



MEMORANDUM

Island County Treasurer's Office

TO: Board of Island County Commissioners

DATE: September 7, 2010

FROM: Linda Riffe, Treasurer

RE: 2011 Budget

As requested, the following is a brief overview of the anticipated changes to the 2011 revenue and operating expenses. Adjustments have been made in the Treasurer's Current Expense line items below to represent a more accurate reflection of our operating costs for 2011. *Please also note that postage rates are being reviewed and may be raised to \$0.46 per standard envelope in January 2011. This potential increase is not reflected in my budget as it has not yet occurred.*

Treasurer's Current Expense

- Object 524110: Services Professional. A significant increase in this category due to the increased cost of banking services as a result of an historically low Federal Fund rate, which interest earning credits are based upon and determine fees for our services with Key Bank. In addition, Whidbey Island Bank has notified us that they will begin charging bank fees in January on our account with them. This figure also includes our safekeeping fees with Union Bank.
- Note: I have decreased most other operating expense categories where I could, which resulted in a net increase of only \$400 despite the \$11,000 increase in Professional Services. In addition, I did not budget \$3,000 travel for the Treasurer, as I have given that amount back to the County for two years (\$6,000).

Treasurer's M & O

RCW 84.56.020, states in part, "the cost of foreclosure and sale of real property, and the fees and costs of distraint and sale of personal property, for delinquent taxes, shall, when collected, be credited to the operation and maintenance fund of the county treasurer . . ." We are now actively pursuing distraint and sale of personal property in Island County as the statute requires us to do so. We began this process last year, and these costs will now be added to the Treasurer's M & O fund.

NOTE: All categories were adjusted to reflect the downward trend in foreclosure auctions due to Jill's excellent skills and diligent work to reduce the number of properties in foreclosure prior to auction. This has also reduced our costs as well as revenue from the annual auction. In addition, Janice has done a remarkable job working with our mobile park owners to collect from delinquent mobile home owners, thus reducing the number of uncollectible accounts reported at the end of the year.

You asked for a 5% reduction in my budget for 2011. I offer the Administrative Assistant position, which I did not fill in 2010, as being the only avenue left to me to cut. Any further reductions will seriously jeopardize our financial integrity. The effects of not filling this position this year and having this position cut for 2011 are:

- All telephone calls dispersed to the Deputy Treasurers, resulting in slowed productivity due to the hundreds of calls that come in every day.
- Warrant clearing dispersed to the Deputy Treasurers, adding additional work load.
- Cashiering at the front counter has been picked up by the Deputy Treasurers, resulting in further slowdown of their ability to get their daily work done. It also reduces the number of staff available to keep checks and balances in place (for example: persons receiving money cannot post).
- Batching tax payments has been picked up by the Deputy Treasurers, which has resulted in a 4-6 week slow down in completing other work.

All Deputy Treasurers are currently handling three jobs in addition to the extra tasks mentioned above. The result of previous cuts has resulted in the Deputy who handles adjustments being 9 months behind in issuing refunds and/or rebilling. During tax season, we were unable to process all the tax payments in a timely manner and did not get them all completed until May 1st—a full month late and this with all of us working nights and weekends to get it done. Many other duties have been put aside as we reprioritize in an effort to meet State mandates. This is not good for our citizens, and it is not good for the County in terms of lost interest revenue.

Per my request in the 2009 and 2010 budget, I am again requesting an allotment of \$3,000 to cover the cost of continuing to have the Real Estate Excise Tax affidavits burned to CDs for preservation and research purposes. As noted last year, Sylvia provided me with an estimated annual cost of \$3,000 to have this done through USA Imaging, which will cover one to two years, depending on the number of affidavits that need to be burned. Currently, we have CDs burned through 2004. As you will note, we are now six years from becoming current. This affects our productivity when staff has to look through boxes of affidavits to find information needed rather than a quick computer search.