



SHEBOYGAN COUNTY

Laura Henning-Lorenz
County Treasurer

Jayne Dragan
Chief Deputy Treasurer

February 28, 2017

To: Adam Payne, County Administrator and the Members of the Sheboygan County Board of Supervisors

Re: County Treasurer's 2016 Annual Report

Dear Administrator Payne and the Members of the Sheboygan County Board of Supervisors:

On behalf of the County Treasurer's Office, I am pleased to present our 2016 Annual Report.

Last year at this time our office had experienced several retirements. To date the people who were hired to replace the retirees have one year under their belt. Our office constitutes an exceptional group of hard working people. I cannot tell you how proud and appreciative I am of their gifts and abilities and especially the excellent care they take of the public, whether the public is in our office personally, calling, or emailing us.

In May 2016 our office selected a vendor for our enterprise land record software. Since then Jayne Dragan, Chief Deputy Treasurer, and I have been working with the IT Department. The conversion is mentioned in the annual report and although it is taking more time than we had anticipated, we all agree that bringing 16 years of history over to the new software being correctly formatted and balanced will be a goal that once achieved will have countless benefits for years to come.

Once we have a successful conversion we will be working on each module within the software. We understand that we have placed many hours of time on this software project. Yet, it is known that in the end we will have a product that Sheboygan County will be able to utilize for decades in to the future.

I would like to thank you for your support because without it our office would not be able to carry out the important services that we provide to the public and the various units of government.

Respectfully submitted,

A handwritten signature in blue ink that reads "Laura Henning-Lorenz". The signature is written in a cursive style and is positioned above the printed name.

Laura Henning-Lorenz
Sheboygan County Treasurer

Enclosure: as noted

COUNTY TREASURER 2016 ANNUAL REPORT

MISSION STATEMENT AND SUMMARY OF RESPONSIBILITIES

The mission statement of the Sheboygan County Treasurer's Office is to serve the public and other units of government in the most friendly, efficient, and effective manner possible by providing assessment, tax, and real property information.

The Sheboygan County Treasurer's Office is responsible for treasury, assessment, and real property listing duties.

The County Treasurer is an elected public official, whose constitutional duties are defined in Wisconsin State Statute, section 59.25. Those duties include receiving moneys belonging to the County. Currently, the Treasurer's Office collects second installment (postponed) and delinquent tax payments for all 28 municipalities. Other responsibilities include but are not limited to, banking and fiduciary related matters; paying out tax moneys due to taxing jurisdictions from tax collection; paying out moneys due to the State for taxes collected; keeping a true and correct account of the receipts and expenditures that come through the Treasurer's Office; tax foreclosures; and tracking and reporting unclaimed funds.

The County Treasurer's Office initiates the transfer of unexpended revenues and reserves with various banking and investing institutions. Funds in the County's general account are utilized to meet the needs of payrolls and approved vouchers.

There are multiple reports that are required to be filed with the State throughout the year.

The duties and responsibilities of the real property lister are identified in Wisconsin State Statute, section 70.09, and indicate that the real property lister must maintain accurate ownership and description information of parcels, including parcel numbers, owners' names, legal descriptions, mailing addresses, number of acres, school districts, and special purpose districts. Real property listing functions include reconciling assessment information from the assessors and coordinating the flow of assessment information between the County and taxation districts for assessment and taxation purposes.

There were 56,809 2015 bills (real estate and personal property) printed for the 2016 first installment tax collection season. This is a decrease of 190 bills (83 less real estate and 107 less personal property) from the prior year and is mostly attributable to real estate boundary change mergers made throughout the County during the calendar year. Additionally, personal property was reduced due to an interpretation of how certain cable companies were to be assessed and the reduction of a mobile home park as a result of a classification change. A total of 13,472 notices were printed in June for the second installment tax collection period. This was a decrease of 672 notices from the prior year. This reduction is an indication that more taxes are being paid in full during first installment. Tax rolls are maintained in a central file for Sheboygan County. Rolls are open to the public and the data from the tax rolls are consulted daily by representatives from real estate companies, attorneys, title insurance companies, financial companies, statistical/analytical companies, and the general public.

Unpaid real estate taxes constitute a lien against a given property. Delinquency notices and In Rem proceedings are the result of such delinquencies. Property that is obtained by Sheboygan County through In Rem proceedings is advertised in the County's official newspaper as a legal notice and on the County Treasurer's web page as Tax Foreclosed Property for Sale and sold by sealed bid and online auction. Additionally, team members from the County Treasurer's office attend Sheriff's sales (mortgage foreclosure auctions) to verify the reported amount of property tax due on property being sold. There were 126 properties sold by Sheriff's sale during 2016, a decrease of 42 properties from 2015. An additional 24 properties were cancelled from being sold, a decrease of 25 properties from 2015. These are all good signs of some housing stability at this time.

There were 4,607 straight-type transfers (no boundary change) filed that amounted to changes to 5,739 parcels. That was an increase of 457 straight-type transfers filed and an increase of 486 changes to parcels from last year. In addition to the straight-type transfers, numbers indicate that there were

approximately 229 boundary change documents filed that amounted to 893 new or changed parcels. That is a decrease of 50 boundary change documents filed and an increase of 120 new or changed parcels from last year.

GOALS AND OBJECTIVES ACHIEVED IN 2016

During 2016, we continued to perform daily, monthly, quarterly, and annual work. Here is a brief listing of the main items that our office achieved. We completed receipting and depositing payments from taxpayers and County departments; banking routines; multiple filings of reports to the State; worked with all 6 of the municipal/state assessing companies/offices to provide starting, open book, board of review, and final assessment rolls/reports; completed 5 tax settlements; provided education internally and to municipalities; completed county-wide property listing functions of all straight and boundary change documents and address updates; collected second installment taxes; team member performance evaluations; collected delinquent taxes; updated internal procedural instructions; issued tax certificates; completed tax foreclosures; sold tax foreclosed property; updated our web page on multiple occasions; and completed a multi-month cycle of building tax bills that were mailed in December. Our office continues to have monthly team meetings.

This year there were 2 new municipal clerks and/or treasurers. I want to thank the clerks and/or treasurers that retired or left their positions for their service to their local municipalities. As the new clerks and/or treasurers took on their new roles and responsibilities, our office provided support and education to them.

There were 3 special projects that commenced in August utilizing funds from the Land Information Board. A summary of the work completed is listed.

- All 1996 - 2000 tax rolls for our 28 municipalities were scanned, saved, and verified to ensure all 58,420 pages were present and in the correct order. This allowed our office to dispense of the paper rolls.
- Tax bills were inventoried, arranged, and organized from previous years. Those that had been scanned many years ago were not in any order. Those files were placed in bill number order, which allowed the bills to be accounted for by municipality.
- Over 10,000 tax bills from 1997 – 2003 were scanned and verified.
- Incomplete scans of our tax bill collection were communicated to our municipalities, which allowed us to loan from their collections to make ours more complete.
- The "S" drive was reaching its limit for storage capacity, so the IT Department created a new "U" drive. All archived files were transferred to the new "U" drive, which allowed records to be in one place for archiving purposes. All documents within the "U" drive were provided with a standard naming convention by year, municipality, and file type.
- Electronic real property listing surveys and maps were organized on the "U" drive and provided with a standard naming convention.
- Railroad property maps were incomplete. Jim had complete sets of such maps and donated his digital complete sets to our archives. These maps have provided a more complete picture of land ownership and how the railroad used that land. The Land Description Technicians have utilized these maps during discovery of property boundaries and right of way disputes.
- Electronic railroad and associated utility company digital maps have also been donated by Jim to our archived collection. Thank you, Jim.

Additional projects and work that took place are summarized as follows:

- The Request for Proposal (RFP) for new enterprise land record software results had to be reviewed and scored, utilizing a Pugh Matrix. Many hours expended and a good number of meetings scheduled while working with the IT Department and the Purchasing Agent to sort out the detail of the results.
- Selection and award of a new enterprise land record software resulted in GCS Software. This company is based in Onalaska, Wisconsin. Sheboygan County was the 30th county to have selected their company.
- Steps continued to be taken to clean up our land record database during the conversion process to new software in 2017. There are thousands of records that are being corrected, so that the conversion goes smooth. Jayne continues to pull data from our current system and provides it to team members in our office to clean up. Every day team members in our office are touching

records; asking Jayne questions regarding an enormous amount of unusual circumstances and how they should be handled; Jayne in turn provides guidance to them; and works with the conversion programmer at GCS to get the conversion programming functional.

- Jayne Dragan, Chief Deputy Treasurer, has spent countless hours working with GCS Software on the conversion. Our office is converting over 16 years of history to this new system. Two conversions took place during 2016 with more to come in 2017. It cannot be over stated how important and difficult the step of progressing to a new enterprise land software is in that Jayne is working tirelessly to get our historical data converted successfully.
- Upon running a conversion reports have been run and the new database is examined for any errors. When discovered solutions are discussed and implemented.
- Continued with education for four new team members that have been in the office for almost one full year.

For the fourth year in a row "open houses" were conducted during the sale of our tax foreclosure properties. This was again well received by the public and was advantageous in the sale of properties. It engaged the public in one-on-one dialogue with the County Treasurer and team members, who assisted people interested in purchasing tax foreclosure property, to better understand the process and our roles and responsibilities. The 2 types of eye-catching signage continue to significantly increase inquiries about tax foreclosed property.

BUDGET

The total 2016 operating budget for the County Treasurer's Office was \$641,234. The budget was reviewed by the Finance Director and the County Administrator and then presented to the Finance Committee for their approval before being presented to the County Board for a final vote.

The year 2016 ended with an overall positive variance of \$134,899.08. To break that down further, the treasurer general operating area ended with a positive variance of \$42,802.24. The tax foreclosure area ended with a positive variance of \$269,649.14; however, a better way to track the tax foreclosure unit is by the actuals that ended positive by \$235,691.14.

The treasurer general operating area is broken down and explained as follows:

Treasurer General Operating

Revenue – positive variance	\$29,515.11
➤ Jeff Lampe was instrumental in challenging several agriculture use conversions, resulting in additional revenue of \$16,947.97.	
➤ State payment in lieu of taxes increased more than anticipated by \$6,456.14.	
➤ Special taxes collected increased by \$5,203.51, as our office collected a one-time amount from the State and several withdrawal taxes that are generally unusual.	
Expenses – positive variance	\$22,978.09
➤ This variance is mainly due to changes in wages and benefits due to changes in staffing.	
Other Financing Source – negative variance	(\$9,690.96)
➤ This variance is mainly due to the new software conversion, where less was spent on the project than anticipated for 2016.	
	\$42,802.24

The treasurer tax foreclosure area should be explained base on actuals, as the budgeting for this area is done differently due to the nature of the process. The goal is to break even or end positively.

Tax Foreclosures

Revenue – actuals	\$281,182.35
➤ This represents the funds taken in from the sale of properties and other related sale revenues during 2016.	
Expenses – actuals	(\$45,491.21)
➤ This represents the 2016 expenses associated with the tax foreclosure process, mainly related to acquisition and sale costs.	
	\$235,691.14

Our office made no adjustments to our budget during 2016.

Regarding our 2017 budget, a balanced budget was achieved, as well as meeting our departmental target. The 2017 budget for our office is \$756,061. Of that amount \$609,412 is budgeted as levy. Our office is experiencing an increase of approximately \$60,000 in interdepartmental expenses from the IT Department (168.553150). We have a history of functioning very frugally and we will continue to search for cost saving processes and procedures for the people that we serve.

ISSUES AND CHALLENGES AHEAD

There is concern about the levy caps and how they affect our office. Each year there is new anticipation as to what the target will be and how a balanced budget is achievable when working within that boundary.

We are continuing to work on our new enterprise land record software system. We feel that we have waited for this new system forever, but in reality we are glad we are doing it at this time with the team of people who are involved in both our office and the IT Department. To date the conversion of historical data from our existing system and its mapping into the new system is our largest hurdle. Jayne Dragan is tackling that hurdle with many steps forward. Once complete, we will work on the individual modules. It is an exciting time with much anticipation of being on a new system.

GOALS AND OBJECTIVES FOR 2017

Outlined below are our goals and objectives for 2017. Although the list may not be long, the main project we will be working on is the completion of our conversion and implementation of our new enterprise land record system. From past experience software conversion is a very tedious process; however, consolidation of systems will allow increased efficiency to the county and to our municipal treasurers in the future.

- Reduce the number of independent and separate software systems that users of land records in Sheboygan County are licensing, maintaining, and supporting.
- Reduce the amount of file transferring between multiple systems. Additional reductions may be achieved as integrations between systems are made, which could eliminate manual processes and data discrepancies between systems.
- Provide referendum information on tax bills and our internet page.
- Continue cleaning up our land record database.
- Continue educational opportunities for our new and existing team members.
- Provide unclaimed funds on our internet page.