

DATE ISSUED: March 1, 2004 REPORT NO. 04-043

ATTENTION: Honorable Mayor and City Council

SUBJECT: Update on Collections Program

#### SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE CITY COUNCIL.

#### BACKGROUND

On June, 23, 2003, the City Council authorized the addition of 11.5 positions (8.75 FTE) to the FY 2004 Budget for the Treasurer's Department, Collection Division. Due to the amount of time required to recruit and hire new staff for these positions, it was originally projected that most would not be hired and begin to perform until mid-year. The additional staff was projected to raise delinquent revenue collection from \$13.3 million to \$14.9 million in FY 2004, an increase of \$1.6 million. These positions are projected to increase collections by \$2.8 million in subsequent years. The Council requested the department deliver a status report midyear.

#### DISCUSSION

The Department began the process of hiring new staff immediately, and the first position was hired on July 1, 2003, which was much earlier than anticipated. As of February 1, 2004, 8.5 of the 11.5 positions are filled. One (1) candidate hired on September, 15, 2003 resigned effective January 30, 2004 to take a higher paying position at a private collection agency. The department is moving forward with filling the three (3) remaining vacant positions.

The added staff has collected \$560,000 in additional revenue this fiscal year due to these additional positions. This amount is both consistent and on track with the amounts

originally projected. The department has taken steps to ensure the delay in filling the remaining positions does not negatively impact actual revenue collections anticipated from the additional positions. In addition, Collections division total revenues are forecast to be \$500,225 above the FY 04 appropriation.

CONCLUSION

Collection Division staff continue to work hard to maximize revenue collection for the City. The department estimates that the additional revenue projected for all of the added positions (\$1.6 million) will be realized, and possibly exceeded, before the end of the fiscal year.

Respectfully submitted,

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Mary E. Vattimo  
City Treasurer

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Approved: Patricia T. Frazier  
Deputy City Manager