



Grand Traverse County Treasurer 2017 Annual Report

Treasurer

Heidi M Scheppe, MBA, CPFO

Cindy Green, Chief Deputy

Sarah Gum, Deputy Treasurer

Kristen Lambert, Deputy Treasurer

The mission of the Grand Traverse County Treasurer is to serve taxpayers with respect, professionalism and commitment to customer service above and beyond what is expected.

The County Treasurer is elected to a four-year term and serves as the custodian of all County funds. The Treasurer is a member of the Plat Board, Elections Commission, County Apportionment Commission, County Economic Development Corporation, Treasurer of the Brownfield Redevelopment Authority and Chair of the County Lank Bank Authority.

The Treasurer's Office core responsibilities include:

- Handling and reconciling cash for a 145 million dollar budget.
- Investing County funds while considering fund security, cash flow requirements and adherence to Public Act 20.
- Purchasing and collecting delinquent property taxes for 13 Townships, 2 Villages and the City of Traverse City.
- Working with the local unit Treasurers and Assessors to process any property tax adjustments and report accurate values to the State of Michigan and taxing jurisdictions.
- Selling and maintaining accurate records of all dog licenses in the County.
- Providing Deed Tax Certifications and Delinquent Tax Search services.
- Providing passport processing services.

June 1, 2018

I hereby submit this annual report to the County Board of Commissioners. I hope you find it informative; and I encourage you to contact me with any questions or comments. Please note the 2017 information contained in this report is unaudited.

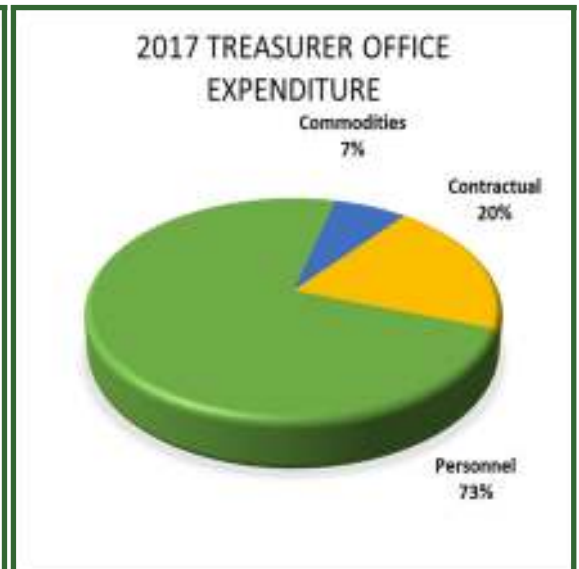
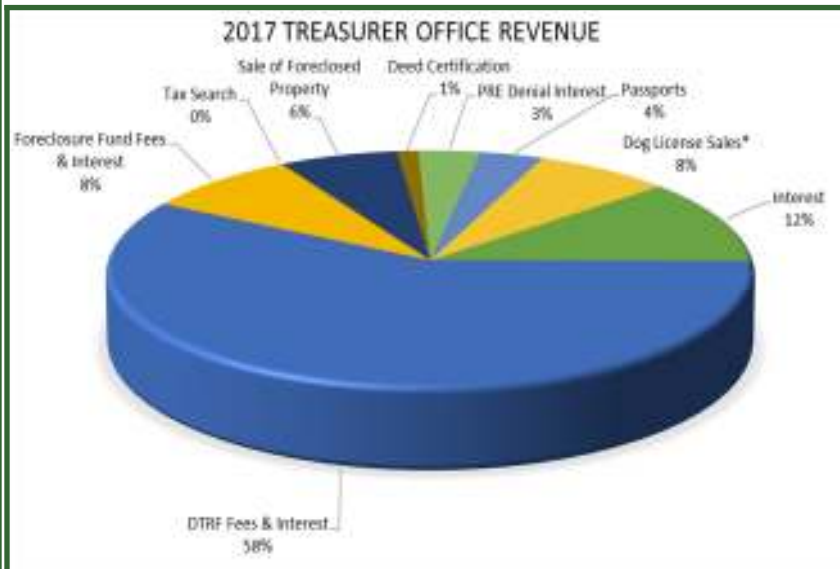
Respectfully submitted,

Heidi Scheppe

Treasurer's Office Revenue vs Expenditure

2017 Total Treasurer Revenue		2017 Total Treasurer Expenditure	
Interest	\$ 181,979.72	Personnel	\$ 334,089.72
DTRF Fees & Interest	\$ 921,073.99	Commodities	\$ 30,658.68
Foreclosure Fund Fees & Interest	\$ 133,612.41	Contractual	\$ 29,744.29
Tax Search	\$ 2,349.55	General Fund	\$ 394,492.69
Sale of Foreclosed Property	\$ 100,445.73		
Deed Certification	\$ 18,188.40	Personnel	\$ 54,976.02
PRE Denial Interest	\$ 53,317.91	Commodities	\$ 4,930.69
Passports	\$ 54,625.00	Contractual	\$ 76,176.73
	\$ 1,465,592.71	Foreclosure/PRE Fund	\$ 136,083.44
Dog License Sales*	\$ 118,136.00		
Total Revenue	\$ 1,583,728.71	Total Expenditure	\$ 530,576.13

*Collected in office for Animal Control



New in 2017

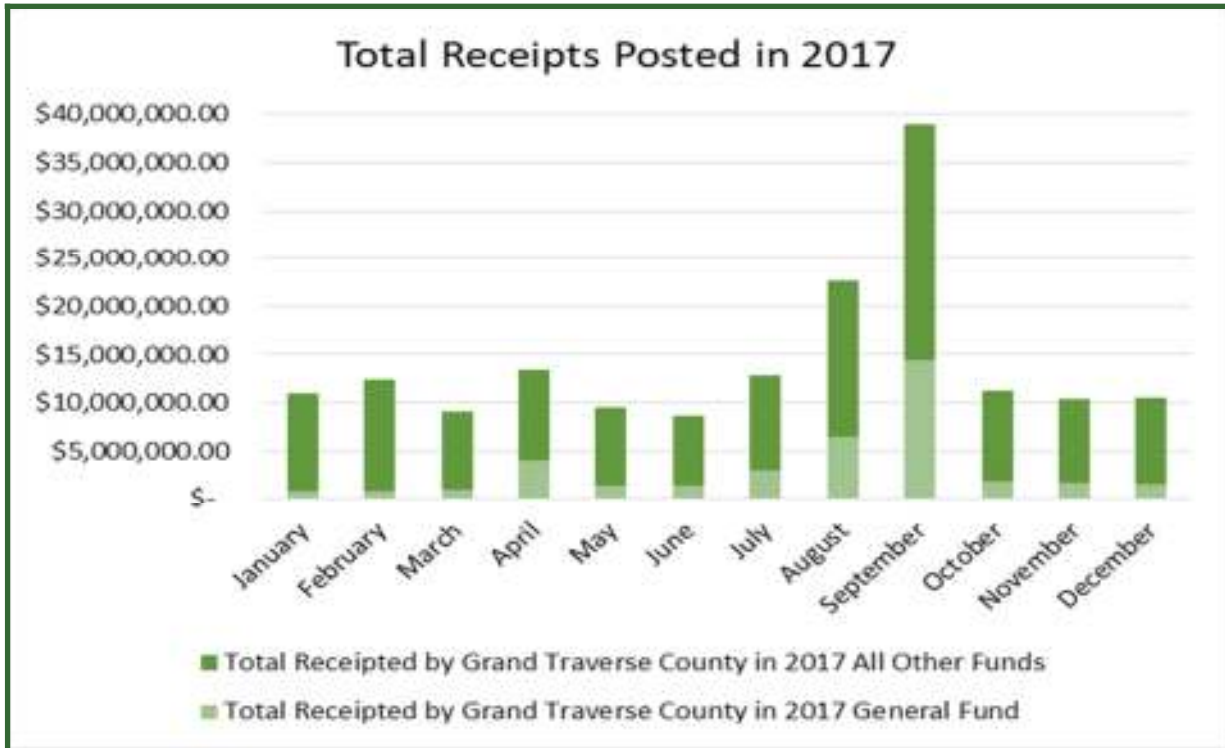
- Although delinquent tax buyout is down compared to 2016, fees and interest did increase, due to an increase in statutory fees charged during the forfeiture process. Please note these fees are not retained in our office but rather paid out during recording/redemption process of forfeiture.
- A portion of the Foreclosure/PRE fund pays for PRE audit personnel. We have experienced a decrease in PRE denial interest compared to 2016 due to the loss of PRE Audit personnel. We will continue to see a decrease in these funds unless this position is reinstated by the County.
- The cost of our BS&A delinquent and tax software license was paid by the Foreclosure Fund again in 2017 to help the General Fund budget.

Receipting of Money by Treasurer

The County Treasurer’s Office is the depository for all county funds in accordance with Act No. 40, Public Acts of Michigan 1932.

It is the responsibility of the Treasurer’s Office to receipt all money coming into the County. We maintain and reconcile over 50 bank accounts to properly track and account for these funds.

Functions associated with this procedure include receipting invoice payments processed through the mail, counting/receipting department money, verifying distribution line items, posting to general ledger and receipting all monies received as EFT’s through our bank accounts.



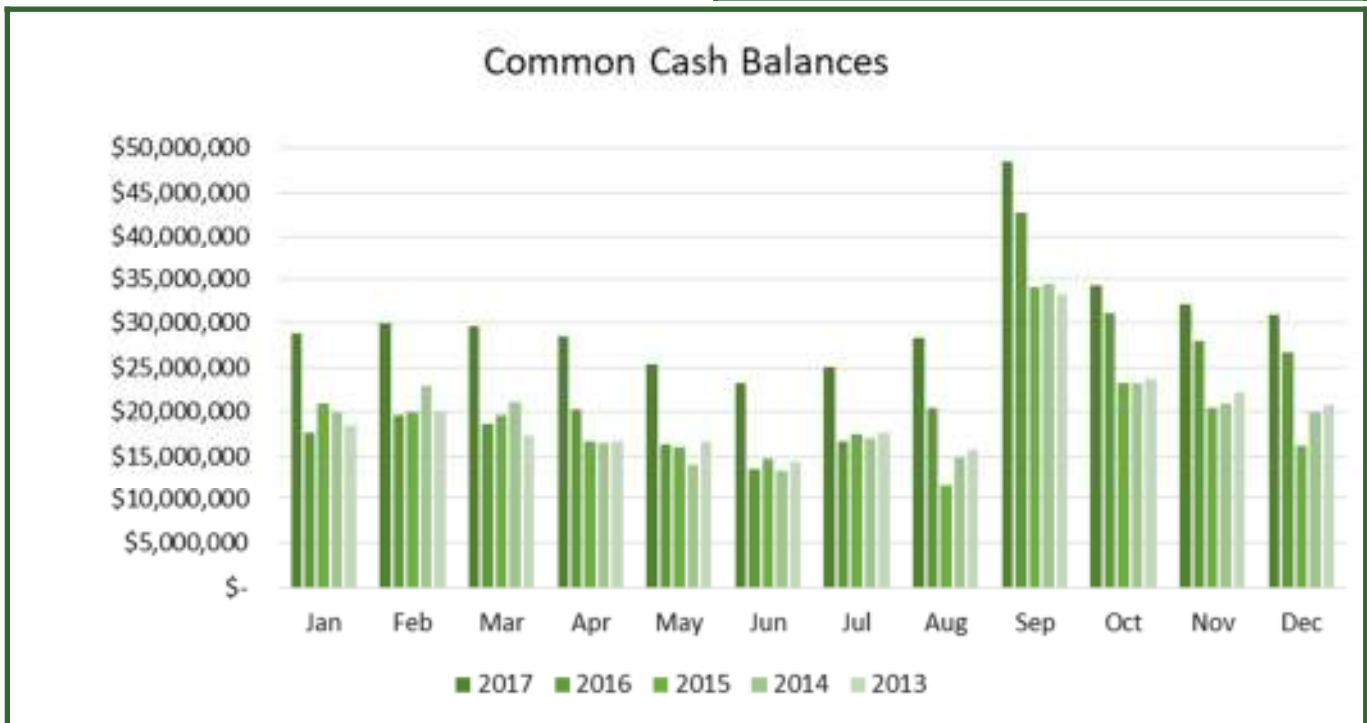
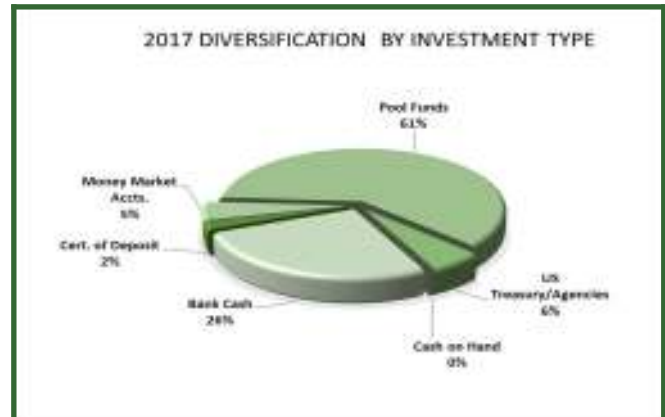
Total Received by Grand Traverse County in 2017			
	General Fund		All Funds
January	\$	794,183.82	\$ 10,916,241.48
February	\$	895,843.13	\$ 12,353,532.39
March	\$	950,456.89	\$ 9,142,952.18
April	\$	4,029,300.03	\$ 13,382,149.13
May	\$	1,403,085.52	\$ 9,526,866.22
June	\$	1,485,882.65	\$ 8,662,297.69
July	\$	2,977,500.89	\$ 12,863,498.47
August	\$	6,470,765.46	\$ 22,588,276.24
September	\$	14,397,791.29	\$ 38,954,966.56
October	\$	1,918,342.47	\$ 11,265,294.41
November	\$	1,678,806.31	\$ 10,363,549.35
December	\$	1,604,913.74	\$ 10,464,858.45
Total	\$	38,606,872.20	\$ 170,484,482.57

Investments

There are many pools of funds within the County each designed to collect, report and pay out the amounts available for specific purposes. The largest of the funds is the General Fund, which is the primary operating fund of the County.

- **Year End Portfolio** provides a breakdown of where County Funds were invested at 12/31/17.
- **Diversification by Investment** shows the percentage of the funds held in each investment type.
- **Common Cash Balances** graph is used to understand trends in cash levels, and provides a multi year running look at the total dollars in the common account at month end.

2017 Year End Portfolio		
Cash on Hand	\$	9,226.00
Bank Cash	\$	11,259,638.28
Cert. of Deposit	\$	960,000.00
Money Market Accts.	\$	2,128,378.02
Pool Funds	\$	26,361,457.82
US Treasury/Agencies	\$	2,379,875.00
Total	\$	43,098,575.12



- Average monthly carrying balance in Trust & Agency is 4.1 million, down from 4.8 million in 2016.
- Average monthly carrying balance for the Pavilions is 7.7 million, up from 6 million in 2016.

New in 2017

We paid out 3.6 million from the General Fund and 2 million from the Delinquent Tax Revolving Fund towards MERS retirement debt in September 2017.

We reaffirmed our Standard & Poor's rating of AA and Moodys Aa2 rating in 2017.

Delinquent Tax

It is the responsibility of the County Treasurer to collect delinquent real property taxes. Functions associated with delinquent taxes include receipting payments, processing adjustments to prior year tax rolls (for up to 20 yrs.), processing bankruptcy claims, along with being the Foreclosing Governmental Unit.

Beginning March 1st of each year the County Treasurer "purchases" delinquent real property taxes from the local units utilizing the cash in the delinquent tax revolving fund. We collect payments on the delinquent parcels for a period of not less than 24 months. During that time we follow an extensive State mandated notification process which includes regular postal mail, certified mail, personal service (visit/hand deliver) to the property and publication in the local newspaper. We file a petition for foreclosure with the 13th Circuit Court. If payment is not received by the 3rd year of assessment we foreclose on the parcel and attempt to sell the parcel at auction. Prior to the auction, per Public Act 123 of 1999, the State is granted the right of first refusal to purchase any foreclosed parcels, local units and County Land Bank have a right of refusal, after the State, for any parcels in their jurisdiction.

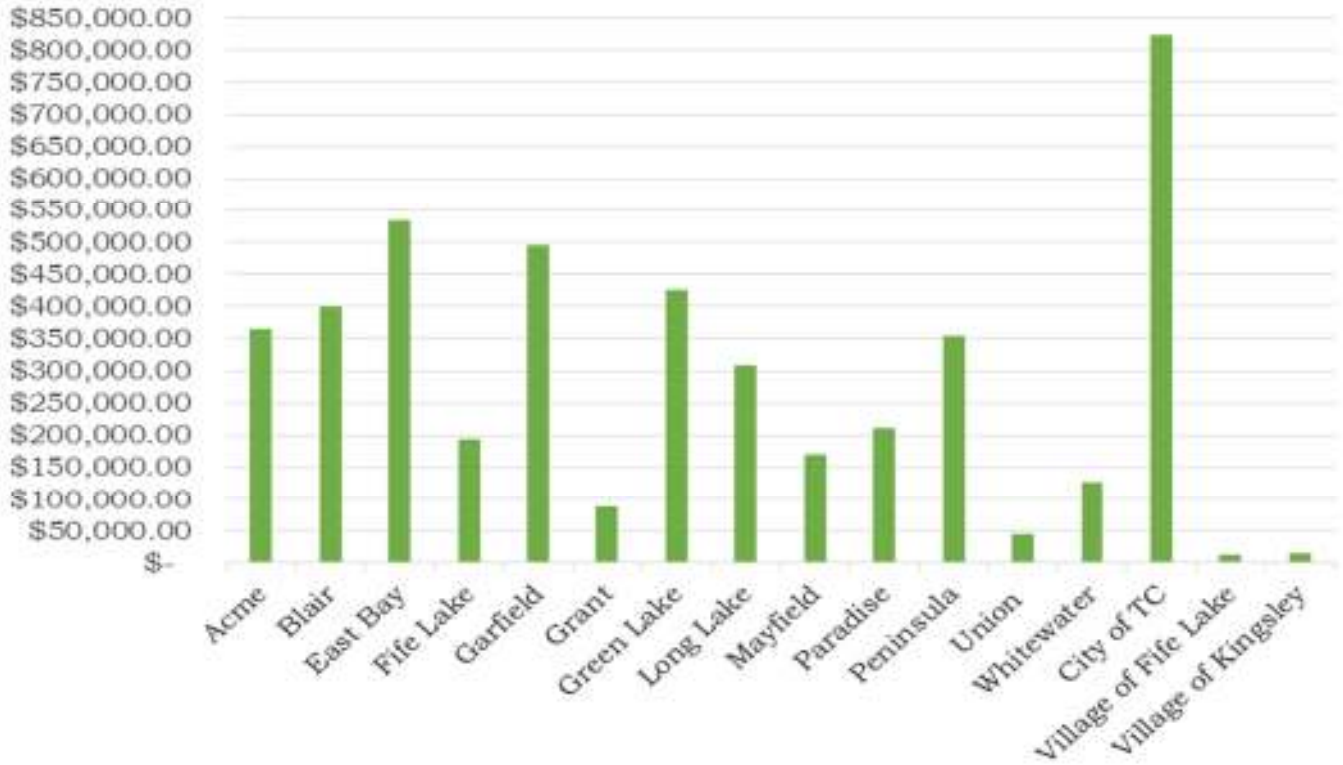
The performance measurements for delinquent tax administration are designed to: increase efficiencies to be better able to manage additional workload without staff additions, to reduce unit costs in managing forfeitures and foreclosures, and to institute foreclosure prevention programs. One of the prevention methods provided by the board is a Hardship Extension, which gives those taxpayers that have had an unusual circumstance in their life, time to set up a payment plan to keep from losing their property. It was used to protect 8 properties from foreclosure in 2017. In addition to the Hardship Extension, we directed at risk taxpayers to the MSHDA Step Forward Program providing assistance to 11 taxpayers generating \$ 23,972.67 in tax payments. In addition to these programs, we provide taxpayers with a variety of payment options: cash, check, credit/debit card, electronic funds transfer, and an ACH payment option, which provides the taxpayer the ability to make weekly or monthly payments.

Personal Visits

Our office performed PA 123 inspections on 218 parcels in September. This physical site visit to each parcel is required to provide parcel description information to Title Check, LLC for future potential foreclosure. Parcels that were found vacant/abandoned or unoccupied at time of visit required posting of property in a visible area. If occupant was present, we advised the occupants of their rights and the foreclosure process. We had many conversations with taxpayers, explaining the tax law, due dates and opportunity for assistance with delinquent taxes.

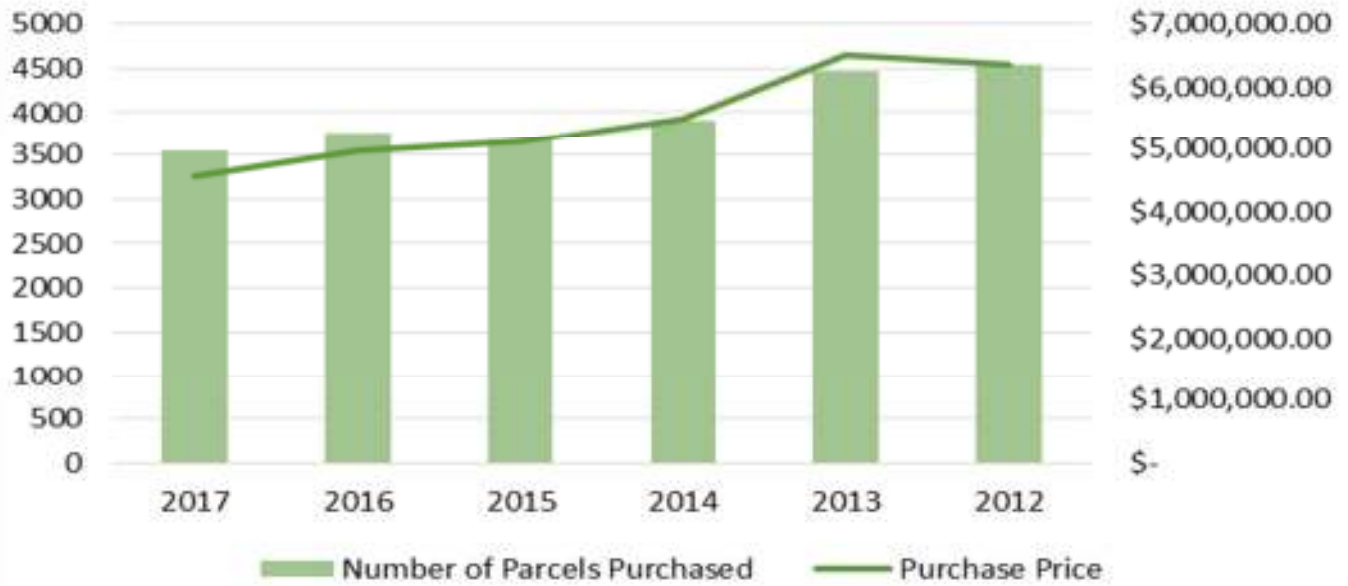
Real Taxes Returned Delinquent					
Tax Year	2017	2016	2015	2014	2013
No. of Properties	3540	3756	3670	3915	4478
Amount Purchased	\$ 4,568,613.02	\$ 4,973,605.30	\$ 5,120,958.18	\$ 5,504,078.62	\$ 6,511,371.09
Tax Collections, Calendar Year					
Tax Year	2017	2016	2015	2014	2013
No. of Receipts	5029	5068	6197	5898	4899
Delinquent Tax Collected	\$ 5,353,198.62	\$ 5,079,212.45	\$ 6,725,269.79	\$ 8,340,799.70	\$ 7,970,059.04
Interest & Fees	\$ 953,283.81	\$ 781,586.12	\$ 1,227,032.74	\$ 1,322,479.66	\$ 1,291,052.05
Credit Cards / EFT	\$ 725,525.32	\$ 622,639.08	\$ 623,706.31	\$ 325,132.30	\$ 71,961.94
Tax Roll Adjustments, Calendar Year					
Tax Year	2017	2016	2015	2014	2013
Michigan Tax Tribunal, Board of Review, PRE Denials, etc.	456	524	690	607	642
Forfeiture/Foreclosure					
Properties Forfeited	453	494	556	848	805
Properties Foreclosed	22	15	21	24	23
Hardship Extension	8	9	16	15	11

2017 Delinquent Taxes "Purchased" by Unit



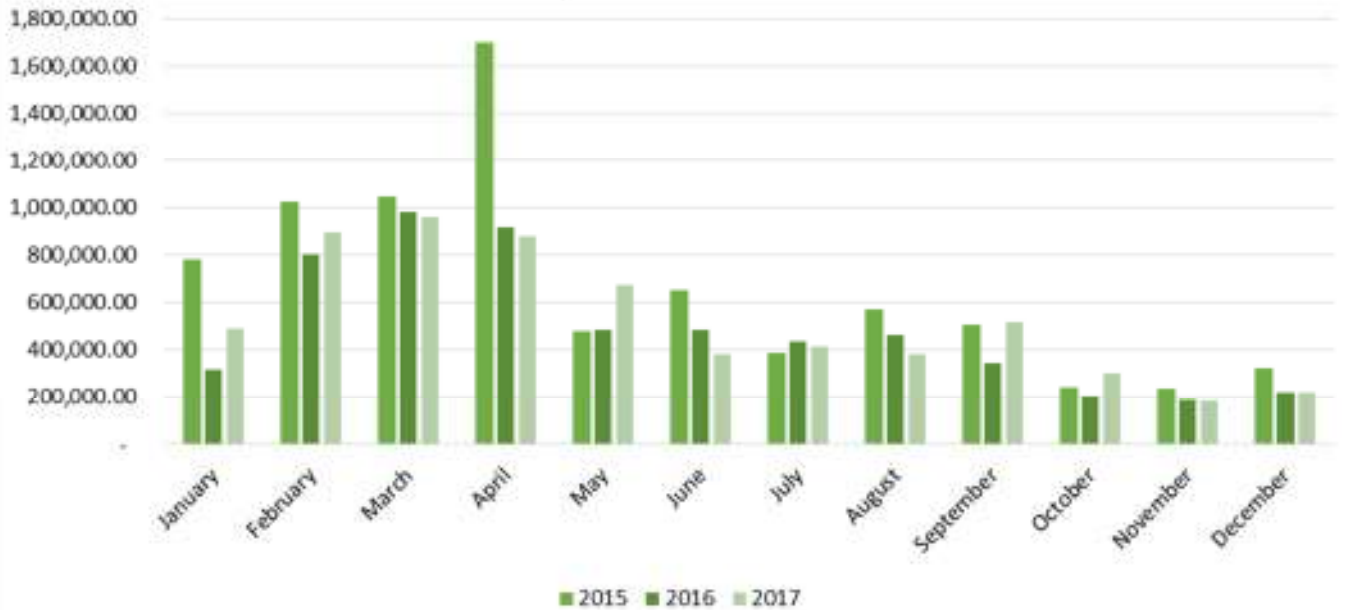
Township	2017 Total Adjusted Levy	Payments Made at Township/ Village	Amount "Purchased" by County	Balance to Collect by Township/ Village (Personal Property)
Acme	\$ 11,244,088.28	\$ 10,889,425.74	\$ 364,435.98	\$ 3,531.68
Blair	\$ 9,272,771.15	\$ 8,754,016.56	\$ 399,141.70	\$ 133,766.19
East Bay	\$ 18,455,952.85	\$ 17,940,226.06	\$ 533,824.09	\$ 3,881.15
Fife Lake	\$ 1,898,337.69	\$ 1,702,397.57	\$ 194,647.12	\$ 3,498.38
Garfield	\$ 31,449,754.89	\$ 30,956,647.09	\$ 493,903.10	\$ 16,906.63
Grant	\$ 1,672,588.76	\$ 1,585,085.20	\$ 89,102.00	\$ 724.08
Green Lake	\$ 9,032,717.74	\$ 8,572,258.29	\$ 425,081.70	\$ 53,322.81
Long Lake	\$ 13,967,084.97	\$ 13,670,131.00	\$ 308,855.13	\$ 1,285.86
Mayfield	\$ 1,647,945.49	\$ 1,477,623.65	\$ 170,250.03	\$ 3,205.56
Paradise	\$ 3,720,154.98	\$ 3,509,862.92	\$ 210,725.86	\$ 2,878.73
Peninsula	\$ 21,580,418.42	\$ 21,237,447.12	\$ 354,269.21	\$ 1,248.90
Union	\$ 822,387.10	\$ 778,169.94	\$ 44,652.52	\$ -
Whitewater	\$ 6,046,104.81	\$ 5,922,354.58	\$ 128,278.65	\$ 146.15
City of TC	\$ 42,631,099.70	\$ 41,738,656.32	\$ 823,481.81	\$ 103,346.54
Village of Fife Lake	\$ 113,244.20	\$ 99,485.56	\$ 13,291.56	\$ 467.08
Village of Kingsley	\$ 284,164.02	\$ 269,037.75	\$ 14,672.56	\$ 453.71
2017 Totals	\$ 173,838,815.05	\$ 169,102,825.35	\$ 4,568,613.02	\$ 328,663.45

Real Taxes Returned Delinquent



Total number of delinquent parcels purchased compared to the tax amount owed.

Delinquent Tax Collection



Total amount of delinquent tax revenue collected by month.

Dog and Kennel License Program

The County Treasurer's Office manages the dog and kennel licensing revenue per state statute, Act 339 of 1919. Per Act 339 it shall be unlawful for any person to own any dog 6 months old or over, unless the dog is licensed as hereinafter provided. A County dog license provides ownership information, verifies the dog is currently vaccinated for rabies, and is in compliance with State Law.

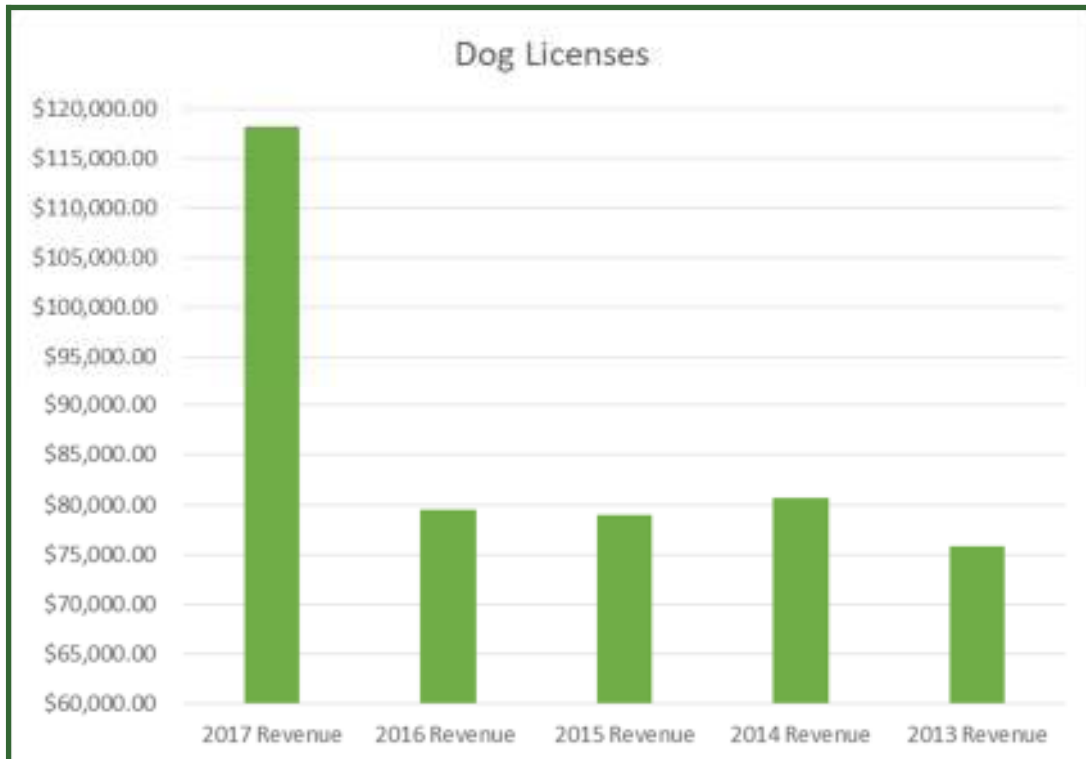
Our office sells dog licenses year round. We also partner with most of the local Veterinarian offices to sell our license year round as well. This creates an easy avenue for citizens to purchase a dog license at the same time they are vaccinating their dog for rabies. Veterinarians provide monthly sales details to our office which we audit, enter into AS400, and send out official receipts to citizens detailing the license information as mandated by State law.

2017 Rates	Intact	Spayed/Neutered
Puppy 8 mo. old and younger	\$ 8.00	\$ 8.00
1 year	\$ 30.00	\$ 15.00
3 year	\$ 60.00	\$ 30.00

In 2016 our office researched statewide county rate structures and presented a new rate and license structure that was approved by the Board of Commissioners and became effective 1/1/2017. This rate increase has provided additional revenue to support the Animal Control Program in Grand Traverse County as you will see below.

	No. of Licenses	Dog Licenses	Kennel Licenses
2017 Revenue	4803	\$ 118,136.00	\$ 235.00
2016 Revenue	4519	\$ 79,460.00	\$ 255.00
2015 Revenue	4580	\$ 78,980.00	\$ 280.00
2014 Revenue	4811	\$ 80,665.00	\$ 320.00
2013 Revenue	4615	\$ 75,815.00	\$ 350.00

We continue to provide an online dog license lookup on our website to help the public reunite lost dogs with their owners. It has been a hit and is referenced in social media posts for lost dogs in Grand Traverse County.



Tax Certifications and Searches

It is the Treasurer's Office responsibility to certify that all taxes are paid on instruments transferring real estate in Grand Traverse County prior to them being recorded with the County Register of Deed's Office (State Statute MCL 48.101.) Tax certification requests can be submitted in person or by electronic filing.

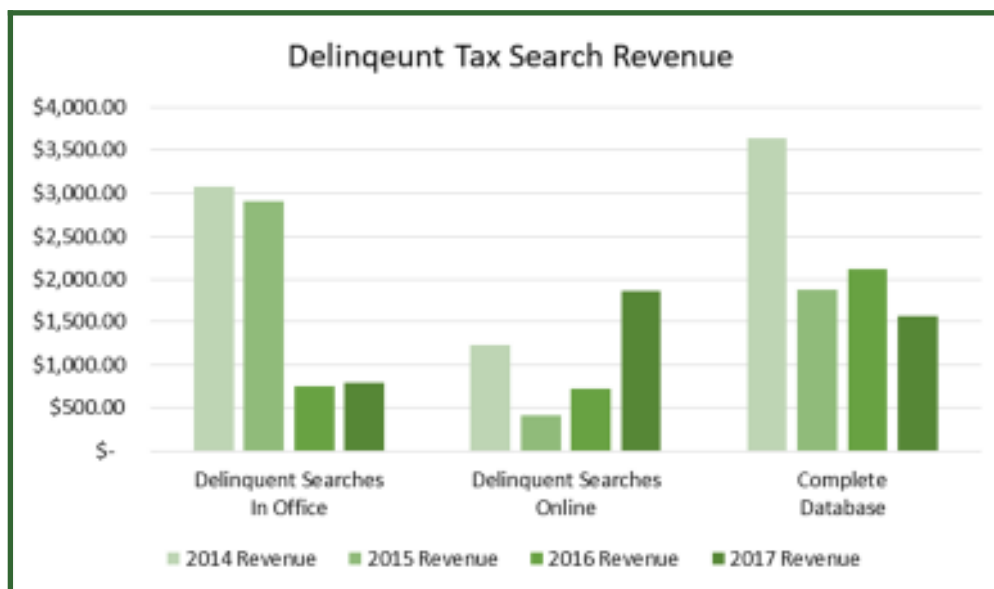
Certifications	
2014 Revenue	\$ 3,154.60
2015 Revenue	\$ 11,036.60
2016 Revenue	\$ 18,025.00
2017 Revenue	\$ 18,188.40



* Tax certification fee increased from \$1.00 to \$5.00 in July of 2015 causing the significant revenue increase.

A tax search is a written tax status verification from the Grand Traverse County Treasurer's Office. The tax search requests are received by mail, FAX, and email. We offer delinquent tax look up online where owners can research their own properties for free or a \$2.00 fee for properties other than their own. Two public terminals are located in the Governmental Center for the public to do their own property tax search free of charge.

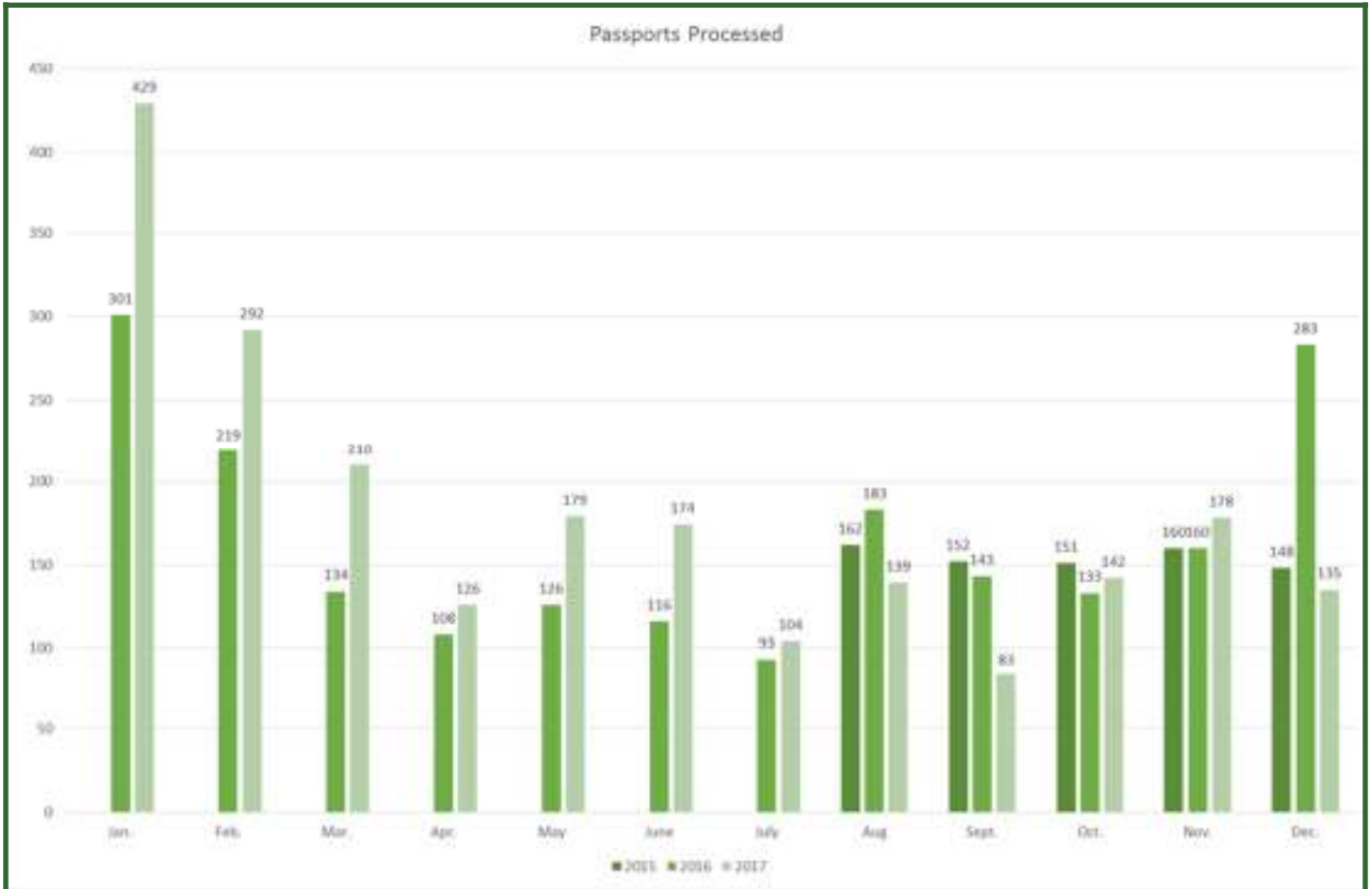
	Delinquent Searches In Office	Delinquent Searches Online	Complete Database
2014 Revenue	\$ 3,078.00	\$ 1,229.60	\$ 3,633.75
2015 Revenue	\$ 2,911.00	\$ 415.60	\$ 1,879.25
2016 Revenue	\$ 749.00	\$ 721.80	\$ 2,122.00
2017 Revenue	\$ 787.00	\$ 1,871.97	\$ 1,557.50



Passport Processing

The County Treasurer’s Office is a certified US Department of State Acceptance Facility providing passport processing services Monday thru Thursday 8:30am—4:00pm. The office accepts and processes new applications which requires review of applications and required documentation (identity, citizenship, and parental relationship for applicants under the age of 16) for completeness and accuracy. Once reviewed, staff fully executes and submits the application according to US Department of State guidelines. We also provide reviews of renewal applications free of charge.

An annual re-certification process is required for all staff members by the US Department of State to keep up to date on changing guidelines and processing effectiveness.



* East Bay Township was added as a new passport processing location in 2017 and the Post Office currently has staff available to process by appointment. This has eased the burden on our office, as we were one of the only processing location in Grand Traverse County last year.

Revenue	
2013	32,110
2014	32,930
2015	41,168
2016	52,400
2017	54,625