



**ROYCE T. FLORA**  
**Maricopa County Treasurer**  
**Annual Report FY 2016-2017**



## Maricopa County

Treasurer's Office  
301 West Jefferson St., Rm. 100  
Phoenix, Arizona 85003  
Phone: (602) 506-8511  
<http://treasurer.maricopa.gov>

**Royce T. Flora**  
**Treasurer**

### **Who is Taxing Your Property at a Glance: Providing Accountability**

As your Treasurer and a fellow homeowner, I believe that property owners are entitled to complete transparency of those responsible for setting tax rates. The Treasurer's job is to collect taxes; the Office has no role in assessing taxes. Even so, I feel it is my duty to better inform taxpayers. To make things easier to understand, we've created a newly enhanced tax bill. The tax bill now has an emphasis on providing clarity and transparency. At a glance, we've included a pie chart that concisely explains the breakdown of your property taxes. The bill also includes the website and contact information of each taxing jurisdiction, making it easier for taxpayers to be better informed about their tax rates and hold local authorities accountable. We have produced a comparison report titled "Who's Taxing My Property" (see at [treasurer.maricopa.gov](http://treasurer.maricopa.gov)) that allows property owners to compare their relative tax rates across cities and school districts within Maricopa County.

### **Investing in the Future of Education Without a Tax Increase**

The Treasurer's Office won a National Achievement Award for negotiating a grace period with our servicing bank for penalty interest charges saving Maricopa County schools \$174,000 annually. In addition to that savings, the Treasurer's Office has returned interest on invested earnings of over \$12 Million to school districts in just this past fiscal year.

### **Get Updates Online, Pay Online: Go Paperless**

Wouldn't it be nice to receive your tax bill statement notice electronically by email? **eNoticesOnline.com** takes the hassle out of remembering when your taxes are due. Our Office has partnered with the Assessor's Office to provide a one-stop solution to view all your tax bills, information, and notices. Please see the enclosed **eNotices** flyer for instructions.

### **If You Prefer to Pay in Person, Pay Your Property Tax at any Arizona Chase Bank**

The Maricopa County Treasurer has partnered with Chase Bank to make paying your taxes more convenient. Bring your payment coupon to any Arizona Chase Bank, even if you don't bank with Chase, and pay your property taxes there.

### **Elderly Assistance**

I am asking the legislature to work with me to keep low income seniors from being taxed out of their homes. My goal is to move low income seniors from a class 3 to a class 6. This would lower their taxes and provide a Constitutional solution for this qualified group of seniors. This will benefit the state general fund by \$2.7 Million each year, according to the Joint Legislative Budget Committee. WHAT A WIN, WIN DEAL.

Sincerely,

*Royce T. Flora*

# Table of Contents

<b>Section One – Collections</b>	<b>Page 1</b>
<ul style="list-style-type: none"><li>• Allocation of Property Tax Levy</li><li>• Property Tax Collections by Category</li></ul>	
<b>Section Two – Investments</b>	<b>Page 2</b>
<ul style="list-style-type: none"><li>• Monthly Expenditures Total</li><li>• Investment Portfolio Distribution</li><li>• Interest Earnings Distribution</li><li>• Investment Earnings History</li></ul>	
<b>Section Three – Receipts and Disbursements</b>	<b>Page 4</b>
<ul style="list-style-type: none"><li>• Change in Fund Balance</li><li>• Disbursement Types</li><li>• Elderly Assistance Fund Distribution</li><li>• Bank Line of Credit Usage by Schools</li><li>• Debt Service Payments by Schools</li><li>• Taxpayer Information Fund</li></ul>	
<b>Section Four – Tax Payer Services</b>	<b>Page 7</b>
<ul style="list-style-type: none"><li>• Star Center Treasurer’s Calls By Month</li><li>• Research Request History, Tax Lien Sale History</li><li>• Mailing Activity</li><li>• Treasurer Foreclosures</li></ul>	
<b>Section Five - Information Technology</b>	<b>Page 9</b>
<b>Section Six – Personnel</b>	<b>Page 10</b>
<b>Section Seven – Budget</b>	<b>Page 11</b>
<b>Section Eight - Organizational Chart</b>	<b>Page 12</b>
<b>Section Nine – MCTO Project ULTIS</b>	<b>Page 13</b>

## Introduction

The purpose of the annual report is to update the public on the services the Maricopa County Treasurer's Office provides to property owners and other interested parties. The Maricopa County Treasurer's Office is the 4<sup>th</sup> largest county Treasurer's Office in the nation. The report lists several core activities and provides historical and current data to give the public insight into the operations and performance of the Treasurer's statutory duties. The Maricopa County Treasurer's Office is responsible for over \$11.0 billion annually; we serve over 1,699 taxing jurisdictions including school districts. This Office will continue to provide fiscally responsible policies that serve the Maricopa County taxpayers and protect their hard-earned dollars.

## Section One - Collections

Property owners may choose to pay their taxes in five ways: 1) as part of their mortgage, 2) by mail, 3) any Arizona Chase bank, 4) online through the Treasurer's website, their personal bank website, or 5) by credit card in person at the Treasurer's Office.

**Figure 1.1 ALLOCATION OF PROPERTY TAX LEVY**

	<u>Total</u>	<u>Percent of Levy</u>	<u>Amount</u>
County (Operations, Flood, Library)	1	12.62%	\$584,777,057
Cities	25	11.21	519,727,096
Fire Districts	21	1.24	57,230,840
Irrigation, County, Municipal	132	1.14	53,013,404
Health, Water & Special	20	4.24	196,614,011
Schools	57	57.87	2,682,237,194
Community Colleges	1	11.42	529,423,915
<u>Street Lighting</u>	<u>1,442</u>	<u>0.25</u>	<u>11,786,598</u>
<b>Totals</b>	<b>1,699</b>	<b>100.0 %</b>	<b>\$ 4,634,810,115</b>

**Figure 1.2 PROPERTY TAX COLLECTIONS BY CATEGORY**

<u>CATEGORY</u>	<u>DOLLARS COLLECTED</u>			<u>NUMBER OF TRANSACTIONS</u>		
	<u>FY 2017</u>	<u>FY 2016</u>	<u>% CHANGE</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>% CHANGE</u>
Bulk Payments*	\$2,160,050,557	\$2,028,871,399	6.47%	1,616,127	1,602,184	0.87%
By Mail	\$1,254,134,323	\$1,224,150,829	2.45%	597,085	640,412	-6.77%
In Office	\$275,249,776	\$306,999,130	-10.34%	100,282	104,316	-3.87%
Bank Branch	\$142,567,940	\$114,337,054	24.69%	89,578	75,736	18.28%
Online Echeck**	\$367,530,958	\$291,308,656	26.17%	184,384	158,083	16.64%
Online Bank**	\$95,931,918	\$88,524,467	8.37%	80,842	80,529	0.39%
<u>Online Card**</u>	<u>\$76,320,110</u>	<u>\$63,618,119</u>	<u>19.97%</u>	<u>70,929</u>	<u>62,268</u>	<u>13.91%</u>
<b>Total***</b>	<b>\$4,371,785,582</b>	<b>\$4,117,809,654</b>	<b>6.17%</b>	<b>2,739,227</b>	<b>2,723,528</b>	<b>0.58%</b>

\* Payments made by financial institutions, tax services companies, mortgage companies, and multiple property owners.

\*\*Total online payments increased 30.94% from last year.

\*\*\*Includes prior year tax payments, fees, and late payment interest.

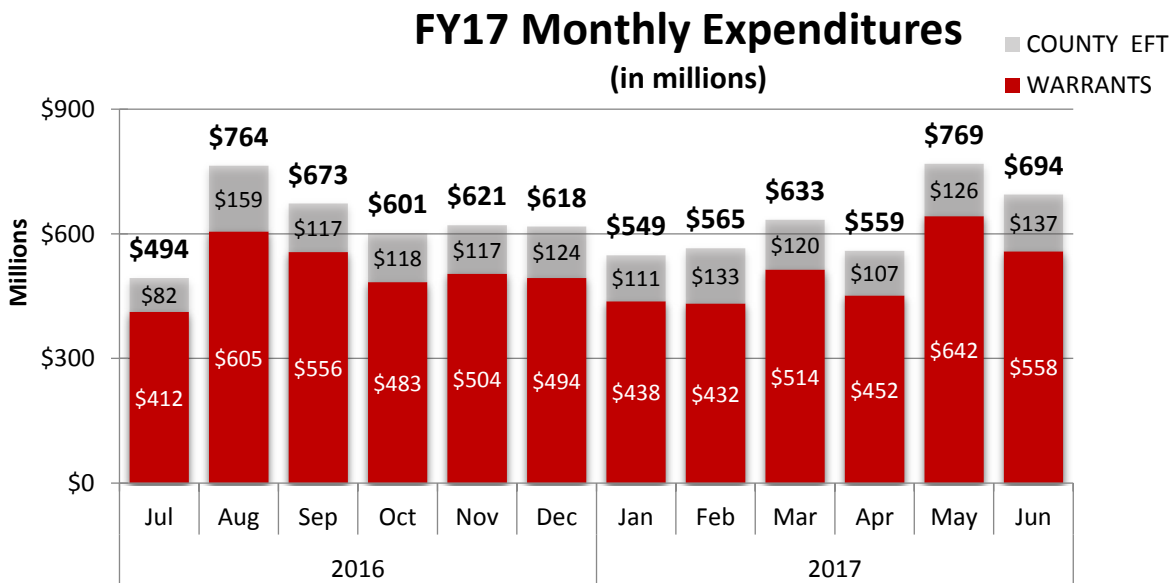
At the end of FY 2008 the Treasurer's Office began a program to increase the number of online transactions. Total electronic transactions that year totaled 130,518. This year the total was 336,155, or a 158 percent increase.

## Section Two - Investments

### **ALL INVESTMENTS RESTRICTED PURSUANT TO ARS § 35-323**

The County Treasurer is charged by law to collect, invest and disburse taxpayer funds. The County Treasurer’s investment management goals are having sufficient funds available to meet short-term financial obligations of county agencies and school districts and invest pool participants’ excess funds for future liquidity needs while maximizing earnings. Short-term financial obligations include warrants, which are physical checks with the characteristics described in Arizona Revised Statute 11-645; and electronic file transfers (EFT), which are payments made electronically to county vendors. The portfolio contains eligible securities authorized under state statute which emphasize safety over risk while earning a rate of return that increases the value of the pooled participants’ funds. The investment results have demonstrated these conservative values over the years and still meet day-to-day operating liabilities even in this low interest rate environment.

Figure 2.1 **MONTHLY EXPENDITURES TOTAL**



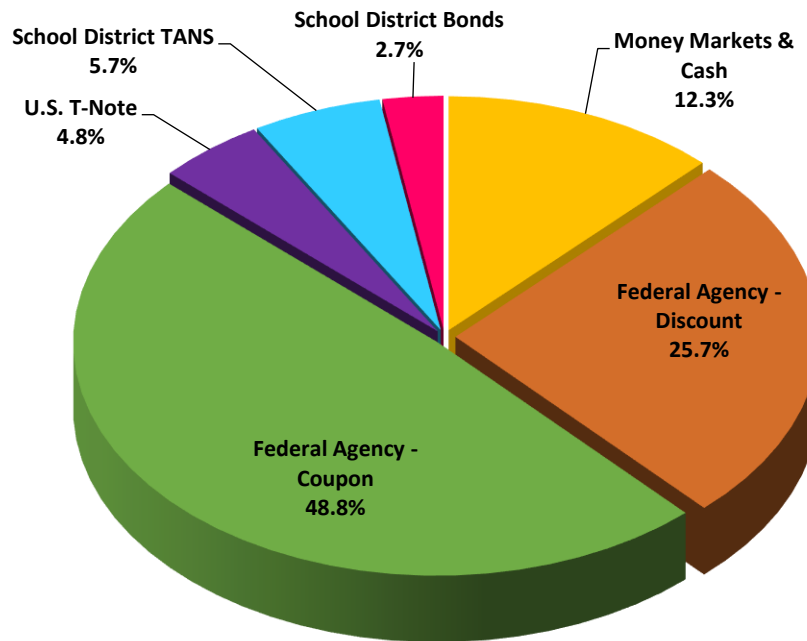
The Treasurer’s internal investment policy caps maturities at five (5) years without the approval of the Treasurer’s Advisory Board. Portfolio securities are held-to-maturity unless cash is required to cover daily expenditures of the County or school districts. Sold securities must result in an overall earnings net gain preserving safety of principal. Fiscal year 2017’s average monthly portfolio balance was \$3.8 billion with 0.59% total return.

The County Treasurer’s Office continued purchasing school districts’ Tax Anticipation Notes (TANS) and \$13.9 million in new, school district Improvement and Refunding bonds (I&R bond) were purchased as private-placement investment options for the Treasurer’s portfolio this fiscal year. TANS are one-year notes issued every July; I&R bonds are in one to five year timeframe.

Both these financing programs provide school districts favorable interest rates and lower bond issuance costs compared to public bond offerings, and saved the school districts an estimated \$932,750 for the TANS financing program this fiscal year. These investments earn a spread to Treasury notes beating prevailing market rates. The portfolio’s interest income for both school district financing programs exceeded \$5.5 million.

**Figure 2.2 INVESTMENTS PORTFOLIO DISTRIBUTION**

The Maricopa County Treasurer’s Office invests public monies in accordance with Arizona Statute in four primary areas: 1) Federal (U.S.) Agencies; 2) U.S. Treasuries; 3) local municipality notes and bonds; and 4) money market instruments including cash.



**Figure 2.3 INTEREST EARNINGS DISTRIBUTION**

All portfolio interest earnings are distributed among the investment pool participants, which are school districts, county agencies and special districts. School districts’ interest earnings reduce their upcoming budget requirements when property tax rates are calculated.

	FY 2017		FY 2016		FY 2015		FY 2014	
County	8,951,478	40%	7,857,343	42%	5,653,016	40%	6,043,182	44%
Special District	350,500	2%	202,858	1%	144,822	1%	150,925	1%
Community College	---	0%	---	0%	118,185	1%	118,678	1%
<u>Schools</u>	<u>12,883,138</u>	<u>58%</u>	<u>10,527,441</u>	<u>57%</u>	<u>8,029,731</u>	<u>58%</u>	<u>7,299,210</u>	<u>54%</u>
Totals*	\$22,185,116	100%	\$18,587,642	100%	\$14,008,754	100%	\$13,611,995	100%

\*The interest reported for fiscal year 2015 was restated to reflect interest earned from a specific investment of Elderly Assistance Monies. Fiscal year 2016 also includes the remaining earnings of this specific investment. The variances of earnings reported in section 2.3 as compared to earnings reported in section 2.4 are a result of bank earnings and investment adjustments that are deemed not material.

**Figure 2.4 INVESTMENT EARNINGS HISTORY**

Federal Reserve had three interest rate hikes during the fiscal year slowly increasing return to the pool participants. The portfolio’s highest balance was \$4.4 billion at second-half property tax deadline (May), finishing at \$3.4 billion on June 30, 2017.

Fiscal Year Ending	Average Return Rate	Interest Earnings	June 30 <sup>th</sup> Par Balance	Average Days to Maturity
2017	0.59%	22,323,140.11	3,474,236,000	457
2016	0.52%	18,660,851.44	3,057,703,000	342
2015	0.44%	14,044,907.01	3,119,595,000	367
2014	0.42%	13,611,995.40	3,011,549,000	374
2013	0.44%	14,686,675.99	2,938,424,000	491

## Section Three - Receipts & Disbursements

**Figure 3.1 CHANGE IN FUND BALANCE**

<b>BEGINNING BALANCE AT JULY 1, 2016</b>		<b>\$3,718,222,708</b>
<b>RECEIPTS</b>		
Taxes		
Real Property	\$ 4,523,269,713	
Payments In-lieu of Taxes	78,827,802	
Sales Tax	315,823,579	
Highway User Gas Tax	17,854,303	
		\$ 4,935,775,397
Intergovernmental		
State Aid to Education- State Equalization & Prop 123	\$1,720,255,823	
		\$ 1,720,255,823
Interest		
Investments	\$ 22,185,116	
Delinquent Taxes	12,298,852	
		\$ 34,483,968
Credit Line Borrowings		495,264,000
Bond Proceeds		1,084,766,888
Deposits for Agencies/Schools		3,162,859,602
<b>Total Receipts</b>		<b>\$11,433,405,678</b>
<b>DISBURSEMENTS</b>		
Warrants & Checks Redeemed		
School Districts	\$ 5,676,697,189	
County Funds	2,875,187,248	
Special Districts	710,848,677	
		8,262,733,114
Bond Redemption & Interest		
School District Bonds	\$ 687,912,808	
School District Credit Lines	409,195,000	
School District TANs	232,330,746	
		\$ 1,329,438,554
Remitted To		
State of Arizona	\$ 115,334,998	
Maricopa Community College	518,949,943	
Special Health Care District	1,554,328	
Other Political Subdivisions	588,110,823	
		\$ 1,223,950,092
<b>Total Disbursements</b>		<b>\$10,816,121,760</b>
<b>ENDING BALANCE AT JUNE 30, 2017</b>		<b><u>\$ 4,335,506,626</u></b>

**Figure 3.2 DISBURSEMENT TYPES**

Most disbursements are made with warrants. A warrant is a government issued check payable for authorized expenditures of that government entity. The warrant is presented for payment and after the treasurer validates the warrant it is paid using available monies from an authorized fund.

<u>Jurisdictions</u>	<u>Transactions</u>	<u>Amount</u>	<u>Average</u>
County Warrants	103,999	\$334,315,008	\$3,215
School District Warrants	514,905	5,676,697,189	11,205
Special District Warrants	38,205	283,092,565	7,410
Treasurer’s Checks (1)	16,257	98,258,971	6,044
EFT Finance (2)	253	1,442,613,269	5,702,029
Electronic Payments (3)	N/A	<u>2,981,144,758</u>	N/A
Totals	673,619	\$10,816,121,760	\$14,097

(1) Treasurer's checks are actual checks that are issued by the County Treasurer and are payable by the bank when received. The Treasurer is the only agency that can issue checks, all other agencies must issue warrants that are payable by the Treasurer.

(2) Electronic Fund Transfer (EFT) payments are electronic payments issued by the County Department of Finance in place of a warrant. The same authorization and approval for warrants is required for funding of an electronic payment.

(3) Automated Clearing House (ACH) payments are electronic payments that are made by the Treasurer in place of a Treasurer's check. These payments are reoccurring in nature and are set up at the bank to facilitate the payment process and the cost is substantially lower than a check.

**Figure 3.3 ELDERLY ASSISTANCE FUND DISTRIBUTION**

The Elderly Assistance Fund (EAF) pays part of the school tax for qualified homeowners. Application forms are available from the County Assessor. The amount available for FY 2018 is \$23,866. Additional amounts available from prior years is \$5,557,875.

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Parcels Benefited by EAF	11,430	10,143	10,162	10,095
Total Monies Distributed	\$2,812,207	\$2,483,821	\$ 2,521,228	\$ 2,315,753

**Figure 3.4 BANK LINE OF CREDIT USAGE BY SCHOOLS**

The Maricopa County Treasurer’s Office acts as the bank for schools and many other government entities in Maricopa County. Warrants (government checks) are paid by the Treasurer from cash available for each entity. If cash is not available, then monies are borrowed through approved credit lines.

When warrants presented for any school district exceed the approved credit line limit, then warrants are “registered” or returned to the holder to be paid at a later date with interest. There were no registered warrants in FY 2017.

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Outstanding Beginning Balance	\$119,677,000	\$193,130,000	\$173,079,000
Borrowings	408,360,000	495,264,000	645,750,000
<u>Payments</u>	<u>409,195,000</u>	<u>568,717,000</u>	<u>625,699,000</u>
Outstanding Ending Balance	118,842,000	119,677,000	193,130,000
Interest Paid	604,684	843,516	904,596



**Figure 3.5 DEBT SERVICE PAYMENTS BY SCHOOLS**

School debt consists of voter approved bonds. The debt service payments made during the 2017 and 2016 fiscal years are as follows:

	<u>FY 2017</u>	<u>FY 2016</u>	<u>% Change</u>
Principal Payments	\$360,215,000	\$351,177,000	2.57%
Interest Payments	130,340,481	135,453,799	-3.77%
Sinking Fund Payments	<u>2,503,534</u>	<u>2,646,124</u>	<u>-5.39%</u>
Total	\$493,059,015	\$489,276,924	0.77%

**Figure 3.6 TAXPAYER INFORMATION FUND**

This Taxpayer Information Fund is comprised of fees and interest earnings (all non-tax dollars) to be used for various out-reach activities that assist the property owners with managing their property tax payments and promote understanding of the Arizona property tax system.

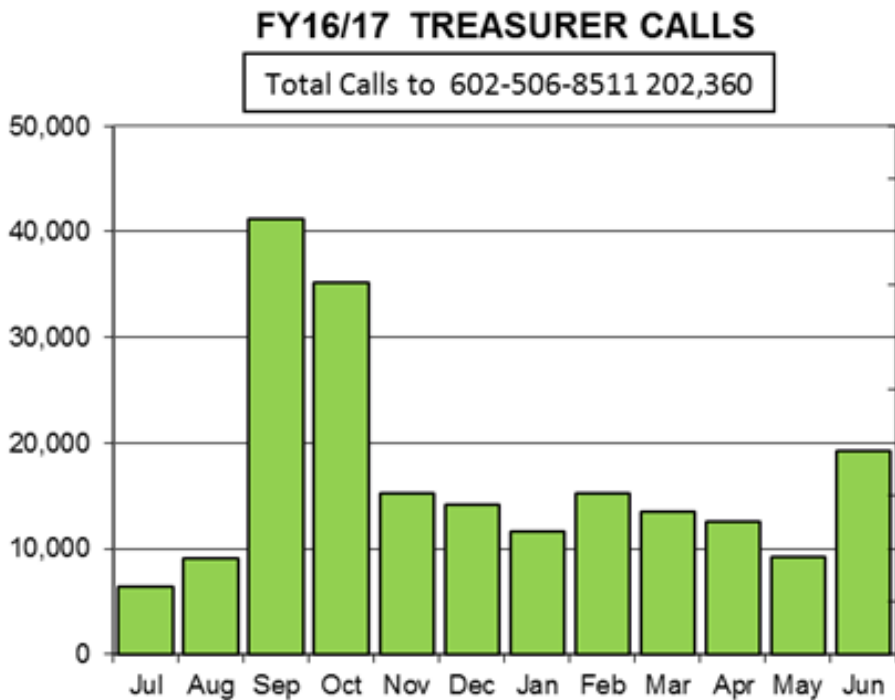
	<u>FY 2017</u>	<u>FY 2016</u>
Beginning Balance	\$389,711	\$382,428
Revenue	168,094	243,783
<u>Disbursements</u>	<u>(265,260)</u>	<u>(236,500)</u>
Ending Balance	\$292,545	\$389,711

## Section Four – Taxpayer Services

There are a myriad of taxpayer services. They include responding to taxpayer requests, mailing tax bills, mailing delinquent tax notices, selling delinquent tax liens, foreclosing on delinquent taxes, conducting sales on foreclosed properties, and several other related functions.

The Treasurer’s Office receives nearly 200,000 requests from taxpayers each year. Most are handled by the Call Center as shown in Figure 4.1. Several thousand require more extensive research by the Treasurer’s Office that average about two hours of staff time each and are shown in Figure 4.2.

**Figure 4.1 STAR CENTER TREASURER’S CALLS**



**Figure 4.2 TAXPAYER RESEARCH REQUEST HISTORY**

	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun*</u>	<u>Total</u>
<u>FY 2017</u>	461	428	766	834	969	730	770	823	1,030	748	727	991	9,277
<u>FY2016</u>	546	626	656	750	566	817	714	782	814	100	898	999	9,168
<u>FY2015</u>	287	217	455	466	363	321	250	692	711	470	510	938	5,680
<u>FY2014</u>	286	246	361	416	488	397	406	374	360	390	368	655	4,747
<u>FY2013</u>	589	308	519	486	441	414	373	363	385	399	396	779	5,452
<u>FY2012</u>	310	354	618	538	580	470	503	455	428	457	489	1,962	7,164

\* Delinquent notices are mailed in June.

**Figure 4.3 TAXPAYER RESEARCH REQUEST BY SOURCE AND STATUS**

On average it takes approximately two working hours to complete each research request. While many can be resolved by electronic confirmation others are much more time consuming and require ordering records from archives, reviewing microfilm, interacting with external departments, and working directly with the taxpayer.

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY2013</u>	<u>FY2012</u>
Online	3,152	2,892	1,969	2,021	2,309	3,807
Walk-In	1,877	2,034	1,327	598	923	1,352
Others	793	748	774	1,188	918	647
Fax	154	257	326	316	482	407
Mail	3,221	3,127	1,117	455	656	662
Phone	71	101	156	164	161	282
Assessor	9	10	11	5	3	7
<b>Total</b>	<b>9,277</b>	<b>9,169</b>	<b>5,680</b>	<b>4,747</b>	<b>5,452</b>	<b>7,164</b>
Closed	7,007	6,935	5,042	4,471	5,139	5,969
In Queue	1,141	940	354	120	184	1,038
In Service	1,129	1,294	284	156	129	157
<b>Total</b>	<b>9,277</b>	<b>9,169</b>	<b>5,680</b>	<b>4,747</b>	<b>5,452</b>	<b>7,164</b>

**Figure 4.4 TAX LIEN SALE HISTORY**

Liens not sold during the auction can be purchased from the County Treasurer. Delinquent property taxes constitute a lien against the property. That lien must be offered for purchase at auction in February each year per Arizona Revised Statute.

<u>Sale Year</u>	<u>Tax Year</u>	<u>Parcels Advertised</u>	<u>Dollar Value</u>	<u>Not Auctioned *</u>	<u>Liens Sold</u>	<u>Dollar Value</u>	<u>Avg Int Rate **</u>	<u>Unsold Liens</u>
2017	2015	21,242	\$20,910,106	7,096	12,180	\$20,449,727	5.08%	1,966
2016	2014	18,364	\$17,217,200	6,433	11,431	\$16,997,884	2.43%	500
2015	2013	18,888	\$18,036,059	6,511	11,637	\$17,832,166	3.84%	740
2014	2012	21,342	\$33,970,380	6,206	12,710	\$18,354,687	5.01%	2,426
2013	2011	27,057	\$46,532,327	7,964	16,535	\$31,745,917	7.48%	2,558
2012	2010	34,550	\$86,424,452	8,072	19,949	\$55,659,726	9.93%	6,529
2011	2009	39,037	\$80,478,533	9,429	22,510	\$63,529,394	10.79%	12,543
2010	2008	41,859	\$69,946,978	9,317	25,660	\$57,093,614	8.62%	11,040
2009	2007	34,694	\$47,521,202	4,233	22,354	\$39,884,087	8.66%	8,107
2008	2006	28,047	\$32,713,999	5,995	20,401	\$27,558,290	7.64%	1,651

\* Parcels may be advertised but not auctioned because of pending litigation such as bankruptcy.

\*\*Average interest rate earned by investors.

**Figure 4.5 INVESTOR CERTIFICATE OF PURCHASE FORECLOSURES**

In 2016, 54% of investor foreclosures were residential properties. The Treasurer’s Office sponsored legislation that will allow for partial payments on delinquent property taxes and separate certificates of purchase. Senate Bill 1135 became effective on January 1, 2016 and will help to counteract the rising number of investor foreclosures by giving property owners respite from paying all delinquent taxes and penalties at one time.

Calendar Year	2010	2011	2012	2013	2014	2015	2016
Investor Foreclosures	72	105	171	311	363	400	285

**Figure 4.6 MAILING ACTIVITY**

Tax bills and information statements for the 2016 tax year were mailed in late August. Tax information statements are mailed to property owners who pay their property taxes into an impound account usually as part of their monthly mortgage payment. Tax bills are mailed to those property owners who pay individually and owe more than two dollars. Delinquent Notices were mailed in December of 2016 and June 2017.

Tax Year	Singles	Multiple Bills	Information Statements	Total Mailing	Delinquent Notices
2016	812,674	24,876	703,708	1,541,258	103,282
2015	730,148	102,744	710,861	1,562,861	133,044
2014	732,301	86,123	698,053	1,516,477	134,402
2013	733,920	88,939	675,536	1,498,395	137,344
2012	727,936	109,714	725,636	1,563,286	121,493

**Figure 4.7 TREASURER FORECLOSURES AND TAX DEED LAND SALE**

During the year the Treasurer’s Office sold 24 tax deeded parcels over the counter for a total of \$6,567. The office is currently in the process of foreclosing on several State of Arizona tax liens. However none occurred during FY 2017. A tax deed land sale auction was not conducted during the year.

**Section Five – Information Technology**

The Information Technology Division provides computer systems support for each of the other divisions within the Treasurer’s Office. This includes operational and support services on all computer-based applications and processes utilized by the office. These services also extend to meeting needs of other county departments including Finance, Maricopa County Education Service Agency, Independent School districts, special districts, other taxing jurisdictions, and the general public. A few highlights of Information Technology Division accomplishments for Fiscal Year 2017 are:

1. **System Replacement Project** – The effort of replacing and updating the Treasurer’s computer systems was started in fiscal year 2014 and reached a major milestone in fiscal year 2016 when the Maricopa County Board of Supervisors awarded Thomson Reuters with a county contract (14001-RFP). Thomson Reuters will deliver a fully integrated computer system to fulfill the requirements for the Treasurer’s property tax management, accounting/banking, and investment functions. This objective will be achieved by implementing three commercial off-the-shelf products (Thomson Reuter’s Aumentum, Microsoft Dynamics AX, and Emphasis Sympro) in a seamless, integrated fashion. The overall project, officially named ULTIS, is anticipated to take 2-1/2 to 3 years to fully complete.

The ULTIS project implementation started at the very beginning of fiscal year 2017 with initial focus on the solutions addressing the accounting/banking and investment areas of the Treasurer's system. These solutions, Microsoft Dynamics AX and Emphasys Sympro, are being configured, customized, and integrated together to satisfy requirements for the Treasurer's warrant management, general ledger, banking, disbursement, and investment management needs. The Treasurer expects to deploy these solutions into production use in the first half of calendar year 2018. Once these aspects of the Treasurer's system are in production use, the focus of the ULTIS project team will shift to the property tax system.

2. **Web Application Replacement Project** – In tandem with the ULTIS project, the Treasurer's IT staff also started work on the Web Application Replacement Project, or WARP. The Treasurer's website hosts several web-based applications that connect with the existing legacy solution. These applications include Agency, Corporate Services System (CSS), Tax Lien Web (TLW), Parcel Inquiry and the rest of the Treasurer's public website accessible at <http://treasurer.maricopa.gov/>. Since the ULTIS project does not encompass these various web-based applications, the WARP project is targeted at the work required to rewrite these applications to enable them to interact with the new Treasurer solutions being implemented as part of ULTIS.

Given that ULTIS is initially addressing the accounting/banking and investments solutions, WARP's initial focus is on the development of the foundational infrastructure of the new web applications and the development of a new Agency website that will interface with the new Microsoft Dynamics AX general ledger and warrant system. The new Agency website will be implemented and made available to Treasurer agencies at the same time the Dynamics AX solution is placed in production in calendar year 2018.

3. **Technical Action Requests** – One of the services of the Treasurer's Information Systems division is to respond to and address service requests as provided by Treasurer's employees and both internal and external Treasurer customers. Even with the ongoing ULTIS and WARP projects described above, the Treasurer's IT staff maintained a high level of service to both internal and external customers by satisfying requests for assistance throughout the year. During fiscal year 2017, a total of 1,154 service requests were opened and 1,140 service requests were completed and closed by the Information Systems division.

## **Section Six - Personnel**

As one of the fastest growing counties in the nation, the Maricopa County Treasurer's Office (MCTO) is committed to maintaining a focus on our critical mission of serving Maricopa County taxpayers by adopting policies to guide this office in providing ***better, faster and more cost effective*** ways of serving the taxpayers. We are dedicated to working to guide good tax policies for working Maricopa taxpayers by working with the Arizona State Legislature and the Maricopa County Board of Supervisors.

The Treasurer's Office, in spite of tremendous growth, has gone from 65 FTE's to 57 FTE's while improving services to the taxpayers of Maricopa County. The Maricopa County Treasurer's Office is the 4<sup>th</sup> largest county Treasurer's Office in the nation. This office handles more than \$11 billion dollars a year, with over 1,699 taxing jurisdictions and serve over 1.6 million property owners.

As we experience the loss of decades of talented employees, we work to recruit the best and brightest and focus on cross training our employees so there is never a gap in service. The Treasurer's Office continues to upgrade positions with degreed professionals to offset the loss of key employees.

## Section Seven - Budget

The Treasurer's office budget is almost entirely funded out of the general fund with the exception of the Taxpayer Information Fund. The budget below represents the Treasurer's Office operating general fund appropriation and actual expenditures for FY 2017. The tax mailing budget of \$899,140 was restored to the Treasurer's General Fund operating budget in FY 2017.

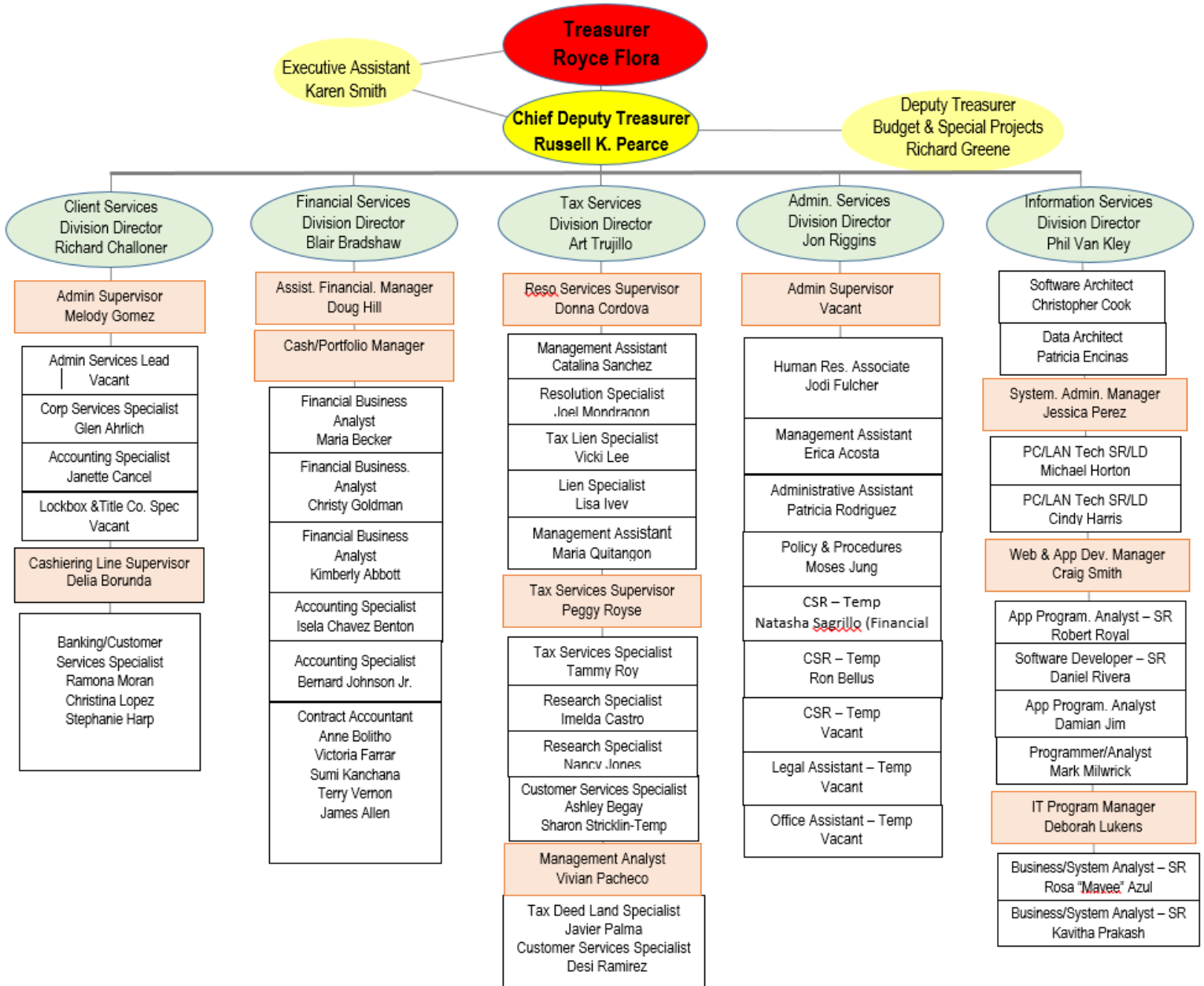
<b>GENERAL FUND EXPENDITURES</b>	<b>2017 Revised Budget</b>	<b>2017 Actual Expenses</b>	<b>Variance</b>	<b>2018 Revised Budget</b>
Regular Pay	\$ 3,681,033	\$ 3,857,957	(\$176,924)	\$ 3,654,846
Temp Pay	45,755	20,613	25,142	23,102
Overtime	0	1,147	(1,147)	0
Fringe Benefits	1,419,944	1,386,148	33,796	1,397,936
Personal Services Allocation Out	(494,982)	(865,496)	370,514	(345,036)
<b>Total Personal Services</b>	<b>\$ 4,651,750</b>	<b>\$ 4,400,369</b>	<b>\$251,381</b>	<b>\$ 4,730,848</b>
General Supplies	26,617	42,083	(15,466)	26,616
Fuel	360	267	93	360
Other Services	49,060	40,246	8,814	14,064
Repairs and Maintenance	175,653	182,834	(7,181)	336,768
Technology Services	0	10,071	(10,071)	0
Internal Service Charges	134,622	115,653	18,969	165,372
Travel	4,100	1,821	2,279	4,104
Education and Training	50,716	9,129	41,587	54,513
Miscellaneous	0	3,092	(3,092)	0
Postage/Shipping	905,140	890,124	15,016	905,140
<b>Other Operating Expenditures</b>	<b>\$ 1,346,268</b>	<b>\$ 1,295,320</b>	<b>\$50,948</b>	<b>\$ 1,506,937</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 5,998,018</b>	<b>\$ 5,695,689</b>	<b>\$302,329</b>	<b>\$ 6,237,785</b>

**The additional \$0.9 million in the FY 2017-18 budget is a reflection of moving the mailing budget from the county general fund to the Treasurer's general fund.**

### **Budget History:**

<b>Fiscal Year</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Operating Budget(MM)	\$3.2	\$3.9	\$4.7	\$4.5	\$4.7	\$5.0	\$5.9	\$6.2

# Section Eight-Organization Chart



## Section Nine – MCTO Project ULTIS



*ULTIS Accounting Team: Blair Bradshaw, Christy Goldman & Art Trujillo*

In today's environment there is a dependency on technology to successfully and promptly conduct business. The Treasurer's system manages over \$11 billion annually and serves numerous stakeholders consisting of taxpayers, county departments, and non-county entities all of which have high service delivery expectations. Their expectations are governed by about 400 mandates in Arizona laws covering the Treasurer's responsibilities of tax administration, banking, investment management, and accounting. The technology in these service areas continues to change at a rapid pace, and the Treasurer's system must keep pace to assure sufficient capacity to sustain, evolve, and improve service delivery. More importantly, the technology must function according to the law and ensure reliability and security.

Many of the core computer software applications have been in operation for over 27 years and are based on outdated technology. Through the years the system has been modified and extended to the point that today it is a complex compilation of multiple technologies. Though the current system is relatively stable and dependable at the present time, its age and older technologies present ever-increasing difficulties to maintain, update, and adapt to the evolving needs and requirements.

To address this concern, the Treasurer's Office published a Request for Proposal (Serial 14001-RFP) in September, 2014 to acquire the necessary hardware, software and services to replace the existing computer systems and applications. The Treasurer's system replacement initiative is based on business value, service, and a focus on improvement with extensive technology to guide decisions and operation support. Results are aimed at satisfying customer expectations and aligning more closely with county-established technology best practices and industry standards.

In May, 2016 the Maricopa County Board of Supervisors awarded a county contract to Thomson Reuters as the prime contractor to deliver a fully-integrated solution to meet the needs of the Treasurer's Office and its stakeholders. The solution will fully integrate three commercial off-the-shelf products. These products are Thomson Reuter's Aumentum Tax, Microsoft's Dynamics AX, and Emphasys' SymPro. The end result will be a cohesive, efficient, and feature-rich system that takes full advantage of the latest advancements in technology to meet current and future demands.



The Treasurer's Office officially launched the effort to replace the legacy Treasurer's Information System in late June, 2016 and has been full steam ahead ever since. At project launch, the project was expected to take approximately three years to complete and deploy. Resulting from the solid progress made on the project and the business value of utilizing functionality as soon as possible, an early go-live deployment for the Accounting (Microsoft Dynamics AX) and Investment (Emphasys SymPro) systems was approved and scheduled for early 2018.

Accounting and Investment business requirements have finalized, system design, development, data mapping, configuration and code deployment completed for well over 350+ requirements.

Business Process Diagrams and detailed staff work instruction documents are nearing completion, and end user training courses and materials are in progress. MCTO IT is working closely with the other Maricopa County elected offices, Maricopa County departments, and agencies on system interfaces with the new Accounting, Investment and MCTO Legacy systems.

Several stages of testing have occurred across accounting and investments systems with minimal issues requiring IT development correction. End to End System testing is scheduled to commence in August 2017, followed by User Acceptance Testing in the fall, and End User Training in January 2018.

The Thomson Reuters Aumentum Property Tax system data mapping activities continue as planned. The Property Tax business requirement phase is scheduled to kick off in March, 2018.



*Members of the MCTO Conversion Team: From right to left, Phil Van Kley, Patty Encinas, Craig Smith, Kavitha Prakash, and Rabbani Shaik (not included is Bob Royal and Debbie Lukens).*

## **Acknowledgement**

**Treasurer Royce T. Flora gratefully acknowledges the skilled and dedicated efforts of the employees and managerial staff at the Maricopa County Treasurer's Office.**