



SHEBOYGAN COUNTY

Laura Henning-Lorenz
County Treasurer

Jayne Dragan
Chief Deputy Treasurer

February 26, 2016

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

Re: County Treasurer's 2015 Annual Report

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

On behalf of the County Treasurer's Office, I am pleased to present our 2015 Annual Report.

Our office experienced several retirements in 2015. That resulted in 50% of our office's team members being newly hired during the year. Chief Deputy Treasurer, Jayne Dragan, expended countless hours educating the new team members. Team members that had longevity with our office jumped in with both feet and did whatever they could to keep up with our daily work during the transition period. Our office constitutes an exceptional group of hard working people. I cannot tell you how proud and appreciative I am of their gifts and abilities and especially the excellent care they take of the public, whether the public is in our office personally, calling, or emailing us.

Because we have so many new team members in our office, education continues on a daily basis as everyone adjusts to everything that is new and exciting by exuding their true dedication, knowledge, and work ethic.

Our office will be selecting a new software vendor within the month after which work will commence on migrating historical data from our current software system to the new software system. We anticipate that this will be a challenge, but a challenge that we are up to tackling. As with any software procurement I expect some bumps in the road, but know that they will be few and far between because of the confidence I have with the talented group of people that are involved and working on this project.

I would like to thank you for your support because without it our office would not be able to carry out the important services that we provide to the public and the various units of government.

Respectfully submitted,

Laura Henning-Lorenz
Sheboygan County Treasurer

Enclosure: as noted

COUNTY TREASURER 2015 ANNUAL REPORT

MISSION STATEMENT AND SUMMARY OF RESPONSIBILITIES

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 by providing assessment, tax, and real property information.

The Sheboygan County Treasurer's Office is responsible for treasury and real property listing duties.

The County Treasurer is an elected public official, whose constitutional duties are defined in Wisconsin State Statute, section 59.25. Those duties include receiving moneys belonging to the County. Currently, the Treasurer's Office collects second installment (postponed) and delinquent tax payments for all 28 municipalities. Other responsibilities include but are not limited to, banking and fiduciary related matters; paying out tax moneys due to taxing jurisdictions from tax collection; paying out moneys due to the State for taxes collected; keeping a true and correct account of the receipts and expenditures that come through the Treasurer's Office; tax foreclosures; and tracking and reporting unclaimed funds.

The County Treasurer's Office initiates the transfer of unexpended revenues and reserves with various banking and investing institutions. Funds in the County's general account are utilized to meet the needs of payrolls and approved vouchers.

There are multiple reports that are required to be filed with the State throughout the year.

The duties and responsibilities of the real property lister are identified in Wisconsin State Statute, section 70.09, and indicate that the real property lister must maintain accurate ownership and description information of parcels, including parcel numbers, owners' names, legal descriptions, mailing addresses, number of acres, school districts, and special purpose districts. Real property listing functions include reconciling assessment information from the assessors and coordinating the flow of assessment information between the County and taxation districts for assessment and taxation purposes.

There were 56,999 2014 bills (real estate and personal property) printed for the 2015 first installment tax collection season. This is an increase of 32 bills from the prior year and is mostly attributable to boundary changes made throughout the County during the calendar year. A total of 14,144 notices were printed in June for the second installment tax collection period. This was a decrease of 789 notices from the prior year. Tax rolls are maintained in a central file for Sheboygan County. Rolls are open to the public and the data from the tax rolls are consulted daily by representatives from real estate companies, attorneys, 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 through In Rem proceedings is advertised in the County's official newspaper as a legal notice and on the County Treasurer's web page as Tax Foreclosed Property for Sale and sold by sealed bid. Additionally, team members from the County Treasurer's office attend Sheriff's sales (mortgage foreclosure auctions) to verify the reported amount of property tax due on property being sold. There were 219 properties sold by Sheriff's sale during 2015, a decrease of 29 properties from 2014. An additional 48 properties were cancelled from being sold, a decrease of 32 properties from 2014.

There were 4,150 straight-type transfers (no boundary change) filed that amounted to changes to 5,253 parcels. That was an increase of 349 straight-type transfers filed and an increase of 798 changes to parcels from last year. In addition to the straight-type transfers, preliminary numbers indicate that there were approximately 279 boundary change documents filed that amounted to 773 new or changed parcels. That is potentially a decrease of 65 boundary change documents filed and a decrease of 442 new or changed parcels from last year. Final numbers for split-type changes will not be available until the end of April 2016.

GOALS AND OBJECTIVES ACHIEVED IN 2015

During 2015, we continued to perform daily, monthly, quarterly, and annual work. Here is a brief listing of the main items that our office achieved. We completed receipting and depositing payments from taxpayers and County departments; banking routines; multiple filings of reports to the State; worked with all 8 of the municipal/state assessing companies/offices to provide starting, open book, board of review, and final assessment rolls/reports; completed 5 tax settlements; provided education internally and to municipalities; completed county-wide property listing functions of all straight and split transfers and address updates; collected second installment taxes; team member performance evaluations; collected delinquent taxes; updated internal procedural instructions; issued tax certificates; completed tax foreclosures; sold tax foreclosed property; updated our web page; and completed a multi-month cycle of building tax bills that were mailed in December. Our office continues to have monthly team meetings.

This year there were 6 new municipal clerks and/or treasurers. I want to thank the clerks and/or treasurers that retired or left their positions for their service to their local municipalities. As the new clerks and/or treasurers took on their new roles and responsibilities, our office provided support and education to them.

There were 3 special projects that commenced in August utilizing funds from the Land Information Board. A summary of the work completed is listed.

- All 40 of the 1994 tax rolls for our 28 municipalities were scanned, saved, and verified to ensure all 9,912 pages were present and in the correct order. Additionally, the 1995 tax rolls for 23 of the 28 municipalities were scanned into the computer and 9,293 pages were verified.
- The history of all Sheboygan County annexations was procured electronically and centrally stored. The annexation records include plat maps and all annexation documents for Sheboygan County beginning in 1899 and continuing through February 25, 2015.
- Optical character recognition (OCR) software was electronically run on the property listing cards for all 28 municipalities. The OCR process allows users to search through the approximately 197,600 cards using a word or number search instead of having to scroll through all the cards in each of the files. Each file contains over 500 cards. The files for 14 of the municipalities were placed on the public access computers in the County Treasurer's Office.

Additional projects and work that took place are summarized as follows:

- This definitely was a year of change in our office. Four new team members (50% of our office) were hired. Education commenced upon their start dates, introducing each new team member to their roles and responsibilities. A great deal of time was expended in education, as well as keeping up with the daily workload of each of the positions during the transition period.
- Steps continued to be taken to clean up our land record database in anticipation of migration to new software in 2016.
- Our office wrote the functional requirements (17-pages) for the Request for Proposal (RFP) for the new enterprise land record software along with all report requirements (11-pages). This effort took several months to accomplish, as "needs" data had to be compiled and sorted through and all reports internal and external had to be analyzed.
- Members of our office worked with the enterprise land record software team to produce a completed RFP product that was submitted to vendors.
- Our office created agendas for software demos and worked with the enterprise land record team to schedule demos and create a Pugh Matrix for scoring each demo. A group of municipal treasurers was asked to be part of the demos, utilizing their input for this part of the procurement decision process.

For the third year in a row "open houses" were conducted during the sale of our tax foreclosure properties. This was again well received by the public and was advantageous in the sale of properties. It engaged the public in one-on-one dialogue with the County Treasurer and team members, who assisted people interested in purchasing tax foreclosure property, to better understand the process and our roles and responsibilities. The eye-catching signage continues to significantly increase inquiries about tax foreclosed property.

BUDGET

The total 2015 operating budget for the County Treasurer's Office was \$638,190. The budget was reviewed by the Finance Director and the County Administrator and then presented to the Finance Committee for their approval before being presented to the County Board for a vote.

The year 2015 ended with an overall positive variance of \$119,500. To break that down further, the treasurer general operating area ended with a negative variance of \$7,700. The tax foreclosure area ended with a positive variance of \$111,800. The treasurer general operating area experienced several retirements, thus the main reason for the negative variance is due to the payouts of vacation and sick banks to the retirees that were not accrued. With regard to the tax foreclosure area, several sales took place at the very end of the year. Pending expense invoices and entries were not received until January, which means that there is the impression of a positive variance when in fact, once each asset is closed, that may not be the case. That is why timing is very important when explaining the tax foreclosure area. Our office continues to strive to realign the procurement date with the date of the final sale payment to be within the same year. In other words, the majority of expenses and revenues are being captured within the same calendar year. There will always be instances when some properties are not sold within the same year they are procured; however, the good news is that those numbers are few.

Our office made no adjustments to our budget during 2015.

Regarding our 2016 budget, a balanced budget was achieved, as well as meeting our departmental target. The 2016 budget for our office is \$641,234. Of that amount \$504,931 is budgeted as levy. All hourly positions have been budgeted at a 40 hour work week as opposed to 37.5 hours per work week. We have a history of functioning very frugally and we will continue to search for cost saving processes and procedures for the people that we serve.

ISSUES AND CHALLENGES AHEAD

There is concern about the levy caps and how they affect our office. Each year there is new anticipation as to what the target will be and how a balanced budget is achievable when working within that boundary.

The most exciting, yet challenging feat that we embrace is the migration and implementation of an enterprise land record software system by December 2016. Of those 2 items mentioned, the migration of historical data from our existing system and its mapping into the new system will be our largest hurdle. We will be depending upon people internally to pull the data out of our existing system, but that will come with its challenges, as we have not written the programming for that system and our current vendor does not perform those functions. As this report is being written the team of people working on this project is nearing a decision on a vendor.

GOALS AND OBJECTIVES FOR 2016

Outlined below are our goals and objectives for 2016. Although the list may not be long, the main project we will be working on is migration and implementation of an enterprise land record system. Changes to our State of Wisconsin law require that our office conform to new tax bill information. From past experience software conversion is a very tedious process; however, consolidation of systems will allow increased efficiency to the county and to our municipal treasurers in the future.

- Reduce the number of independent and separate software systems that users of land records in Sheboygan County are licensing, maintaining, and supporting.
- Reduce the amount of file transferring between multiple systems. Additional reductions may be achieved as integrations between systems are made, which could eliminate manual processes and data discrepancies between systems.
- Continue cleaning up our land record database.
- Continue educational opportunities for our new and existing team members.