Office of the Assessor-Recorder FY2016-17 and FY2017-18 Proposed Budget

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Budget and Finance Committee

June 16, 2016

❖ Launched new document management system

❖ Started converting 207,000 paper property files to digital records

❖ Provides better security and disaster recovery

❖ Frees up needed space in City Hall office

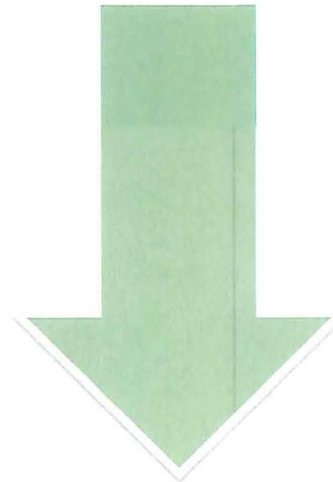# *Major Accomplishments*

❖ Initiated Transfer Tax Audits for Improved Tax Compliance

   ❖ Property tax liens on two hotel sales with escaped taxes worth more than $5.5M

❖ Reduced AAB Cases and City's Refund Exposure

$489M – FY 13

$140M – FY 16

FY2016-18 Budget Priorities

❖ **Strategies for Long-Term Success**

    ❖ New management structure to implement business process improvements and recruit and retain talented leaders

    ❖ Providing career ladders at all levels of the organization e.g. analysts, appraiser trainees.

    ❖ Adding New Commercial Appraisers to Keep Pace with Real Estate New Construction

❖ **Modernizing and Securing City's Property Assessment and Tax Systems in Collaboration with Treasurer/Tax Collector and Controller**

❖ **Capital Funds to Address Mechanical Deficiencies and Repurpose for Functional Office Space**

Caseload Levels Continue to Outpace ASR's Capacity

	Change in Ownership	New Construction	Assessment Appeals	Total Cases
Secured Real Property Outstanding Cases June 2014 – May 2016				
June 2014	4,555	7,966	5,645	18,166
June 2015	3,690	11,600	3,608	18,898
May 2016	2,424	12,179	1,506	16,109

Office Workload and Backlog

Recorder
- 200,000 documents processed annually

Transactions
- 26,454 outstanding cases

Real Property
- Multiple work streams;
- ~$2.1B in revenue

Business Personal Property
- 35,000 property statements processed annually
- ~$138M in revenue

New Construction Assessments
- 12,179 outstanding cases

Change in Ownership assessments
- 2,424 outstanding cases

Assessment Appeals
- 1,150 outstanding cases

Parcel Management
- 1,300 processed annually

Lien Date New Construction
- 1,177 completed in 2016

Informal Reviews
- 2,000 completed in 2016

Tax certs / Mills Act / Urban Agriculture

Business Personal Property Audits
- 303 mandatory audits/year, 246 completed in FY 15-16

Exemptions
- Confirm eligibility and processes tax exemptions for homeowners, non-profits, etc.

Property Assessment and Tax System Project

Project Update

❖ Committee on Information Technology (COIT) approved as next Major IT Project to move forward after completion of F$P and Public Safety Radio Replacement

❖ Multi-year Project launched in FY15-16. Phase 1A underway
  ❖ Focuses on development of business and technical requirements for the new system(s) and beginning data preparation/conversion

❖ $1.96 Million in COIT Funding in FY16-17, Ramping Up in Year 2.
  ❖ Complete Requirements and Readiness Assessment
  ❖ Prepare for data mapping and start RFP process
  ❖ System Implementation Beginning in Year 2.

FY 2016-18 Budget Summary

	Approved 15-16	Proposed FY16-17	*Change from FY15-16*	Proposed FY17-18	*Change from FY16-17*
Total Budget: ($ in Millions)	$24.1	$31.7	$7.5	$38.1	$6.5
FTE Total:	173.16	181.82	8.66	180.34	(1.48)

FTE Changes	FY16-17	FY17-18
New Positions	8.47	-
Deleted positions	(5.00)	(5.00)
Annualized FTE	2.76	2.53
Attrition/Temp salaries	2.43	0.99
Total	*8.66*	*(1.48)*

FY 2016-18 GFS Summary

	Approved 15-16	Proposed FY16-17	*Change from FY15-16*	Proposed FY17-18	*Change from FY16-17*
Operating Expenditures	$21.3	$23.7	$2.3	$24.5	$0.8
Project Expenditures	$1.0	$4.1	$3.0	$11.8	$7.7
Total Expenditures	$22.3	$27.8	$5.4	$36.3	$8.5
Revenues	($2.4)	($2.4)	-	($2.4)	-
Work Order Recoveries	($1.4)	($2.4)	$1.1	($2.6)	($0.2)
GFS Support	*$18.5*	*$22.9*	*$4.4*	*$31.2*	*$8.3*

$4.4M GFS Increase Comprised of:

68% New Infrastructure and Information Technology investments

20% Cost of FY 2015-16 Positions & Citywide Wage & Benefit Increases

12% New Investments
- 9% Non-labor changes including citywide work orders and equipment
- 3% New FY 2016-17 staffing investments