



SHEBOYGAN COUNTY

Laura Henning-Lorenz
County Treasurer

Jayne Dragan
Office Supervisor

February 27, 2009

To: Adam Payne, County Administrator and the Honorable Members of the Sheboygan County Board of Supervisors

Re: County Treasurer's 2008 Annual Report

Dear Administrator Payne and the Honorable Members of the Sheboygan County Board of Supervisors:

On behalf of the team members of the Treasurer's office, I am pleased to present our 2008 Annual Report.

The calendar year 2008 was a year of anticipated change. The 2007 taxes that were collected during 2008 went well. Our office continued to collect first installment tax payments for the City of Sheboygan, City of Sheboygan Falls, Village of Adell, Village of Glenbeulah, Town of Greenbush, Town of Herman, Town of Lima, Town of Mosel, Town of Rhine, Town of Sheboygan, and the Town of Sherman. I am pleased to report that the 2007 taxes collected in 2008 were done so timely and according to the Wisconsin State statutes. This office collected the second installment real estate tax payments for all 28 municipalities. A variety of property tax payment options such as online payment by e-check or credit card, interactive voice response (IVR) payment by credit card over the telephone, an exterior drop box, an interior drop box, and ability to mail to a post office box has made payment of taxes more convenient for all. In 2004 our office recorded 61 online payments. This number has steadily increased each year, where there were 703 online payments during 2008.

I ask that you pay close attention to, and I encourage you to share your thoughts with me regarding the Issues, Concerns, and Challenges area of the enclosed annual report.

I would like to thank the team members of this office for their efforts and dedication. I am fortunate to have a group of highly motivated, professional, and enthusiastic people who work so well together.

I, along with the team members of this office look forward to our partnership with Administrator Payne, the County Board of Supervisors, and the Finance Committee. I would like to thank the supervisors for their support throughout the past year. This office looks forward to meeting the needs of the taxpayers of Sheboygan County as well as other units of government.

Respectfully submitted,

Laura Henning-Lorenz
Sheboygan County Treasurer

Enclosure: as noted

COUNTY TREASURER 2008 ANNUAL REPORT

MISSION STATEMENT

The mission statement of the Sheboygan County Treasurer's office is to serve the public and other units of government in the most friendly, efficient, and effective manner possible.

SUMMARY OF RESPONSIBILITIES

The County Treasurer is an elected public official, whose constitutional duties are defined in the Wisconsin State Statutes section 59.25. Those duties include receiving moneys belonging to the County. The Treasurer's office collects first installment payments for 11 municipalities and also the second installment (postponed) and delinquent payments for all 28 municipalities. Other responsibilities include, but are not limited to paying out tax moneys to municipalities during tax collection; paying out moneys to the State for taxes collected; keeping a true and correct account of the receipts and expenditures that come through the Treasurer's office; and tracking and reporting unclaimed funds.

The County Treasurer invests unexpended revenues and reserves with various banking and investing institutions, maintaining the County's investment portfolio. Funds in the County's general account are utilized to meet the needs of payrolls and approved vouchers.

It is necessary to file timely reports with the State throughout the year. Those reports include but are not limited to the District Treasurers Tax Roll Settlement Reports, Lottery Credit Report, Sales Tax Reports, Real Estate Transfer Fee Transmittal Reports, Probate and Birth Certificate Reports, and the Court Fines and Assessment Reports.

There were 55,832 2007 bills (real estate and personal property) printed for the 2008 first installment tax collection season. This is an increase of 394 bills versus last year mostly attributable to land splits. The County Treasurer's office contracted with 11 municipalities during the 2007/2008 season, collecting approximately 60.5% of the County's first installment taxes. A total of 16,491 notices were printed in June for the second installment tax collection period. This was a decrease of 101 notices from the prior year. Tax rolls are maintained in a central file for Sheboygan County. Rolls are open to the public and are consulted daily by representatives from real estate companies, title insurance companies, financial companies, and the general public.

Unpaid real estate taxes constitute a lien against a given property. Delinquency notices and In Rem proceedings are the result of such delinquencies. Property that is obtained by Sheboygan County via In Rem proceedings is advertised in the County's official newspaper as a legal notice and on the County Treasurer's web site as Tax Foreclosed Property for Sale and sold by sealed bid. The County Treasurer's office attends Sheriff's sales (mortgage foreclosures) to verify the reported amount of property tax due on property being sold. There were 198 properties sold by Sheriff's sale during 2008, an increase of 43 properties from 2007. An additional 93 properties were cancelled, an increase of 37 from 2007.

GOALS AND OBJECTIVES ACHIEVED IN 2008

January and December continue to be months of collecting taxes and serving the public by assisting to solve numerous issues and to educate. Temporary team members are assisting our office in collecting taxes during these months. January settlement was changed to incorporate one Excel spreadsheet for all 28 municipalities. If the Statement of Taxes report was filed in our office timely by the municipality, then Part I of the municipality's January Settlement was completed for them. Our office completes Part II for the municipalities that we collect. This allowed for additional accuracy of the payments to each taxing jurisdiction.

The month of February has many statutory deadlines that center around settlement. Our office must have all of our 28 municipality's February settlement reports reconciled, completed, and delivered, so that

the municipality has time to deliver payments to each taxing jurisdiction by February 20th. These are statutory deadlines that must be met. Our office started working with Josh McDermott, Programmer Analyst from the Information Systems Department to create an electronic file to submit to the Department of Revenue (DOR) that conveys all 28 municipality's settlement information. In the past these reports were delivered to the DOR in hard copy, where the DOR had to hand key that data into their system. The Lottery and Gaming Credit report was also filed with the DOR timely.

In March all settlement amounts were reconciled and journaled by Jayne Dragan; refund amounts were relieved from the tax collection system; tax roll binders for our office and each municipality were compiled by Jeff Lampe and then distributed; and delinquent statements generated and mailed. The settlement file that Josh McDermott created was electronically submitted to the State for the very first time. Ken Schuck from the DOR expressed his appreciation in finally receiving this information electronically and mentioned that he now could retire! Our office communicated with the DOR for some fine-tuning that was necessary to perfect this electronic file.

Current and delinquent balances were placed on the Land Record web site. Our office does not support online users to search by name, but it would be ideal for names to be allowed online after a search by parcel number, street number, or street name is complete as well as the ability to print tax bills. Our public end users ask for these items, but continue to be denied this complete public record online.

Barb Schulz reviewed a spreadsheet of all returned tax bills and sent address corrections to real property listing and the City of Sheboygan assessor. Jack Verhelst handled all of the agriculture use conversions that were reported to our office throughout the year. Jeff Lampe completed an audit of all of the manual receipts throughout the County.

Due to the economic situation and the lowering of interest rates the investment strategy for the County was adjusted to accommodate for higher rates of return, while continuing to invest in safe instruments. This was a collaborative effort on the part of our office, the Finance Department, and the Finance Committee. A line-of-credit was also established for the County for one year and online ACH transactions were initiated for specific items.

Jayne Dragan oversaw the process and preparation of the second installment notices while working with Josh McDermott and Kathi Fedler of the Information Systems department. Notices were mailed within the first week of June allowing our taxpayers the benefit of receiving their notice in plenty of time to budget for or to pay timely by July 31. Early mailings such as this also allow for Barb Schulz to receipt taxes during June and the first week of July without additional staffing needs.

Many of our taxing jurisdictions go through annual audits. Jayne Dragan handled all of the questions and prepared any additional reports for the auditors that had questions with regard to tax collections and settlements.

I completed, along with Jayne Dragan a Real Estate Law class in preparation for consolidation of the real property listing office. Jack Verhelst completed the third and final level of an Excel class. Jayne Dragan and I conducted an education session for all municipal clerk treasurers and treasurers. Our thanks to Mary Zore, Village of Howards Grove Clerk Treasurer for hosting and to Rhonda Klatt, Village of Adell and Town of Sherman Clerk Treasurer for organizing the event.

Our office completed the Lottery and Gaming Credit certification in October. This is an annual statutory requirement. This work begins in May or June in our office and has allowed us to be more efficient during tax collection season and during February settlement since most changes to the application of Lottery and Gaming credits is done prior to tax bills being generated.

From July through November many meetings were attended in an effort to work with other departments in working out the details of a three-phased consolidation effort. Our office was the first of the three phases, where construction began in November to create a new storage area and office. This will allow for workspace for Jane Villeneuve and Kendra Versey when they move to our office from real property listing in January 2009. Since storage space was still going to be an issue, Janet DeBecker from Information Systems along with Jeff Lampe worked on a scanning project to eliminate multiple boxes of old tax bills that will eventually be available electronically. This project will wrap up by early next year.

Due to legislative changes the State of Wisconsin implemented the First Dollar Credit (FDC). The FDC was part of the bi-annual budget of the State, where \$75 million dollars was removed from the Department of Transportation and marked for taxpayer relief. The FDC was calculated to be an average credit of \$30 for each real estate tax bill that had improvements. This unfunded mandate from the State will cost our County taxpayers over \$30,000 to implement along with another unfunded mandate to note information about drainage districts on the tax bill.

Our office continues to conduct monthly team meetings, utilizing this opportunity to maintain our high level of organization; exchange thoughts and ideas; resolve issues and concerns; and continue our unique camaraderie, which we showcase to the public every day.

BUDGET

As of December 31, 2008 the Treasurer's office had a year-to-date positive variance of \$28,272.92. Expenses ended with a positive variance mainly due to work that continues to be in-progress for In Rem properties, lower rescinded/refunded taxes, lower charge back of taxes, and hiring temporary tax collection team members through the County versus through an agency. Regarding revenue, our office experienced a positive overall variance mainly due to higher than anticipated revenues from agriculture use conversion charges, federal and state payment in lieu of taxes, personal property charge backs, collecting first installment taxes for another town, and enhanced methods of collecting a variety of reimbursable fees that our office is responsible for.

Our office was able to pay for consolidation expenses of \$22,225 through the end of the year with the positive variance budget.

As our office looks forward to 2009, each line item in each of our two business units has been scrutinized and savings implemented for as many line items as possible. Our department has historically functioned very frugally and we will continue to search for cost saving processes and procedures for the people that we serve. I am pleased that our office was able to meet its budget target for 2009.

ISSUES, CONCERNS, OR CHALLENGES

Again, our main issue, constraint and challenge remain the number of independent and separate software systems that users of land records in Sheboygan County are licensing, maintaining, and supporting. In addition to the number of independent and separate software systems are the integrations that link some of those systems together. Then, there are the many manual processes that need to take place because many functions between all of the systems are not integrated or not equipped to perform during times of mandatory reporting. Many offices within the County and City of Sheboygan have also experienced data discrepancies, where one system will display one set of data and another system displays a different set of data. All of this complexity comes with issues that end up taking up resources to trace and resolve. This is all at the expense of our County taxpayers, who claim they cannot afford to pay more taxes. If that is the case, then why are we not going forward collectively, and in a shared spirit to resolve this financial burden on our taxpayers? The long-term results would be lowered taxes by having one enterprise land record system; City and County end users that have a system that is easy to work with; and availability for the public to access this information in a format that is user-friendly.

During 2007, people from the County of Sheboygan and the City of Sheboygan government met to resolve ongoing issues and to share their knowledge of their separate systems. This had been a time of great opportunity. The ability for knowledge sharing, collective problem solving, and the sense of benefit it brings to all people involved are key ingredients for finding common ground for one enterprise system. Our County is not the only County going through this analysis. Several other counties of all sizes are communicating this exact issue. One county in Wisconsin has already invested in hiring a consultant, who studied workflow patterns in several land record related county offices and the result was a preliminary recommendation of a variety of enterprise systems for that county. Other states have organized a land record consortium and have implemented a new land record enterprise system in several pilot counties. Several counties in Wisconsin have already done the same and have been in the process of implementing such a system to date. My humble opinion strongly conveys that it is time for Sheboygan County to do the same.

GOALS AND OBJECTIVES FOR 2009

I will be brief in outlining some of the more important goals and objectives that need to be implemented during 2009.

- Continue communicating the need of an enterprise land record system that can be utilized by all County Departments working with land records, all Sheboygan County municipalities, assessors, the State, and our end users. The needs of all land record users requires that this issue be addressed now in order to gain a future of success.
- Work with the Land Information Committee and other entities to include more information on the public Land Records web site. This will allow more users to have public records available to them 24/7/365. Users of this information include small businesses; especially those not located right in Sheboygan County. They continue to ask for the display of an owner's name (for verification purposes) and to be able to print a tax bill.
- Complete one In Rem proceeding.
- Sell all In Rem properties that have been prepared for sale.
- Provide continuing education for all team members.

I am very fortunate to be surrounded by a team of amazing people that are willing to accept the many areas of growth that are initiated and that I support them on. Jayne Dragan, Jack Verhelst, Barb Schulz, and Jeff Lampe have all worked very hard during 2008. I look to the County Board of Supervisors for their support during the upcoming year as our office completes the consolidation of the real property listing office, while implementing new ideas that end in more efficient and effective governmental services for the public. This office is truly dedicated to being servants and communicators of their knowledge to the residents of Sheboygan County.

4/27/2009

**SHEBOYGAN COUNTY
TREASURER'S OFFICE**

