Treasurer-Tax Collector

Augmentation Request

May 31, 2023

Requesting a one-time augmentation of $135,000 to replace an end-of life payment processing machine
&
$116,057 to restore Cannabis Program cuts.

Remittance Payment Processing Machines

- Used to process property tax payments and transmit electronic deposits to the bank for ALL county deposits

- Purchased over a decade ago

- Both machines recently crashed and are completely out of service

- Sent to surplus.

Remaining Processor

- Additional capabilities that include mail extraction & scanning

- Has also reached end of life

- Vendor will no longer maintain or service this machine

- Vendor is willing to offer a trade-in allowance with the purchase of a new machine

A new remittance processor is needed to sustain the ability to efficiently & timely process large volumes of tax payments, scan taxpayer correspondence and make electronic bank deposits

Alternatives

Manual Processing

- Reallocate staff from customer service to payment processing

- Procure additional low volume desktop processors

- Revert to manual bank deposits

Fully Outsource

- Completely outsource all payment processing functions

- Use low volume desktop processors

- Revert to manual bank deposits

Concerns with Alternatives

- Loss of revenue due to delayed processing & bank deposits
  - At today's interest rates THIS IS SIGNIFICANT
- Increased cost for banking deposit services
- Increased cost for armored car services
- Decrease in taxpayer satisfaction
- Loss of document scanning ability
- Inefficient use of staff resources
- Overuse of equipment intended for low volume processing
- Potential increase in worker injuries due to prolonged use of low volume machines that are not ergonomic
- Lack of processing redundancies & disaster recovery tools.
- Potential security concerns

Requesting restoration of cannabis program cuts $116,057

Reductions to Program

Staff & Indirect Costs

$105,263

- Employee Costs:
  - Employees & support staff not budgeted in cannabis but who work on cannabis program: $ 96,456
  - Overhead Costs: $8,807

Services & Supplies - Eliminated

$10,794

- Telephones
- Insurance
- Mail handling & postage
- ERP charges
- Office supplies
- **Cannabis currency counter maintenance**
- **HDL software tax system annual cost**
- **Security for lobby during cannabis payments**
- **Armored car services**
- **Banking charges & cash handling fees**

Restore a portion of Staff & Indirect Costs ~ $52,632

Restore all Services & Supplies ~ $10,794

TOTAL ~ $63,426

Recommendation
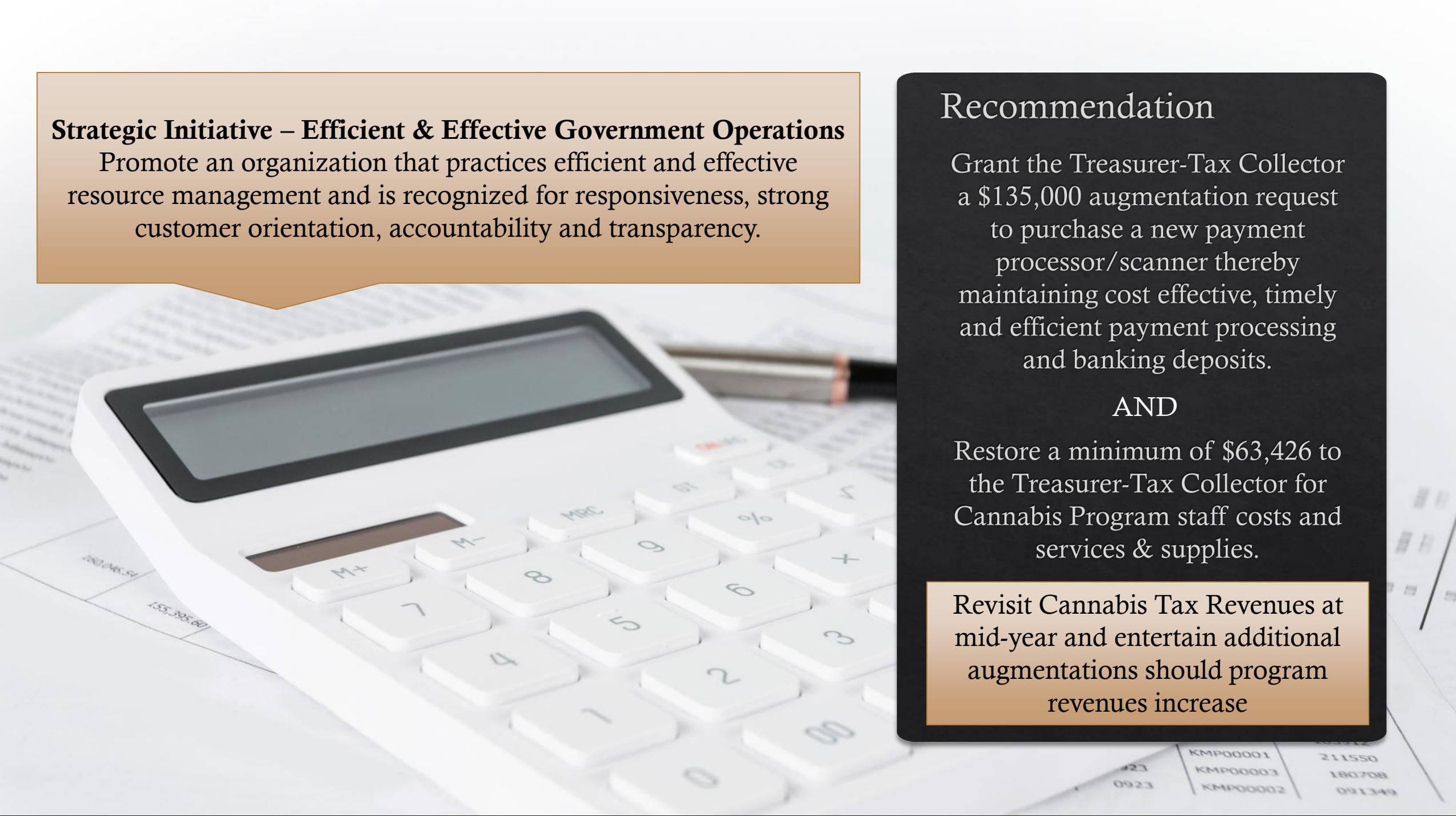
Strategic Initiative – Efficient & Effective Government Operations
Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Recommendation

Grant the Treasurer-Tax Collector a $135,000 augmentation request to purchase a new payment processor/scanner thereby maintaining cost effective, timely and efficient payment processing and banking deposits.

AND

Restore a minimum of $63,426 to the Treasurer-Tax Collector for Cannabis Program staff costs and services & supplies.

Revisit Cannabis Tax Revenues at mid-year and entertain additional augmentations should program revenues increase

Thank you