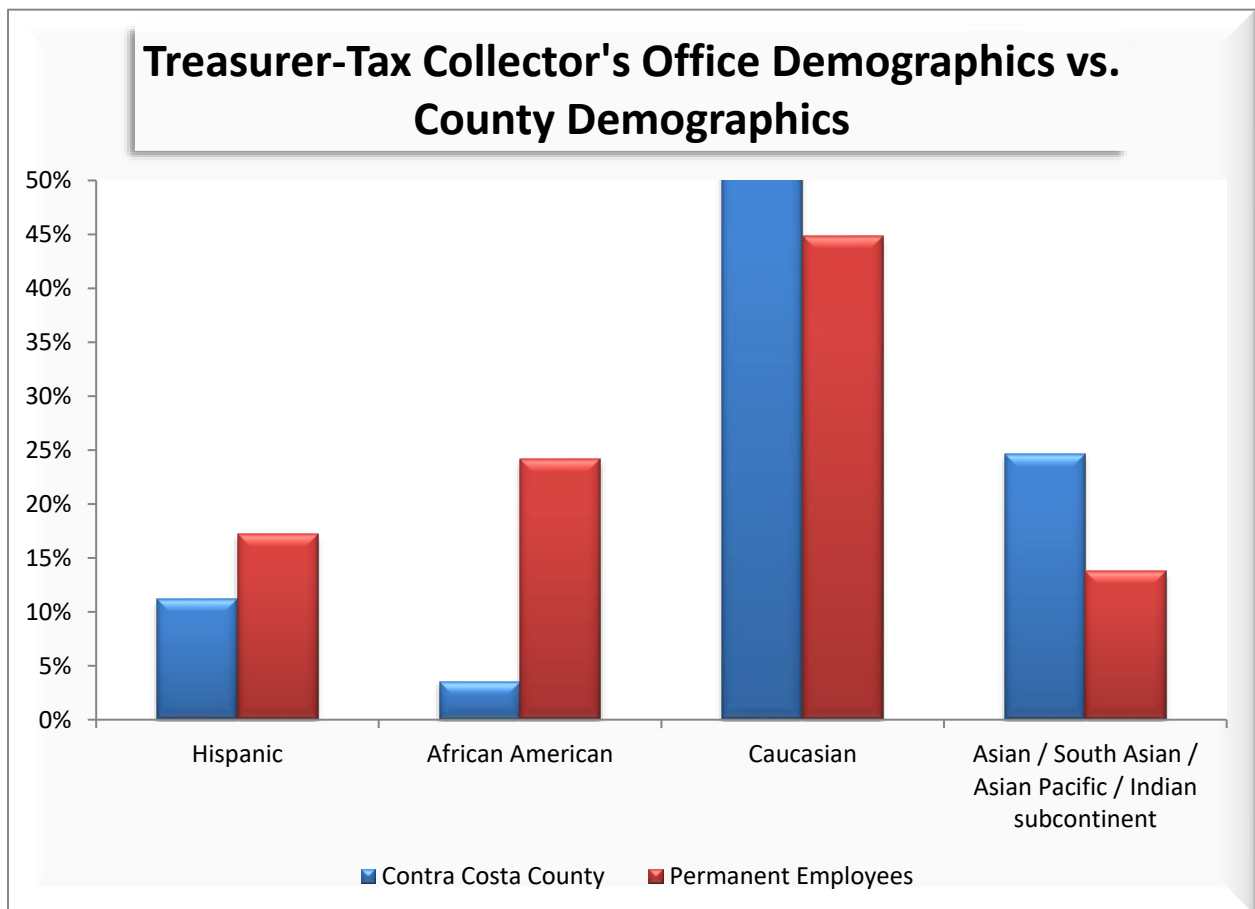
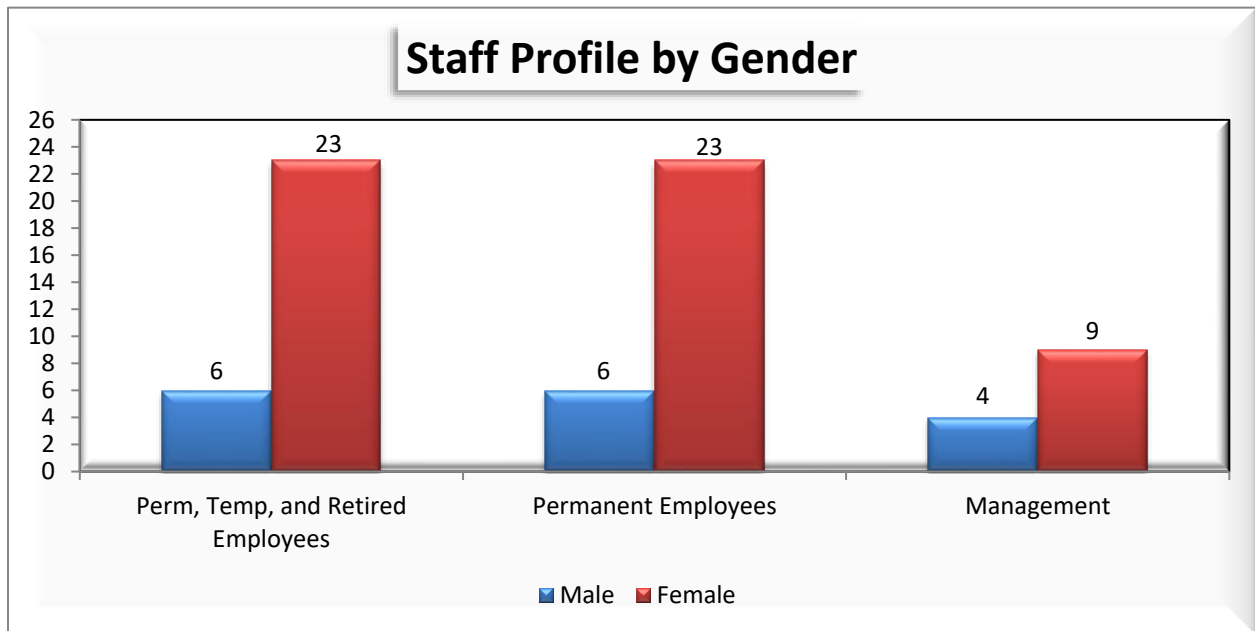
D. TOTAL DEPARTMENT DATA:

BUDGET: \$ 5,857,740
 FTE: 28.5

DEPARTMENT STAFF PROFILE:

EMPLOYEE POSITIONS			
<u>Management (13)</u>		<u>Non-Management (18)</u>	
Department Head	1	Account Clerk-Advanced	3
Chief Deputy Treasurer-Tax Collector	1	Account Clerk-Experienced	2
Executive Secretary	1	Accounting Technician	1
Assistant County Treasurer	1	Business Tax Specialist	1
Assistant County Tax Collector	1	Clerk-Experienced	1
Accountant II	2	Clerk-Experienced (Part Time)	2
Accountant III	1	Clerk-Senior	1
Account Clerk Supervisor	1	Clerk-Specialist Level	1
Collection Enforcement Supervisor	1	Tax Compliance Officer	2
Investment Officer	1	Tax Compliance Officer-Advanced	1
Investment Operations Analyst	1	Tax Default Real Property Technician	1
Tax Operations Supervisor	1		
TOTAL PERMANENT EMPLOYEE POSITIONS			29
TOTAL FULL TIME EQUIVALENT EMPLOYEES			28.5

**TREASURER – TAX COLLECTOR’S DEPARTMENT
EMPLOYEE PROFILE**



III. DEPARTMENT ACCOMPLISHMENTS

A. TREASURER DIVISION

1. Facing an unprecedented pandemic and running operations with reduced numbers of staff and reduced business hours for an extended period of time, the division was able to provide the same level of quality services to all county departments, school districts, special districts, and agencies in a timely fashion to ensure their uninterrupted business operations. This was achieved by the division's on-going effort in improving efficiency and effectiveness of treasury operations and procedures.
2. Upon completion of due diligence reviews, the division added Koch Industries, Inc. to the Approved Issuers list.
3. As of December 31, 2020, the Treasury Pool reached \$4.5 billion in assets, the highest ever in Contra Costa County history.
4. During FY 2019-2020, staff completed bank transactions totaling \$53.6 billion, in line with the previous two fiscal years despite the difficult challenges presented by the COVID-19 pandemic.

B. TAX COLLECTOR DIVISION

1. Expanded customer service and public safety through extensive use of in-house staff training and the use of online TargetSolutions. In addition to the mandatory training, staff completed additional training in Cybersecurity Awareness, Wildfire Smoke Safety, and Surviving an Active Shooter Event.
2. Collaborated with the Department of Information Technology for the acquisition and implementation of a new cashiering software system. The system operates directly with a new online payment processor administered by the same company. The cashiering system provides touchless payment card processing, including PIN-Debit and encrypted data transfer for greater security against fraudulent transactions. These new systems contributed to a significant increase in the number of transactions and property tax revenue collected in the same period of the prior fiscal year.

C. BUSINESS TAX DIVISION

1. The Tax Collector upgraded its Business License software to include a Transient Occupancy Tax (TOT) module. The module links TOT-related businesses to their respective Business License to better compliment compliance and enforcement efforts.
2. The County adopted an ordinance to regulate short-term rentals in the unincorporated area, and the Tax Collector has executed a Voluntary Collection Agreement with Airbnb to collect and remit the respective TOT on short-term rentals booked on the Airbnb platform in the unincorporated areas of the County.

IV. DEPARTMENT CHALLENGES

A. TREASURER DIVISION

1. The unprecedented COVID-19 pandemic created a series of challenges. Shelter-in-place orders, health orders, bank branch closing or running on reduced business hours, short of working staff, etc. made the completion of daily treasury operations in a timely and accurate fashion beyond normal reach.
2. Various issues, such as significant rate cuts from 1.75% to 0.25% made by Federal Reserve in early 2020 to combat the pandemic, the presidential election in 2020, and the global economic slow-down have caused greater volatility in the markets and reduced Treasury pool investment earnings for the foreseeable future.
3. The volume of assets under management and the demand for banking and financial services has continued to increase significantly year after year while the level of staffing in the treasury division has remained the same the past 10+ years. Operations will require additional staff and system enhancements in order to keep up with the pace of growth.

B. TAX COLLECTOR DIVISION

1. Develop and maintain an integrated relational database, crossing departmental lines, bringing together all functionality necessary to identify, assess, and accurately tax all real and personal property located in the County.
2. Promote more online business for finding answers to frequently asked questions, for looking up tax account information, and for submitting accurate and timely payments.
3. Business Continuity and/or Disaster Recovery should local or regional utilities become disabled.

C. BUSINESS TAX DIVISION

1. The ability to enforce and collect Transient Occupancy Tax and Business License Tax on a growing number of short-term rentals in the unincorporated areas of the county.
2. Develop a program for locating short-term rentals in the unincorporated area of the County where hosts are using online platforms other than Airbnb, and collecting the Transiency Occupancy Tax.
3. Collect and enforce Cannabis Business Taxes while adapting to the dynamics of changing state legislation regarding cannabis, cannabis related businesses and local authority.

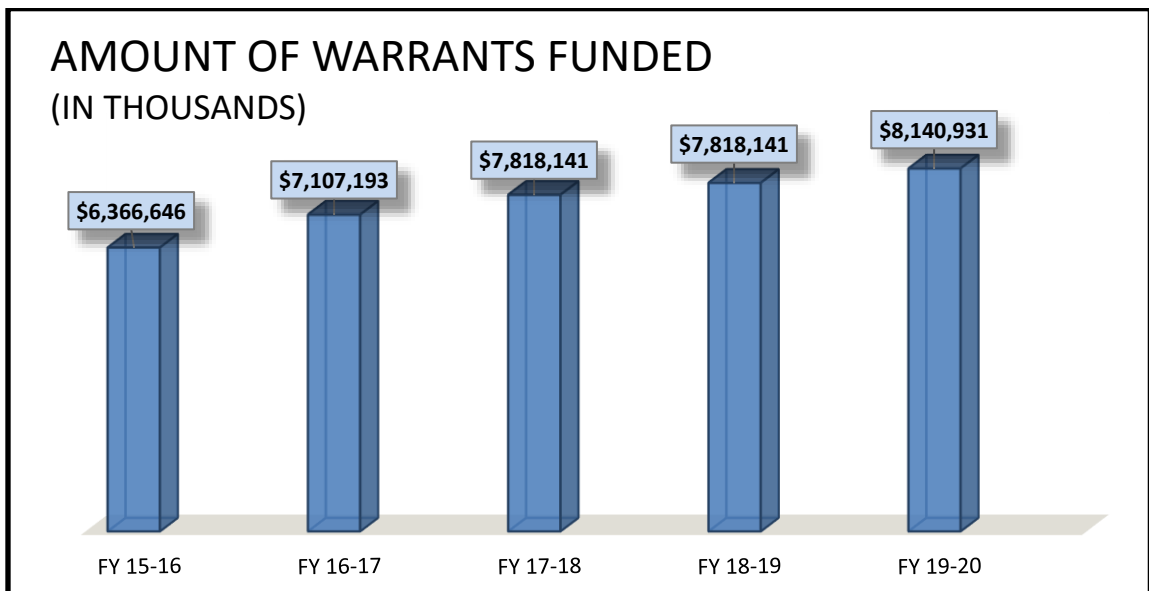
V. PERFORMANCE INDICATORS

A. TREASURER

1. **Objective:** Maintain the highest standards for County banking and investment services while volume activity continues to increase.

2. Indicators

1. *Safety of the Treasury Pool managed by the Treasurer.* One of the largest nationally recognized investment rating agency, Standard and Poor's affirmed the Contra Costa County Investment Pool's AAAf/S1+ rating, signifying the highest credit rating with the lowest volatility since November 2007.
2. *Liquidity of the Treasury Pool managed by the Treasurer.* The Treasurer has funded all warrants issued by the County on time as instructed. Additionally, the Treasurer's cash flow forecast shows that the County should be able to meet its cash flow needs for the next six months.



3. *Yield of the Treasury Pool managed by the Treasurer.* The Federal Open Market Committee cut the interest rate from 1.75% to 0.25% in the third quarter of FY 2019-2020 to combat the negative economic impact caused by the COVID-19 pandemic. As a result, the earned income yield and the net investment income of the Treasury Pool were lower than the previous fiscal year.

Yield and Net Earnings of CCC Treasury Investment Pool					
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
INCOME YIELD	0.68%	1.05%	1.51%	2.29%	1.80%
NET EARNINGS	\$19,198,299	\$33,217,749	\$51,518,311	\$78,624,019	\$62,560,040

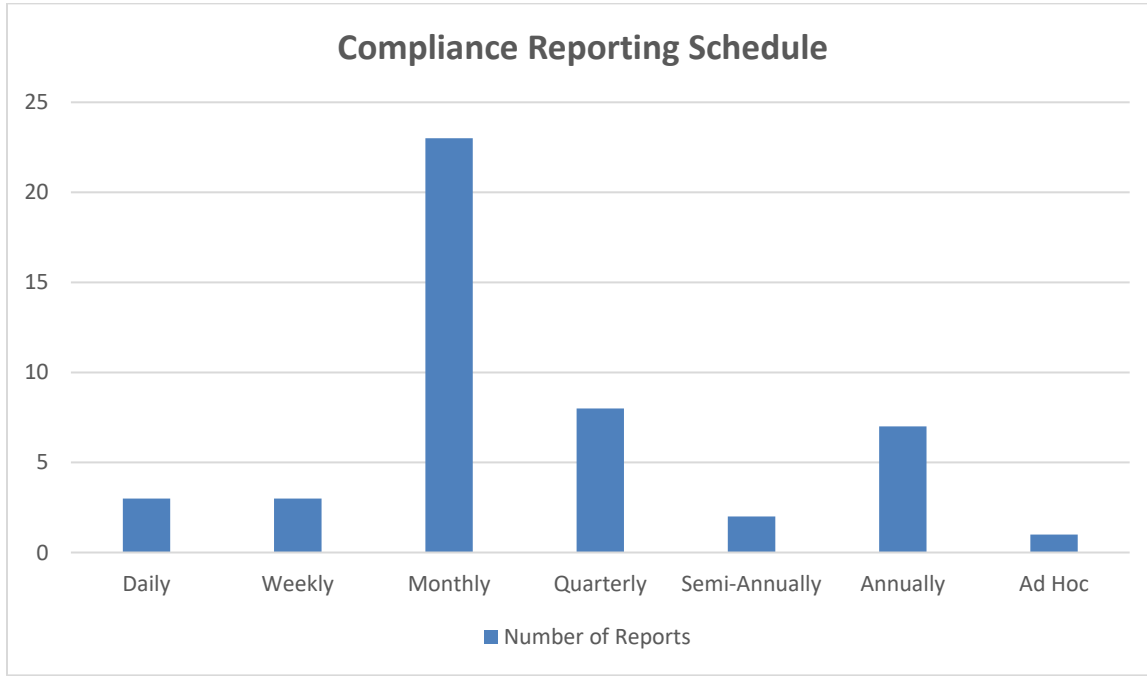
4. *Growth of the Treasury Pool managed by the Treasurer.* The size of the Treasury Pool, the number of investment holdings, the number of investment transactions have increased every year without additions to the investment staff.

Growth of CCC Treasury Investment Pool					
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
INVESTMENT HOLDINGS	452	454	478	478	409
INVESTMENT TRANSACTIONS	1,251	1,459	1,601	1,758	1,749
POOL ASSETS (in thousand)	\$3,318,657	\$3,690,690	\$3,749,705	\$3,749,705	\$3,980,597

5. *Efficiency of the operations.* As evidenced by the number and amount of deposits and banking transactions processed by the Treasurer, the completion of all operational tasks can only be achieved by the efficiency of the operations.

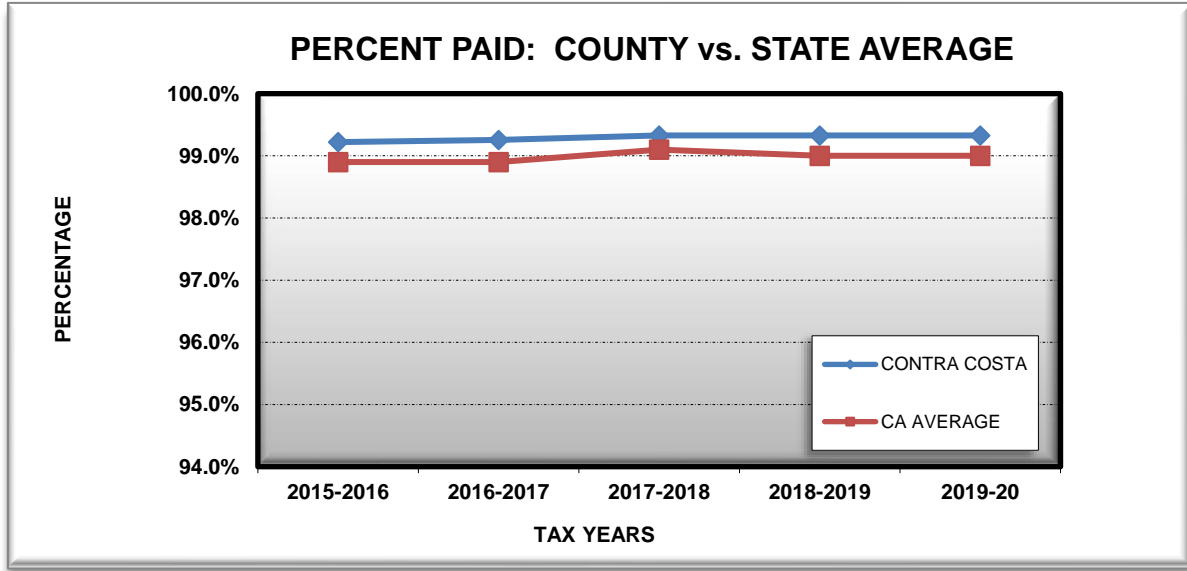
Deposits and Banking Transactions					
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Number of Deposits	25,986	25,661	25,313	23,706	21,527
Amount of Banking Transactions (in thousand)	\$7,032,685	\$7,479,896	\$7,873,642	\$7,810,329	\$8,491,508

6. *Reporting.* The Treasurer has prepared and provided daily, monthly, quarterly, semi-annually, and annual reports accurately and timely to various recipients, such as the county departments, school districts, special districts, and the State of California in a timely fashion.



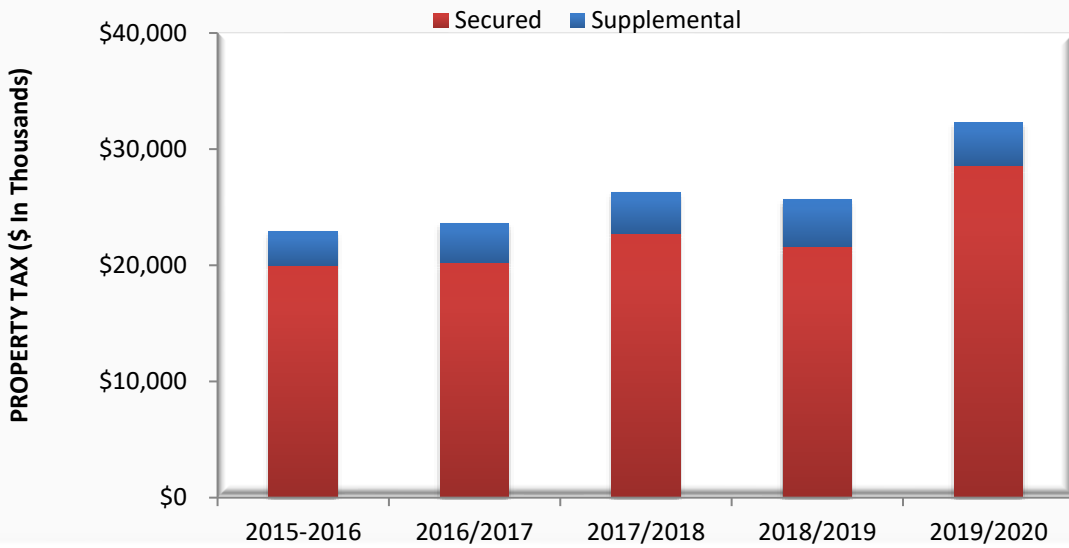
B. TAX COLLECTOR

1. Objective: Improve tax collections and reduce delinquencies based on State’s median benchmark and increase efficiency and amount of tax dollars collected.



PERCENT SECURED PROPERTY TAX PAID: COUNTY COMPARED TO STATE AVERAGE					
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
CONTRA COSTA COUNTY	99.2%	99.3%	99.3%	99.3%	99.1%
CALIFORNIA AVERAGE	98.9%	98.9%	99.1%	99.0%	98.9%

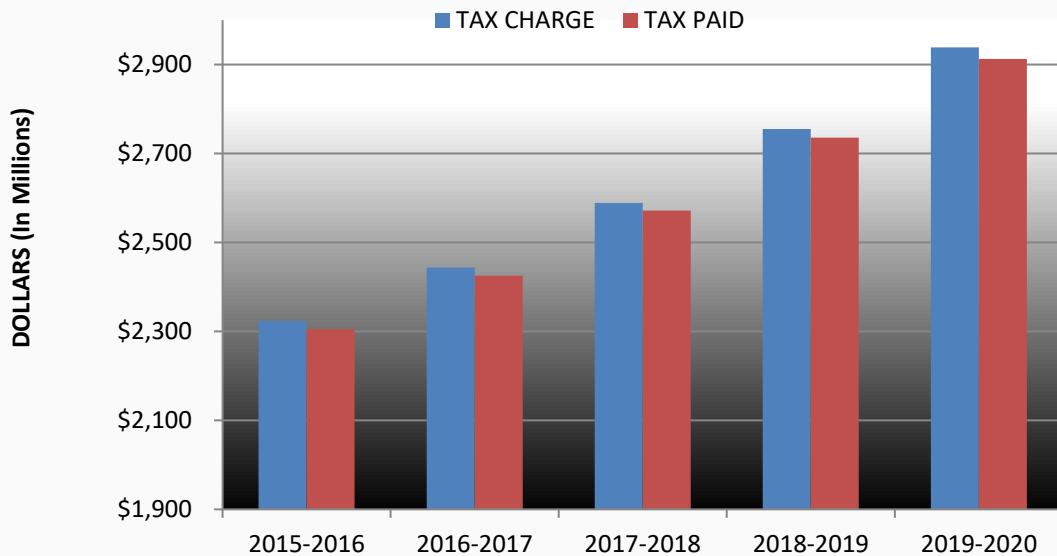
DEFAULTED SECURED & SUPPLEMENTAL PROPERTY TAXES



DEFAULTED SECURED AND SUPPLEMENTAL PROPERTY TAXES IN DOLLARS

(\$ In Thousands)	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Secured	20,020	20,211	22,761	21,617	28,595
Supplemental	2,915	3,420	3,542	4,051	3,678
Total	22,935	23,631	26,303	26,303	32,273

PROPERTY TAXES CHARGED & PAID



SECURED PROPERTY TAX IN DOLLARS

(\$ In Millions)	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
TAX CHARGE	2,323.3	2,443.5	2,589.1	2,755.2	2,938.6
TAX PAID	2,305.2	2,425.2	2,571.7	2,735.6	2,912.7

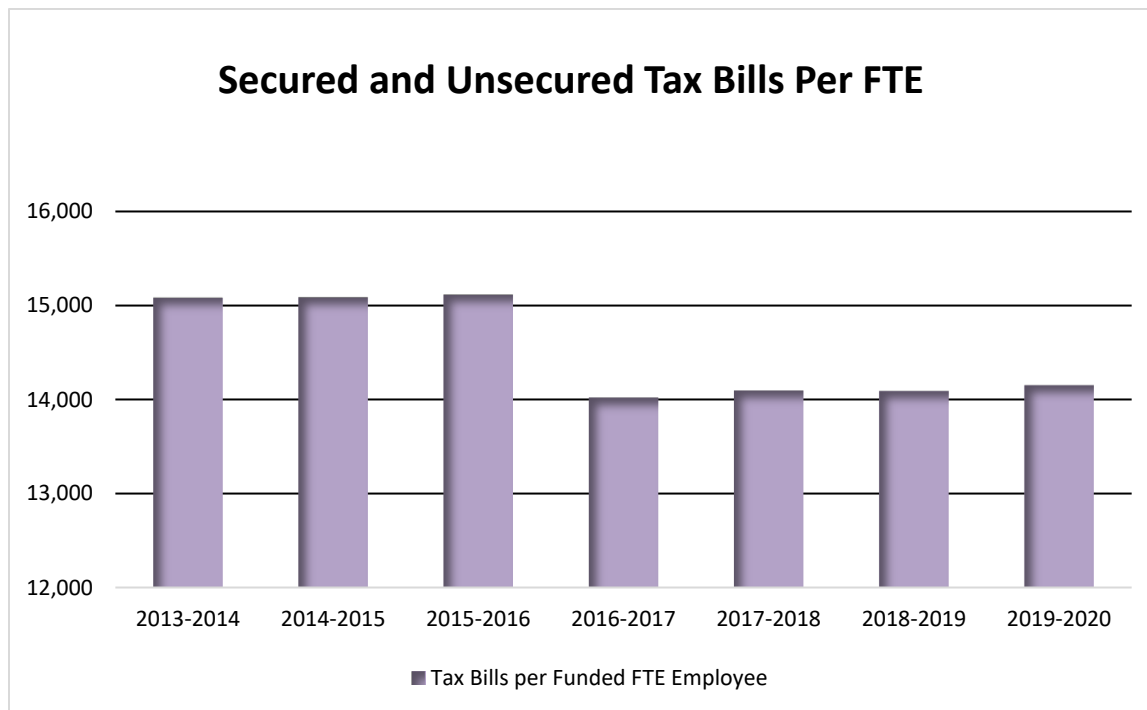
2. Indicators

1. The Tax Collector continues to outsource the collection of both personal and real property tax payments received by mail throughout the year with successful results. This system, designed around the concept of a “lockbox”, allows hundreds of thousands of tax documents including tax bills and associated checks to be quickly scanned and processed. This makes the information much more easily accessible by multiple users simultaneously. Hundreds of millions of dollars in tax payments are being processed and deposited much more quickly, while images of the tax bills and corresponding payments are archived in an easily accessible “digital library.”
2. The Departments cashing system is capable of accepting card payments. The cashiers processed 18,105 walk-in transactions during Fiscal Year 2019-2020, totaling more than \$58.4 million of which 1,338 of those transactions were by card payments totaling \$1,910,161. This automated system allows our cashiers to quickly process payments and issue receipts while storing digital images of the tax bills and checks on a server for research and archival. The

cashiering system makes a significant contribution to the collection, balancing, and reporting of tax payments while increasing efficiency.

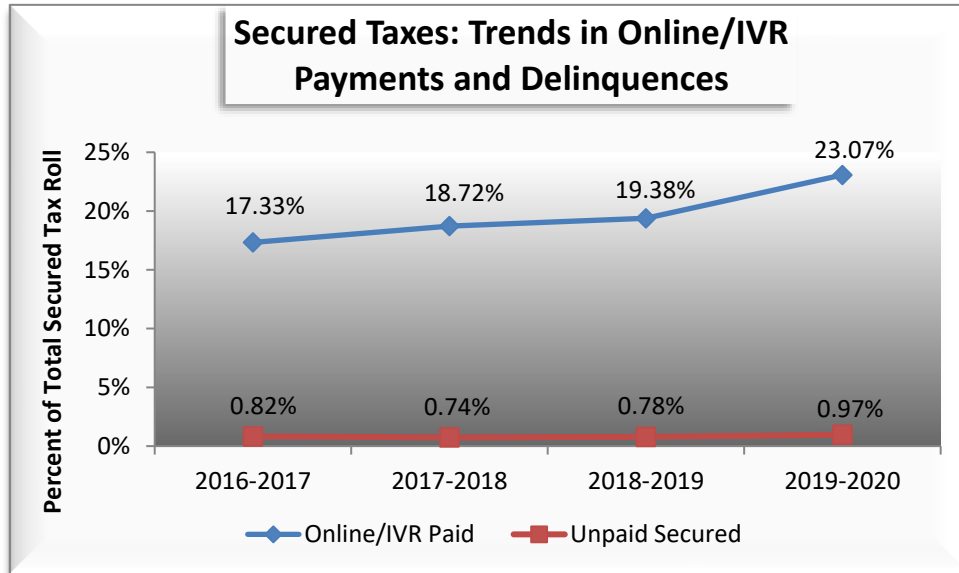
3. During Fiscal Year 2019-2020, staff processed in excess of \$2.9 billion in taxes owing on 417,410 parcels and accounts. This represents an average of \$98.3 million in collections for each funded full-time employee. The average number of accounts serviced per employee is approximately 14,149.

Year	Funded Full-Time Equivalent Employees	Secured and Unsecured Tax Bills	Tax Bills per Funded FTE Employee
2013-2014	27.50	414,675	15,079
2014-2015	27.50	414,793	15,083
2015-2016	27.50	415,566	15,111
2016-2017	29.50	413,552	14,019
2017-2018	29.50	415,785	14,094
2018-2019	29.50	415,636	14,089
2019-2020	29.50	417,410	14,149



4. Our preference is for taxpayers to pay their taxes “online”. We currently have an Interactive Voice Response System (IVR) in place, which allows taxpayers automated access to their secured

property tax information by phone 24 hours per day, 7 days per week. Both our IVR and Website payment services have been expanded to allow taxpayers the option to make tax payments over the phone or online, using their credit cards, debit cards, or Electronic Check. Twenty-three percent of the County’s secured tax roll was paid by utilizing these electronic payment options during Fiscal Year 2019-2020.



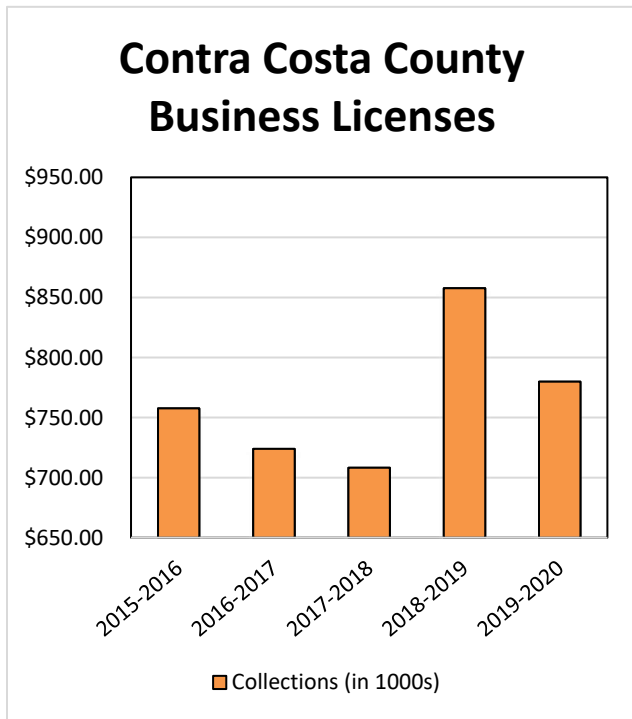
Year	Online/IVR Paid	Traditional Paid	Unpaid Secured	TOTAL
2016-2017	\$ 424,835,847	\$ 2,006,393,952	\$ 20,210,550	\$ 2,451,440,349
2017-2018	\$ 486,062,967	\$ 2,091,271,462	\$ 19,218,411	\$ 2,596,552,840
2018-2019	\$ 535,754,771	\$ 2,206,516,855	\$ 21,616,560	\$ 2,763,888,186
2019-2020	\$ 680,070,801	\$ 2,239,313,780	\$ 28,595,395	\$ 2,947,979,976

- The division is continually expanding its online services, providing taxpayers with a variety of information. In addition to accommodating electronic payments, there is an option for the public to submit an online response form with comments or suggestions.
- As part of our effort to support a cleaner and healthier environment using today's technology, the division has implemented a free subscription service for Secured Property Tax bill email notifications and reminders. The service is intended to eliminate the need to mail and/or receive "paper" tax bills and subsequent payments. This service also reminds subscribers to check on their tax bills to be sure they are paid on time, avoiding costly late-payment penalties.
- The department continues to provide information brochures that explain the answers to frequently asked questions about property taxes and fees the Tax Collector is responsible for

collecting. These brochures are available at various locations throughout the county and on the Tax Collector’s web site, and many are available in both English and Spanish.

C. BUSINESS TAX DIVISION

Business license collections have fluctuated year-over-year since a noticeable decline following Fiscal Year 2011-2012. We attribute these results to the aftereffects of the Great Recession, which led to the closure of many businesses and, consequently, a decline of annual business license renewals. A collaboration with the Department of Conservation and Development, the Department of Information Technology, outreach and stronger enforcement efforts yielded positive results in Fiscal Year 2018-2019. However, the COVID-19 pandemic has contributed to a significant decline in Business License renewals in the fourth quarter of Fiscal Year 2019-2020. These results are expected to continue in Fiscal Year 2020-2021 and the foreseeable future.



Contra Costa County Business License Collection	
Year	\$ Collection (in 1000s)
2014-2015	\$ 720.0
2015-2016	\$ 757.7
2016-2017	\$ 723.9
2017-2018	\$ 708.2
2018-2019	\$ 857.7
2019-2020	\$ 779.9

D. ADMINISTRATIVE SERVICES

1. Has achieved 100% compliance with the Board of Supervisors’ mandate that at least once every three years all non-management County employees receive training in the recognition, prevention and/or remedy of discrimination. Likewise, all its management employees have attended the management program of “Preventing Discrimination and Sexual Harassment in the Workplace.”
2. Provides employee development, personnel, payroll and fiscal administration, department clerical supervision and automated systems services.