

# Treasurer & Tax Collector

*Dan M. Mierzwa – Treasurer & Tax Collector*

| Treasurer                 | FY 21/22<br>Adopted | FY 22/23<br>CAO  |                 |
|---------------------------|---------------------|------------------|-----------------|
| 101-0500                  | Budget              | Recommended      | Change          |
| <b>EXPENDITURES</b>       |                     |                  |                 |
| Salaries and Benefits     | \$830,591           | \$869,818        | \$39,227        |
| Services and Supplies     | \$190,278           | \$236,585        | \$46,307        |
| Other Charges             | (\$184,161)         | (\$212,095)      | (\$27,934)      |
| Fixed Assets              |                     |                  | \$0             |
| <b>TOTAL EXPENDITURES</b> | <b>\$836,708</b>    | <b>\$894,308</b> | <b>\$57,600</b> |
| <b>REVENUE</b>            |                     |                  |                 |
| Fed/State                 |                     |                  | \$0             |
| Grant                     |                     |                  | \$0             |
| Realignment               |                     |                  | \$0             |
| Fees/Misc                 | \$322,400           | \$380,000        | \$57,600        |
| <b>TOTAL REVENUE</b>      | <b>\$322,400</b>    | <b>\$380,000</b> | <b>\$57,600</b> |
| <b>FUND BALANCE</b>       |                     |                  | <b>\$0</b>      |
| <b>NET COUNTY COST</b>    | <b>\$514,308</b>    | <b>\$514,308</b> | <b>\$0</b>      |

## Program Description

The Treasurer & Tax Collector is an elected position to serve the constituents directly. The mandate of the Treasurer is to safeguard, review, and invest the County, School Districts, and Special Districts funds. The Tax Collector serves to collect property taxes and revenues, such as licenses and permits, as prescribed by State laws and County ordinances. Work activities are established primarily by Government Code, Revenue and Taxation Code, Streets & Highways Code, Education Code, and the State Constitution. County Ordinance establishes parameters directing work activities of both divisions of this office, the Treasury and the Tax Collections departments.

The Treasury division serves as the depository for approximately 40 unique participants ranging from the County government, all the School Districts residing within the County’s geographical boundaries and many of the various local Special Districts. The Treasurer is responsible for management of these funds, from banking contracts to the investing of these agencies’ funds in a pooled investment program. Investments are made with regard for the safety of the public’s funds, first and foremost, and as such are invested in accordance with the Government Code for public fund investing in the State of California, as well as the Treasurer’s Statement of Investment Policy.

The Treasury processed over \$756 million in separate deposit transactions for safekeeping and reinvesting in the most recent fiscal year. This division processes all money that moves in and out of the County and all of its associated local government entities that are required by law to pool with the County or voluntarily place their funds within the Treasury. The Treasury reconciles over 20,000 checks and warrants each month. This is in addition to the electronic fund transfers and cash processing for all

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of the pool participants.

The Treasurer plays a critical role in County financings, in addition to the regular duties of being the County's bank and investment officer. The Treasurer is a member of the County Employees Deferred Compensation Program, Debt Oversight Committee, Finance & Administration Committee, Fiscal Review Committee, Budget Ad-Hoc Committee and Technology Review Committee.

The Tax Collector processes property tax billings and collections for jurisdictions within Yuba County. Taxes include secured real estate, supplemental, and unsecured taxes (personal property taxes not secured by real estate), as well as prior year secured supplemental and unsecured taxes. The annual tax charge on the current secured property tax roll is in excess of \$95 million, unsecured \$3 million, and net supplemental taxes of \$4 million. The Tax Collector also administers payment plans, as authorized under Revenue & Taxation Code. In addition, the office conducts public auction tax-defaulted property sales. The office discovers and collects for business licenses, bingo licenses, dance permits, firearm dealers, Transient Occupancy Tax, Tourism Board Improvement District fees, tipping fees, and Resource Depletion.

The Treasurer & Tax Collector's department represents approximately two percent of the County's General Fund expenditures. The Treasurer & Tax Collector's department is a revenue generating department, either directly attributed to this office or produced on behalf of the County and its constituents. The main sources of revenues – the collection of taxes and earnings on the investments – continued to perform very well, versus the markets in which they operate. Despite the limited amount of resources, the Treasurer & Tax Collector's department continued to maintain its primary purpose by providing uninterrupted service to the public and internal customers. All legally required notices have gone out and every reasonable notification in addition has been utilized to help maximize the effectiveness of the resources appropriated to this office to serve the constituents.

Constitutionally-mandated services have become the priority, followed by all other activities that are ranked according to the ability of the County, its constituents, and the public to receive services and minimize the financial impact to operate these offices.

This department plays a key role bridging the County and many of the other public entities in our geographic area. This office holds all depositors interest equally. We cannot hold the interest of one party or entity above the others. As such, the interest of the collective will be protected and maintained at all times. This is true in both aspects of the office with tax collections and treasury functions.

## Accomplishments

### FY 2021-2022

In an unprecedented year, the Treasurer & Tax Collector's department stayed open and accessible to the public and internal customers throughout the fiscal year. The public service provided our customers the opportunity to conduct their business and reach a person to get answers and assistance. These services were provided in-person throughout the pandemic with the office accepting payments through curbside service, in-person, drop-box, telephonic, online, and via electronic fund transfers. The office avoided any outbreaks or transmission of contagions. It experienced no shutdowns or disruptions and was able to assist our community with their needs throughout the year. This allowed for countless refinances, saving our property owners hundreds of thousands of dollars as they took advantage of the reduction in mortgage rates. Remaining open also helped facilitate transfer of ownership transactions

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and the remittance of property taxes to assist our property owners as they dealt with their lives and navigated varying and unique financial circumstances brought on by the pandemic.

One of the major accomplishments highlighted by these interactions was the ability to administer payment plans and provide taxpayers with the options available to them, as they confronted uncertainty and difficult financial decisions. A primary example of this assistance was accomplished when the Tax Collector's office opened another 101 payment plans for tax payers with defaulted taxes, which is in addition to those started from prior years, bringing much needed relief to 128 property owners. Another six property owners entered into the Property Tax Postponement plan for Senior Citizens / Blind / Disabled individuals.

## Performance Measures FY 2021-2022

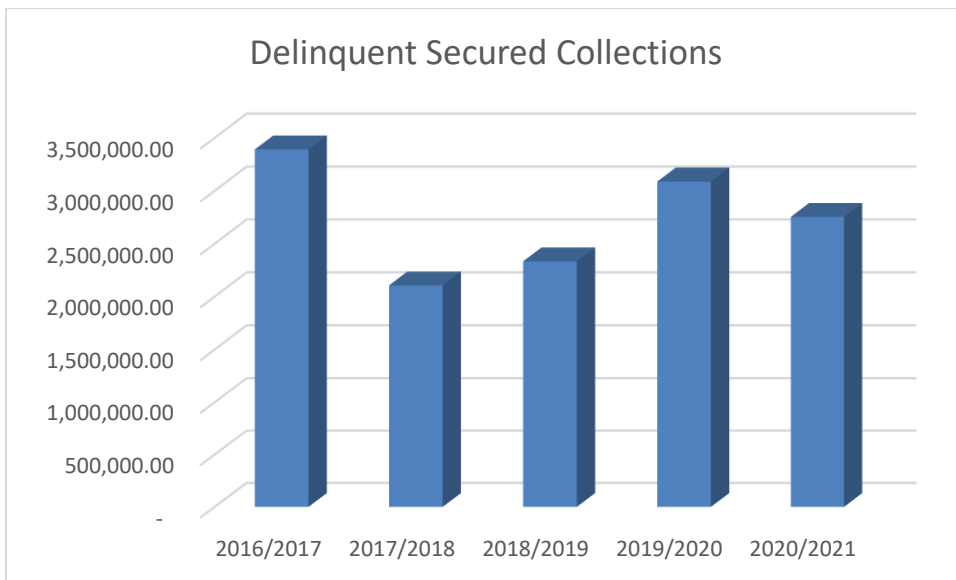
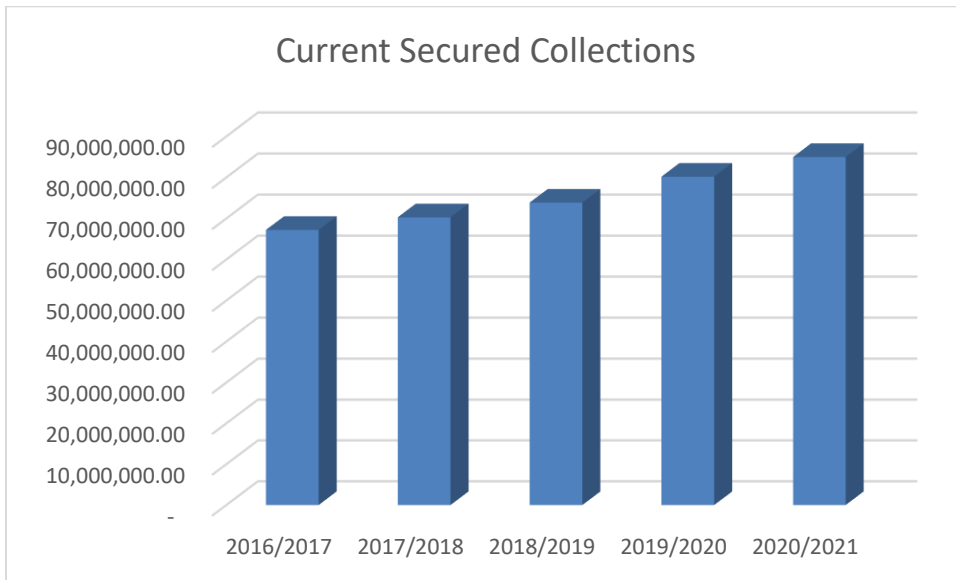
The Treasurer & Tax Collector's office utilizes five key statistics to represent the flow of funds within the department year over year. The Tax Collector uses the Current Secured Property Tax Collections, the Current Unsecured Property Tax Collections, the Defaulted Secured Property Tax Collections, and the Defaulted Unsecured Property Tax Collections. The Treasurer utilizes the Interest Proceeds generated. Both divisions have ebbs and flows, as the base level of property taxes levied year over year is not constant. Recessions and market conditions impact real estate just as the fixed income investment realm does. The investment chart of interest proceeds earned is sensitive to the achievable market interest rates as much as the principal funds that our government entities have deposited within the treasury each year.

The results of these metrics are somewhat unintuitive, based upon the unprecedented year that we all just experienced. Collections on secured properties increased on current and defaulted categories as well as current unsecured property taxes. Delinquent unsecured property taxes did continue to decline as the financial conditions and legislative restrictions made this impractical.

The treasury had very interesting results. From a total return aspect the treasury investment pool had outstanding returns as the price of the held assets grew dramatically. The down side was the interest payments that shrunk to nearly half of the previous year coming in at approximately five million dollars of interest proceeds generated for our local jurisdictions through the investments in the County Treasury Pool. This number was led by the investments made in the first half of the year as the Federal Reserve immediately took swift action and reduced real rates on fixed income securities that the County must invest in were reduced to a zero return. To help provide safety, liquidity, and some reasonable return on the communities funds held in the treasury, positions and allocations were examined daily as real rates turned negative on many of the US Treasury positions and short-term instruments. This will have a lasting impact into future years, but every investment was made with the return of principal as the leading factor.

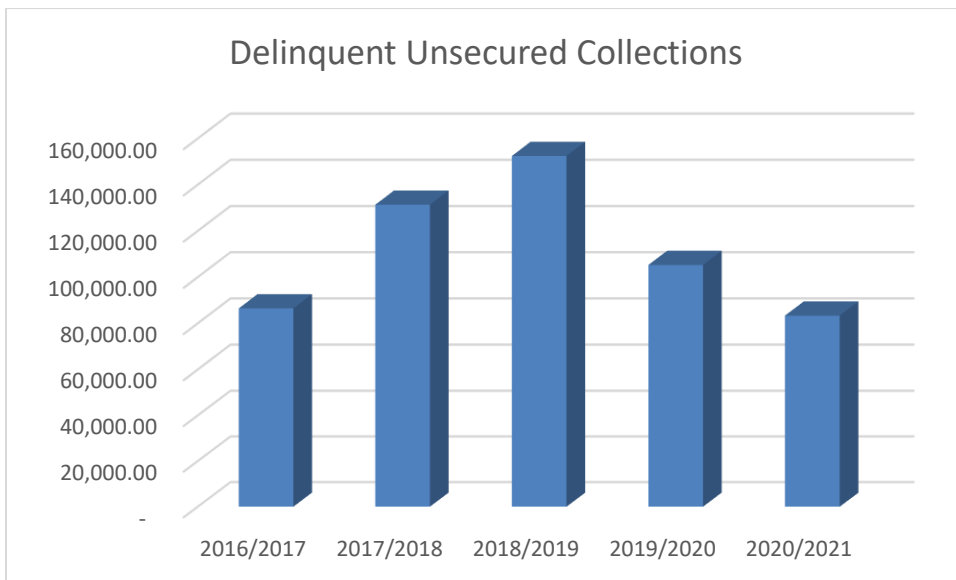
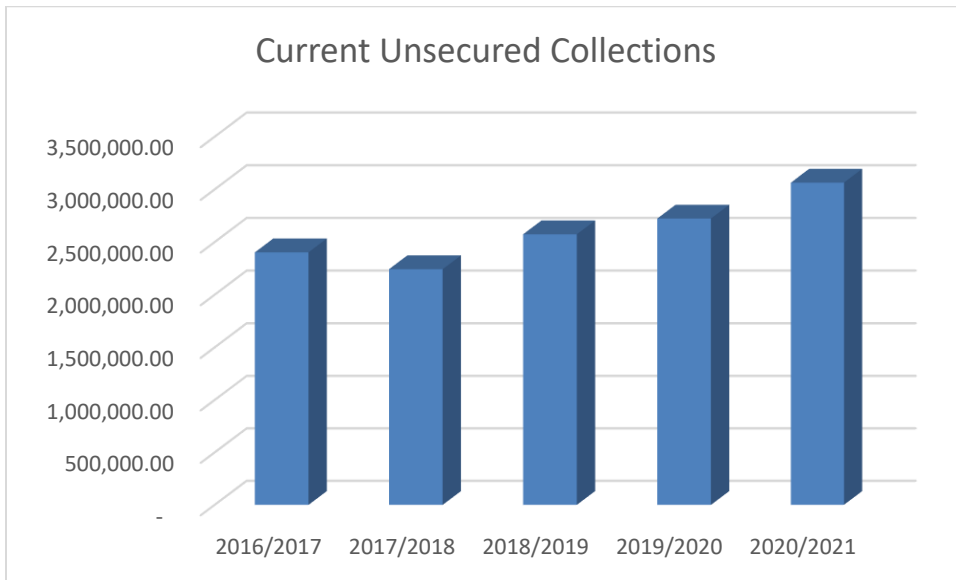
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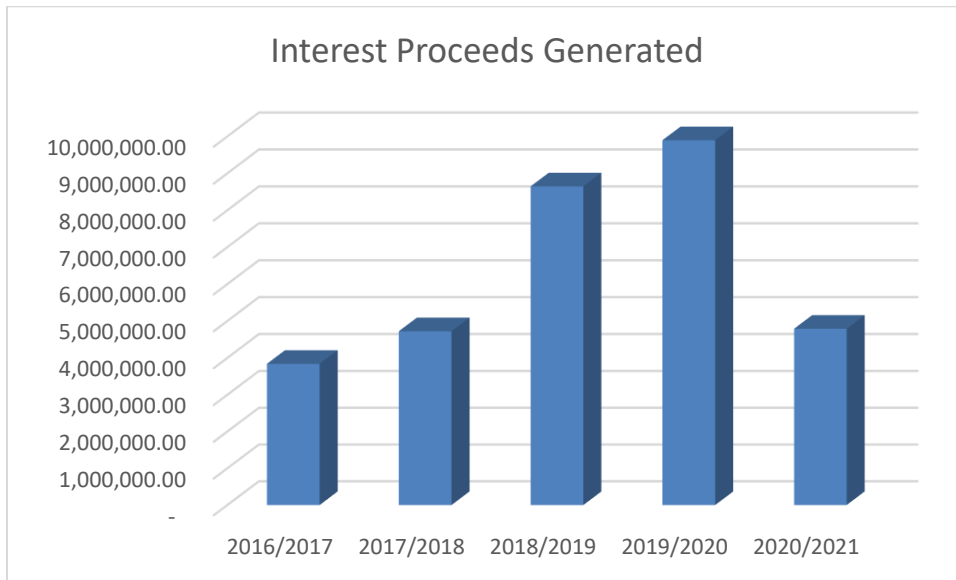
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## Goals and Objectives FY 2022-23

Fiscal Year 2022-23 will continue to present challenges to protect the public funds and provide full service to the customers we serve. Both of these will continue to be the number one priority for their respective departments.

With the scheduling of a defaulted property tax auction set to take place, we anticipate continued performance on the collection levels of current secured property taxes, as well as defaulted secured property taxes. This auction will need to be handled with all due care, as the financial conditions for many are still very difficult as inflation continues to erode household and governmental expenditure ability.

Along those lines, the existence of several relationships and programs with our local government partners allowed for the financial transactions of all entities to continue to flow even as many entities and County departments worked remotely. The expansion of such programs to even more districts is something this office will be interested in assisting in to help keep our local government running.