



COUNTY ADMINISTRATOR
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TO: Conan Smith, Chair
Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Catherine McClary
Treasurer

DATE: April 15, 2009

SUBJECT: Revenue Generating Tax Specialist I/II/III

BOARD ACTION REQUESTED:

It is requested that the Board of Commissioners create a Revenue Generating Tax Specialist I/II/III position within the restricted fund under the General Property Tax Act as amended by P.A. 123 of 1999, to be funded entirely by revenues generated by the foreclosure process, effective for the balance of budget year 2009. There are no General Fund dollars requested.

BACKGROUND:

The County Treasurer serves as the Foreclosing Governmental Unit under the General Property Tax Act. The Treasurer is mandated to collect delinquent taxes, and if collection efforts fail, is required to foreclose and auction properties with delinquent taxes. The Treasurer has implemented a program to collect delinquent taxes and is using a variety of procedures to assist in the collection effort so that foreclosure occurs only rarely when collection is not possible. This collection effort meets County goals to prevent homelessness and retain affordable housing.

The person hired for this position will perform duties mandated by the General Property Tax Act including visiting delinquent properties, preparing legal notices and documents, researching property ownership, working with homeowners to make payments and avoid foreclosure, and assisting with the auction of foreclosed property.

DISCUSSION:

The individual hired in this position will work exclusively with customers of forfeited and soon-to-be-foreclosed delinquent properties as part of the Foreclosure Prevention staff which currently includes one other Tax Specialist, two Tax Foreclosure Prevention Specialists (social workers), and an intern. Due to a 30% increase in forfeited properties in the last two years, the existing staff will be unable to perform the mandated forfeiture and foreclosure duties. While interns are of great assistance in these duties, the higher level responsibilities must be performed by permanent, professional staff. Legal challenges to tax foreclosures are not uncommon but the Washtenaw County Treasurer has always successfully defended herself due to the high quality of our work.

In addition to permanent staff, the Treasurer relies on interns to assist with the more routine aspects of tax foreclosure notification, collection, and prevention work. Our budget currently can support 1.5 FTE of temporary staff, usually recent graduates or student enrolled in Master's level programs.

Because the Property Tax Foreclosure program is supported 100% by revenue, and the revenue matches the volume of work, we request a standing exemption from the hiring freeze for permanent and temporary positions in this program. We review the program annually when properties forfeit on March 1. This allows us to accurately predict our revenue for the next twelve months and staff accordingly. If property forfeitures decrease in the future when the overall economy improves, we will eliminate these revenue supported positions commensurately.

IMPACT ON HUMAN RESOURCES:

This action would create a 1.0 FTE Revenue Generating Tax Specialist I/II/III position within the restricted fund under P.A. 123 of 1999, as amended, to be funded entirely by revenues generated by the foreclosure process. If revenue stream is no longer sufficient to fund position it will be eliminated.

IMPACT ON BUDGET:

No impact on General Fund budget.

IMPACT ON INDIRECT COSTS:

None.

A RESOLUTION AUTHORIZING THE CREATION OF ONE TAX SPECIALIST I/II/III POSITION WITHIN THE RESTRICTED FUND UNDER THE GENERAL PROPERTY TAX ACT AS AMENDED BY P.A. 123 OF 1999 TO BE FUNDED ENTIRELY BY REVENUES GENERATED BY THE FORECLOSURE PROCESS

WASHTENAW COUNTY BOARD OF COMMISSIONERS

April 15, 2009

WHEREAS, the County Treasurer requests the creation of one Tax Specialist I/II/III position within the restricted fund under the General Property Tax Act as amended by P.A. 123 of 1999 to be funded entirely by revenues generated by the foreclosure process; and

WHEREAS, the County Treasurer serves as the Foreclosing Governmental Unit under the General Property Tax Act as amended by P.A. 123 of 1999 and is mandated to collect delinquent taxes, and if collection efforts fail, is required to foreclose and auction properties with delinquent taxes; and

WHEREAS, the Treasurer has implemented a program to collect delinquent taxes and is using a variety of procedures to assist in the collection effort so that foreclosure occurs only rarely when collection is not possible; and

WHEREAS, this collection effort meets County goals to prevent homelessness and retain affordable housing; and

WHEREAS, the individual hired in this position will perform tax-foreclosure duties mandated by the General Property Tax Act; and

WHEREAS, this position is funded entirely by revenues generated in a restricted fund under the foreclosure process and there are no General Fund dollars requested; and

WHEREAS, the Property Tax Foreclosure program is supported 100% by tax forfeiture fee revenue restricted solely to this work and the revenue matches the volume of work; and

WHEREAS, the Treasurer reviews the program restricted fee revenue annually when properties forfeit on March 1 to predict accurately the revenue for the next twelve months and staff accordingly; and

WHEREAS, this matter has been reviewed by the Treasurer, Corporation Counsel, the Finance Department, Human Resources, the County Administrator's Office, and the Ways & Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the creation of a revenue generating Tax Specialist I/II/III position within the restricted fund under the General Property Tax Act as amended by P.A. 123 of 1999 to be funded entirely by revenues generated by the foreclosure process:

<u>Position#</u>	<u>Title</u>	<u>Grade</u>	<u>Group</u>	<u>Create</u>
1964-0002*	Tax Specialist I/II/III	19/21/23	11	1.0

*Position to be eliminated if funding stream can no longer support.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes a standing exemption from the hiring freeze for permanent and temporary positions in this program.