

Treasurer's Office

Performance Measurement
Review

November 30, 2023



Presentation Overview



Alignment with Board Priorities



Department Strategic Goals



Key Performance Metrics



Significant Accomplishments



A Look Ahead

County
Treasurer →
Mission

✓ *The mission of the office of the County Treasurer is to collect the lodging excise and delinquent real property taxes, and manage all County funds within relative laws, regulations, policies and community standards.*

County
Treasurer →
Responsibility

✓ *The County Treasurer is a state constitutional office and the responsibilities are mandated by the State constitution and State statute. The Kent County Treasurer protects the interests of all taxpayers.*

Kent County Strategic Plan Performance

Strategic Alignment

The priorities and goals are not meant to be exhaustive of the efforts that Kent County will engage in over the next five years. Instead, these are the priorities among dozens of others the County is and will be focused on in the months and years to come. The specific items are included in the strategic plan because they are most directly tied to how the County will address public sentiment, remain competitive, and ensure it is a place where individuals and families want to live, work, and play. The following dashboard provides a progress update toward achieving the priorities and goals of the County's Strategic Plan.

Click on any of the priorities below to see more.



Economic Prosperity

We will focus on sound fiscal management and policies to support the economic prosperity of the County as well as the West Michigan region.



High Quality of Life

We will foster a high quality of life that promotes safe and healthy communities, strategic growth, and world-class outdoor resources.



Excellence in Service Delivery

We will adopt innovative ways to deliver services that maximize efficiency and provide an exceptional experience to those we serve.



Inclusive Participation

We will provide innovative and inclusive ways to engage residents and involve them in County government.



Effective Communications

We will be transparent and clear in the communications and decisions of the County.



Kent County Treasurer's Office

Our Team:

- Our team is currently 12 team members strong
- Reduced by 2 team members since 2021, and by 6 team members since 2008
- Great stewards of the tax funds, and of our resources

Supporting Roles:

Tax Settlement • Investment & Banking • Property Tax Adjustments • Revenue Intake
Foreclosure Prevention • Bilingual Services • Customer Support

Excellence in our office:

- Our Team Members service time ranges from 2-years to 28-years
- Better Communication and less red tape
- Our Team Members serve both internal & external customers



Department Strategic Goals

Goal 1

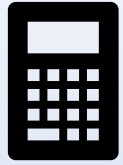
- To invest funds entrusted to the Office of the County Treasurer in accordance with investment policies.

Goal 2

- To collect all lodging taxes due to the County.

Goal 3

- To collect delinquent real property taxes in accordance with methods prescribed by state statute.



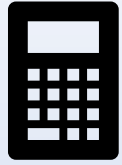
Investment Summary

Department Goal: To invest funds entrusted to the Office of the County Treasurer in accordance with investment policies

Objective: To preserve 100% of investment principal

➤ **SLY Principle:** In order of importance - Safety, Liquidity and Yield

➤ **Guidelines:** Public Act 20 of 1943 (as amended), and the County Investment Policy



Investment Income

Department Goal: To invest funds entrusted to the Office of the County Treasurer in accordance with investment policies.

Objective: To realize investment income for the general fund annually.

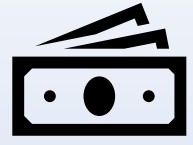


Kent County Summary of Investments as of 10/31/23 by Type

| | | |
|--|--------------------------|---------------|
| Certificates of Deposit | 192,650,097.29 | 36.9% |
| Money Markets and other short-term funds | 118,519,644.86 | 22.7% |
| Federal Home Loan Mortgage Corp (FHLMC) | 1,997,695.65 | 0.4% |
| Federal Farm Credit Bank (FFCB) | 16,003,259.65 | 3.1% |
| Federal Home Loan Bank (FHLB) | 93,402,315.51 | 17.9% |
| Federal National Mortgage Assoc (FNMA) | 2,012,104.99 | 0.4% |
| US Treasury Bills | 13,680,357.76 | 2.6% |
| US Treasury Notes | 83,705,777.71 | 16.0% |
| Total | \$ 521,971,253.42 | 100.0% |

Interest Income (as of)

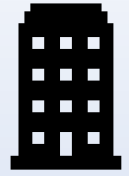
| | | |
|---------|--------------------------------|----------------------------------|
| 9/30/23 | average rate of return @ 3.69% | Interest income of \$1.7 million |
| 6/30/23 | average rate of return @ 3.01% | Interest income of \$1.3 million |
| 9/30/22 | average rate of return @ 1.63% | Interest income of \$0.8 million |



County Pooled Funds

Kent County is one of only two counties that have county pooled funds

| | |
|---------------------------|-----------------------|
| 12 Townships | \$23.7 million |
| 4 Cities | \$ 5.9 million |
| 6 Authorities | \$42.9 million |
| Total pooled funds | \$72.5 million |



Lodging Excise Tax

Department Goal: To collect all lodging taxes due the County.

Objective: To audit at least 25% of all eligible establishments annually.

Yearly totals

| | |
|--------|-----------------|
| ➤ 2022 | \$12.49 million |
| ➤ 2021 | \$ 8.84 million |
| ➤ 2020 | \$ 5.18 million |

▪ As of 6/30/23 \$ 6.6 million

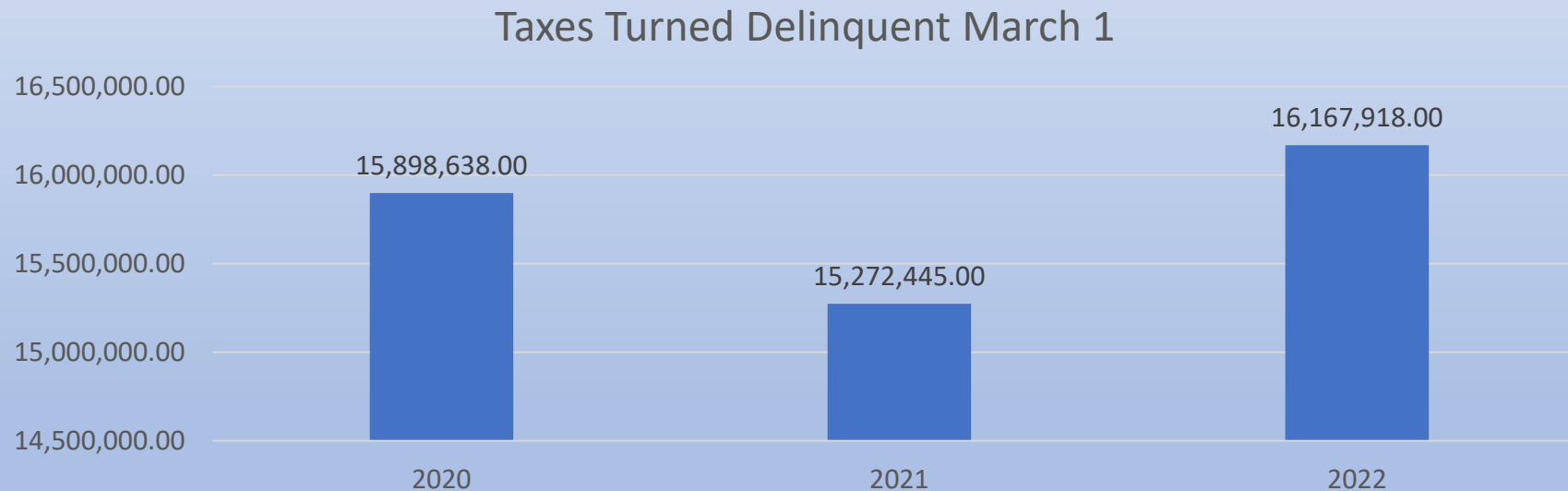
✓ Airbnb is the 3rd largest revenue generator of lodging tax - behind Amway & JW



Property Tax Settlement

Department Goal: To collect delinquent real property taxes in accordance with methods prescribed by state statute.

Objective: To receive and account for 100% of delinquent real property taxes collected.



Definition of Settlement - State law requires final settlement from each taxing unit to produce an accounting of all the collection of property taxes (and the property taxes that are delinquent) to the county treasurer by March 1



Foreclosure Prevention

- The **General Property Tax Act** requires that property with delinquent Michigan property taxes be foreclosed after three years of delinquency.
- Kent County Treasurers Office works tirelessly by helping families and property owners avoid tax foreclosure.
- Our office averts 99% of the potential tax foreclosures in Kent County.
- Homeowners that actively work with our office can request a one-time financial hardship deferral which extends the time to pay the taxes. Payment Plans and partial payments are encouraged.
- The Treasurer's Office refers property owners to a variety of community programs that help keep people from losing their homes. These programs include state grants, local grants, financial hardship extensions for qualified taxpayers, one-on-one counseling, and financial planning.
- The new Michigan's foreclosure law (referred to as 78t Claim to Surplus Proceeds) allows for the parties that have an interest in the property that has been foreclosed to submit a notice of intent to claim surplus proceeds and recover any surplus from the tax auction.



Foreclosure Prevention

Department Goal: Delinquent Real Property Tax Collection

Objective: Help prevent foreclosure by connecting parcel owners with resources to pay their delinquent property taxes

Foreclosures 2021

28 Parcels

started with 1,702 Forfeitures

Financial Hardships granted

101 parcels

Surplus Claims

5 Claims Claims paid out @ \$222,074.56

Foreclosures 2022

28 Parcels

started with 1,549 Forfeitures

Financial Hardships granted

74 parcels

Surplus Claims

11 Claims Claims paid out @ \$277,840.52

Foreclosures 2023

13 Parcels

started with 1,271 Forfeitures

Financial Hardships granted

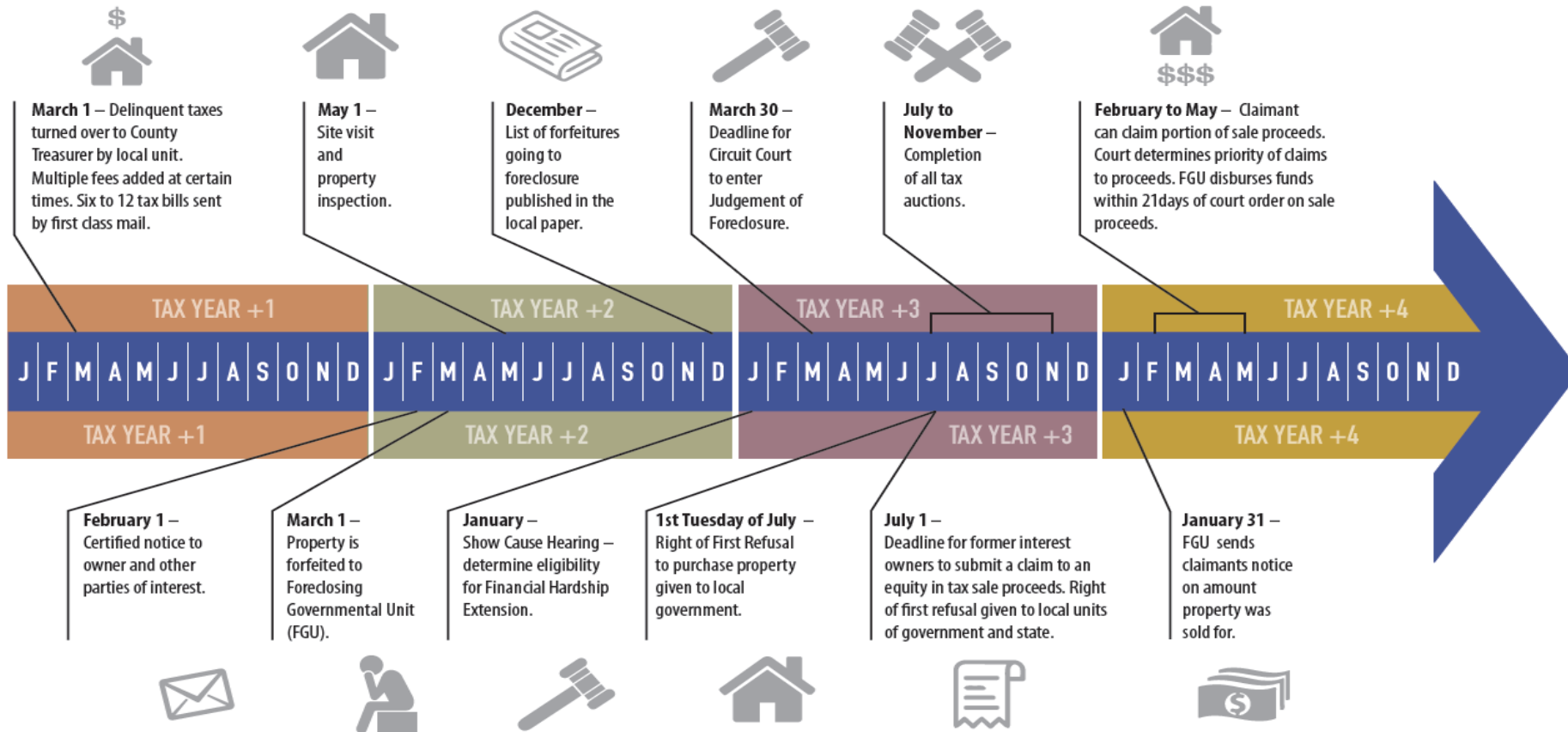
47 parcels

Surplus Claims

10 Claims To be determined summer 2024 - by a Judicial Hearing

Foreclosure Process

FORECLOSURE TIMELINE





Credit Card & Electronic Payments

Department Goal: Delinquent Real Property Tax Collection

Objective: To implement accessibility and convenience for payment of delinquent property taxes, while complying with PCI security standards.

- Electronic Payments: online, mobile, and over-the-counter credit card and ACH payment options for delinquent taxes
- Of the \$18 million in delinquent tax payments we've collected in 2022, approximately 1/3 was paid through ACH or credit cards
- Credit/Debit Card Fees - 2.35% counter, 2.98% online fee, & for ACH there's no additional fee
 - ACH 72% @ no additional fee / Online 22% / Front Counter @ 6%
- ✓ **Looking ahead:** Card payments over the phone and off-site/remote payments

Significant Accomplishments

- **Bi-lingual tax statement, notices, and newsletters**
- **Michigan Homeowners Assistance Fund (MIHAF)**
 - MIHAF- helped 264 Kent County citizens, totaling \$1,045,325.30 in delinquent property taxes and the local units have received help with \$283,298.85 in property taxes for the current year.
- **Kent County's AAA Credit Rating**
 - Why this is important – example: The airport will save at minimum \$20M or more over the course of the life of the airport bond, because of the county's AAA bond rating.
 - By using the backing of the AAA full faith and credit all the bond projects, (from the airport to the drain commission), are able to realize significant savings over the life of the loans.
 - This save tax dollars for our citizens



Look ahead

Look ahead

- ❖ Legal Update
- ❖ Card payments over the phone and off-site/remote payments
- ❖ Working with **Home Repair Services** on three Educational Financial Seminars, called **Financial Fridays**, that are scheduled for next year for all homeowners. These seminars are focusing on homeownership, real property taxes, and foreclosure prevention.
- ❖ MCL 211.78t – Remaining Proceeds Claims Process. Working with Legal Aid of West Michigan and our courts Legal Assistance Center for claimant so they don't need to hire an attorney.
- ❖ Continue to build relations with resources:
 - Kent County Community Action (KCCA) – Senior Services Team
 - Hispanic Center of Western Michigan

Key Collaborations

- Local Government & County Authorities Investment Pool
- All 35 local units for tax collection
- Home Repair Services (501c3)
- Next Step of West Michigan (501c3)
- Legal Aid of West Michigan
- Kent County Community Action
- Kent County Treasurer's Association
- Michigan State Housing Development Authority (MSHDA)
- Association Legislative Committee Chair for MACT and MGFOA



Thank you

Questions?