CA097143

SHELBY COUNTY BOARD OF COMMISSIONERS
AGENDA ROUTE SHEET

Referred to Commission Committee: BUDGET AND FINANCE

For Commission Action on: September 8, 2008

A RESOLUTION AMENDING THE 2008-2009 OPERATING BUDGET TO INCREASE THE TRUSTEE'S BUDGET BY $201,964 IN ORDER TO ADMINISTER THE NEW TAX FREEZE PROGRAM AND THIS ITEM REQUIRES THE EXPENDITURE OF GENERAL FUND RESERVE FUNDS OF $201,964. SPONSORED BY COMMISSIONER DEIDRE MALONE.

CHECK ALL THAT APPLY BELOW:

_____ This Action does NOT require expenditure of funds.

__X____ This Item requires/approves expenditure of funds as follows (complete all that apply):

County General Funds: $ 201,964.00 ; County CIP Funds- $_____

State Grant Funds: $_____; State Gas Tax Funds: $_____

Federal Grant Funds: $_____

Other funds (Specify source and amount): $_____

Other pass-thru funds (Specify source and amount): $ _____

Originating Department: _____

APPROVAL:

Dept. Head: _____ \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

Elected Official: Paul Mitchell \ PM \ 8/27/08
(Type your name & phone #.) (Initials) (Date)

Division Director: _____ \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

CIP – A&F Director: _____ \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

Finance Dept: Mike Swift 545-4269 \ MAS \ 8/27/08
8/27/08 (Type your name & phone #.) (Initials) (Date)

County Attorney: Mary L. Bright \ mlb \ 8/27/08
(Type your name & phone #.) (Initials) (Date)

CAO/Mayor: **James F. Huntzicker 545-4514** \ JFH \ 8/28/08
(Type your name & phone #.) (Initials) (Date)

SUMMARY

I. Description of Item

Resolution approving increase to FY09 budget in order to administer the new Tax Relief program.

II. Source and Amount of Funding

County General Funds in the amount of $201,964.00

III. Contract Items

None

IV. Additional Information Relevant to Approval of this Item

None

Item #_____

Prepared by Mary Brown
Trustee's Office

Approved by Mary Bright, mb
County Attorney

A RESOLUTION AMENDING THE 2008-2009 OPERATING BUDGET TO INCREASE THE TRUSTEE'S BUDGET BY $201,964 IN ORDER TO ADMINISTER THE NEW TAX FREEZE PROGRAM AND THIS ITEM REQUIRES THE EXPENDITURE OF GENERAL FUND RESERVE FUNDS IN THE AMOUNT OF $201,964. SPONSORED BY COMMISSIONER DEIDRE MALONE.

WHEREAS, The Tennessee State Legislature in 2007 enacted the "Property Tax Freeze Act" T.C.A. Section 67-5-705 allowing jurisdictions to adopt this statute. The Act provides that taxpayers seeking the property tax freeze shall apply annually to the collecting official (Trustee) by the deadline established in program rules, and applicants must qualify on the basis of age, income and ownership of eligible property; and,

WHEREAS, The collecting official shall determine whether requirements for eligibility have been met, and the collecting official's determination shall be final, subject to audit and recovery of taxes, including penalty and interest at the rates otherwise provided for delinquent taxes under sections 67-5-2010, if the applicant is later determined to have not been eligible; and,

WHEREAS, The current Tax Relief Administration (a similar program that is and will be offered concurrently with Tax Freeze) is performed by the Trustee's office involving the use of four and one quarter (4.25) full time equivalent staff members and services approximately 8,700 qualified taxpayers in Shelby County; and,

WHEREAS, Current information estimates that approximately 19,500 additional taxpayers may qualify for this new tax freeze program. Under the Tax Freeze program, the Trustee is responsible for income verification; and,

WHEREAS, Under the Tax Freeze program, the Trustee will bear ultimate responsibility and accountability to ensure all applicants that are approved meet the mandated requirements of the program and maintain all appropriate documentation. It must also be noted that application and verification is an annual requirement for each participant.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That we have determined that this additional level and type of service to the elderly taxpayers of Shelby County will require an increase of four (4) full time equivalent staff members comprised of one (1) Supervisor and three (3) Tax Collectors. The Trustee's Supplemental Information for Job Status Request Additional Personnel for Tax Freeze Program dated August 20, 2008, attached hereto and incorporated by reference herein, be and the same is hereby received and filed.

BE IT FURTHER RESOLVED, That the FY2009 Operating Budget is hereby amended and funds appropriated as per the attached Exhibit A which is attached hereto and incorporated herein by reference.

BE IT FURTHER RESOLVED, That the Position Control Budget is hereby amended as per Exhibit B, which is attached hereto and incorporated hereinto by this reference as if fully set forth herein.

BE IT FURTHER RESOLVED, That this resolution shall take effect from and after the date it shall have been enacted according to due process of law, the public welfare requiring it.

BE IT FURTHER RESOLVED, That the Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants for the amount appropriated in this resolution and to take proper credit in their accounting therefore.

_____
A C Wharton, Jr., County Mayor

Date: _____

ATTEST:

_____
Clerk of County Commission

Adopted: _____

SHELBY COUNTY GOVERNMENT
BUDGET AMENDMENT
FY2009

ACCT NO	DESCRIPTION	CURRENT BUDGET	ADJUST-MENT	AMENDED BUDGET
042-800801				
4215	Reimb - Other Local Govet	(100,000)	0	(100,000)
4660	County Trustee	(21,000,000)	0	(21,000,000)
4713	Investment Income	(1,350,000)	0	(1,350,000)
5102	Salaries & Labor	3,660,466	153,798	3,814,264
5109	Temporary Labor	240,671	0	240,671
5254	Overtime	28,000	0	28,000
5281	Retirement/Sick Pay	12,127	0	12,127
5510	Retirement	256,233	10,766	266,999
5511	OPEB	247,081	10,381	257,462
5515	FICA	14,922	0	14,922
5516	Medicare Coverage - MQFE	57,148	2,230	59,378
5520	Group Life Insurance	24,891	1,046	25,937
5540	Blue Cross PPO Insurance	36,748	0	36,748
5543	Cigna Insurance	347,342	18,392	365,734
5560	Long Term Disability	58,567	2,461	61,028
5591	OJI Expense	60,468	2,384	62,852
5592	Unemployment	12,835	506	13,341
5635	Lapse Time Restriction	(50,000)	0	(50,000)
6016	Data Processing Supplies	374,000	0	374,000
6024	Employee Recognition Program	1,500	0	1,500
6026	Expendable Furn & Equipment	10,000	0	10,000
6028	Food & Feed Purchases	2,848	0	2,848
6038	Kitchen & Dining Supplies	945	0	945
6042	Materials & Supples	3,000	0	3,000
6048	Membership Publication & Dues	13,000	0	13,000
6052	Office Supplies	30,000	0	30,000
6060	Petroleum Products	500	0	500
6064	Photo, Maps & Blueprints	200	0	200
6068	Postage	406,064	0	406,064
6404	Advertising	76,471	0	76,471
6419	Education & Training Exp	25,000	0	25,000
6425	Fee Bills & Court Costs	1,500	0	1,500
6446	Local Transportation	1,092	0	1,092
6452	Microfilm Services	5,000	0	5,000
6461	Printing - Outside	64,168	0	64,168
6467	Travel	10,000	0	10,000
6628	Insurance	5,741	0	5,741
6634	Outside Consultant Fees	85,000	0	85,000
6637	Outside Contracts	30,000	0	30,000
6646	Professional Fees	222,528	0	222,528
6771	Communications Exp	31,367	0	31,367
6780	Maint Equipment	134,140	0	134,140
6795	Rent - Equipment	35,780	0	35,780
6831	Petroleum Services	692	0	692
6832	Fleet Management Service	866	0	866
6850	Copy Machines	185	0	185
6852	Printing - Inside	2,253	0	2,253
6874	Telecommunications Services	74,862	0	74,862
7001	Office Furniture & Equipment	10,000	0	10,000
7003	Computer Hdwe & Software	235,298	0	235,298
			201,964	
010-201201				
9999	Planned Use of Fund Balance	0	(201,964)	
	Total Adjustment		0	

SHELBY COUNTY GOVERNMENT
POSITION CONTROL BUDGET AMENDMENT
FY2009

CostCenter	Position	Position Description	Fund	Section	Current Budget	Adjustment	Revised Budget	Per Pay Period Amount
E0801	New	Supervisor B	42	800801	0	42,774	42,774	1,782
E0801	New	Tax Collector	42	800801	0	37,008	37,008	1,542
E0801	New	Tax Collector	42	800801	0	37,008	37,008	1,542
E0801	New	Tax Collector	42	800801	0	37,008	37,008	1,542
					0	153,798	153,798	

Paul Mattila, Shelby County Trustee
Supplemental information for Job Status Request
Additional Personnel for Tax Freeze Program
September 8, 2008

Background of Legislation

The Tennessee State legislature in 2007 enacted The "Property Tax Freeze Act" code section 67-5-705 allowing jurisdictions to adopt this statute. The Act provides that Taxpayers seeking the property tax freeze shall apply annually to the collecting official (Trustee) by the deadline established in program rules, and applicants must qualify on the basis of age, income and ownership of eligible property. The collecting official shall determine whether requirements for eligibility have been met, and the collecting official's determination shall be final, subject to audit and recovery of taxes, including penalty and interest at the rates otherwise provided for delinquent taxes under § 67-5-2010, if the applicant is later determined to have not been eligible.

On May 7, 2008 The Shelby County Commission passed a Resolution adopting the Senior Property Tax Freeze Act with effective tax year of 2008.

Current <u>Tax Relief</u> Administration (a similar program that is and will be offered concurrently with Tax Freeze)

Tax Relief administration and collection that is currently performed by the Trustee's office involves the use of four and one-quarter full time equivalent staff members made up of both full and temporary positions and services approximately 8,700 qualified taxpayers in Shelby County. A summary of the duties and responsibilities are as follows

1. Perform community outreach to promote the program and educate the public as to its benefits.
2. Respond to an excess of 18,700 inquiries by the Customer Service department.
3. Receive, process and verify over 3,600 new tax relief applications each year.
4. Coordinate summarize and transmit applications to State for approval.
5. Obtain missing information from taxpayers.
6. Process payments as received from State of Tennessee for approve applicants.

The value to the county in Tax Relief dollars amounted to approximately $1,709,053 for tax year 2007 and does represent a significant benefit to the eligible taxpayers of Shelby County.

Tax Relief Estimates

Current information estimates that approximately 19,500 additional taxpayers may qualify for this new tax freeze program. Under the Tax Freeze program, the office that collects the taxes (Trustee in our case) is responsible for income verification; whereas, under Tax Relief the State is responsible for income verification. Also, under the Tax Freeze program, the Trustee will bear ultimate responsibility and accountability to ensure all applicants that are approved meet the mandated requirements of the program and maintain all appropriate documentation. It must also be noted that application and verification is an annual requirement for each participant. We have determined that this additional level and type of service to the elderly taxpayers of Shelby County will require an increase of four (4) full time equivalent staff members comprised of one (1) supervisor and three (3) tax collectors.

We have computed the following processing estimates:

30 minutes to take an application
10 minutes average administrative time

40 minutes time 19,500 applications equals 780,000 minutes or 13,000 work hours

1,875 annual employee work hours (minus two week vacation)

13,000 work hours divided by a,875 equals **6.94 FTE** – yielding the projected additional staffing needs.

As we have analyzed the process, that by modifying workflow, mitigating the effects of seasonal nature of the application volume, more efficient use of staffing, higher use of temporary staff and increased automation, the Trustee has been able to reduce the estimated additional staffing need from 6.94 FTE's to four (4) FTE's or a 42% reduction of the initial estimate.

Staffing Request Summary

As outlined in the above information, the Trustee is requesting the following staffing increases:

1 – Tax Freeze Supervisory position

3 – Tax Collector positions

Please bear in mind that the application and verification process is extremely time consuming and requires multiple contacts with the taxpayers in most cases. In addition. communicating the complexities of this program to the senior population presents unique challenges and time demands not normally encountered in the normal course of business by the Trustee.

ATTACHMENTS TO POSITION INCREASE REQUEST

1. Increase Request Summary Form
2. Rules of the State Board of Equalization – Chapter 0600-9 – Property Tax Freeze Program
3. Property Tax Freeze Frequently Asked Questions
4. Tax Freeze Check List Form
5. Extended Tax Freeze Check List