

CITY OF MADISON

2018 OPERATING BUDGET

Agency Request

Agency: 21 - TREASURER

Budget by Service (All Funds)

	2017 Budget	2018 Request	Change
Revenue			
TREASURER	(11,000)	(11,000)	-
Total Revenue	(11,000)	(11,000)	-
Expense			
TREASURER	550,941	552,332	1,391
Total Expense	550,941	552,332	1,391
Net GF Budget	\$ 539,941	\$ 541,332	\$ 1,391

Fund: 1100 - GENERAL

	2017 Budget	2018 Request	Change
Revenue			
INTERGOV REVENUES	(10,000)	(10,000)	-
CHARGES FOR SERVICES	(1,000)	(1,000)	-
Total Revenue	(11,000)	(11,000)	-
Expense			
SALARIES	194,660	206,854	12,194
BENEFITS	69,199	69,396	197
SUPPLIES	123,850	66,350	(57,500)
PURCHASED SERVICES	185,388	231,888	46,500
INTER DEPART CHARGES	1,033	1,033	-
INTER DEPART BILLING	(23,189)	(23,189)	-
Total Expense	550,941	552,332	1,391
Net GF Budget	\$ 539,941	\$ 541,332	\$ 1,391

Position Summary by FTE

	2017 Budget	2018 Request	Change
ACCT CLERK 3	2.00	2.00	-
ADMIN CLK 1 - CG20	1.00	1.00	-
CLERK TYP 1	1.00	1.00	-
FIN OPER LDWKR	1.00	1.00	-
CITY TREASURER	1.00	1.00	-
TOTAL	6.00	6.00	-



Office of the City Treasurer

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July 14, 2017

To: David Schmiedicke, Finance Director

From: David Gawenda, City Treasurer

2018 City Treasurer Budget Transmittal Memo

This year's budget memo will touch on three significant proposed changes in the city treasurer's budget for 2018: expanded use of Electronic Bill Presentment and Payment, one-time budget adjustments for two expense items in the budget, and the moving of a specific function from the Finance Department to the Treasurer's Office.

The Treasurer's Office began the process of modernizing tax collection with the tax year begun in December, 2014. That was the year the city began to collect taxes in four installments. Because of the new system and the fact that the city would now collect interest and penalty charges between February and July, the treasurer's office brought in almost \$550,000 in new revenue. The following year, we used a third-party vendor for our printing and mailing. This relieved staff of doing the printing "in-house". The city created a digital file of all of the tax bills, sent it to the vendor, who then printed and mailed the bills. We continued to progress with the tax year beginning in December, 2016. We began to use the vendor's online payment system, rather than the system we had used through our bank. This enhanced the customer experience in a number of ways. First, it allowed the taxpayer to create an account, storing their information (saving reentry for each payment), linking multiple properties, and offered the use of e-mail reminders when payments were due. In addition, taxpayers now can pay over the phone, a service offered in both English and Spanish. For 2018, we plan to focus on increasing the number of taxpayers who opt into electronic delivery of bills and notifications. Every customer who agrees to receive their notice electronically will save the city approximately fifty cents per piece of mail. Reminder notices for 2017 totaled 38,000 pieces of mail. Also, in 2018 we will be implementing a similar system for the water utility. We anticipate the same opportunities for the utility by way of modernizing with electronic bill presentment and payment. Finally, when the water utility website gets implemented, we will be using the convenience fee model, saving the utility about 1.25% on the amount of credit card transactions.

Second, we are requesting a one-time adjustment to two of our expense items: bank service charges and credit card processing charges. For the last two years our expenses have exceeded our budgeted amounts. In the case of bank service charges, this has been the result of three factors. First, in 2016 the water utility's DDA account at Park Bank was closed and their banking flowed through the city's DDA account at US Bank. It has been difficult to estimate how much this increased our charges at US Bank, but it seems as though we underestimated the total. Secondly (and related), we built into MUNIS an allocation of how the bank charges should be passed through to the various enterprise agencies that utilize our banking services. This allocation has not yet been adequately captured in the budget and has resulted in shortfalls. Finally, over the last few years, the nature of the banking services themselves have changed as customers' payment habits have continued to change. Similarly, we have seen more payments made using credit cards, causing those expenses to increase faster than anticipated in the budget.

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Finally, we are requesting that the function of bank reconciliation be moved from the Finance Department to the Treasurer's Office. This request is made in consultation with Patti McDermott and Craig Franklin of the Finance Department. The rationale for this change is that it is a better practice (recommended by our auditors) to have a different department do the reconciliation of our bank transactions from the department (Finance) that makes journal entries. This function would be performed by an Accountant I, a new position for the Treasurer's Office. While the task of reconciliation is time consuming, it is also hoped that this position can be leveraged into providing the potential to back-up certain treasurer duties that are beyond the ability for the treasurer's lead worker.

2018 Operating Budget: Service Proposals

SERVICE IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

Treasurer

SELECT YOUR AGENCY'S SERVICE:

Treasurer

SERVICE DESCRIPTION:

This service processes over one million payments per year with more payments through electronic payment channels which requires development of new processes and procedures. The primary customers of this service are the general public and City agencies that rely on the service. The goals of this service are to enhance the ability of the taxpayer to avoid delinquency, while at the same time maximizing the collection of delinquent taxes by July 31st; and to meet or exceed the budget goal for interest earnings, while minimizing the end-of-the-year adjustment for city investments. The major initiatives planned for this service include the continue development and expansion of Electronic Bill Presentment and Payment.

SERVICE GOALS

What community need does the service address?

To allow citizens to efficiently pay the City of Madison for services rendered by the city.

Who are the recipients of the service?

Citizens and any city agency that receives payments from the general public.

What outcomes will be produced at the proposed funding level?

The proposed budget allows for continued provision of the historical services.

What strategies are planned for 2018 to advance the stated outcomes?

Increased use of technology in billing and receipting.