

Office of the Benton County Treasurer



A Report To Our Citizens

Duane A Davidson, CPA, Benton County Treasurer

For Fiscal Year 2012



Mission Statement

Provide the most reliable, efficient & cost effective service to the citizens and local governments of Benton County, Washington

How are we set up?

The County Treasurer's office is charged with the collection of various taxes along with acting as the "bank" for the county, school districts, fire districts, water districts, and other entities of local government. Tax adjustments authorized by the Assessor's office or courts are also processed and refunds are issued to the appropriate taxpayers. Excess monies not currently being used by the county or various local governments are "pooled" for investment with the emphasis of ensuring public monies are safe and secure, available when needed, and achieve the best rate of return after meeting the first two objectives.

Fiscal Year	2012	2011
Parcel Count	76,214	75,444
Full Time Employees	15	15
Operating Budget	\$1,253,802	\$1,253,802
Actual Costs	\$1,245,969	\$1,192,290
Investments	\$224,294,783	\$244,495,502

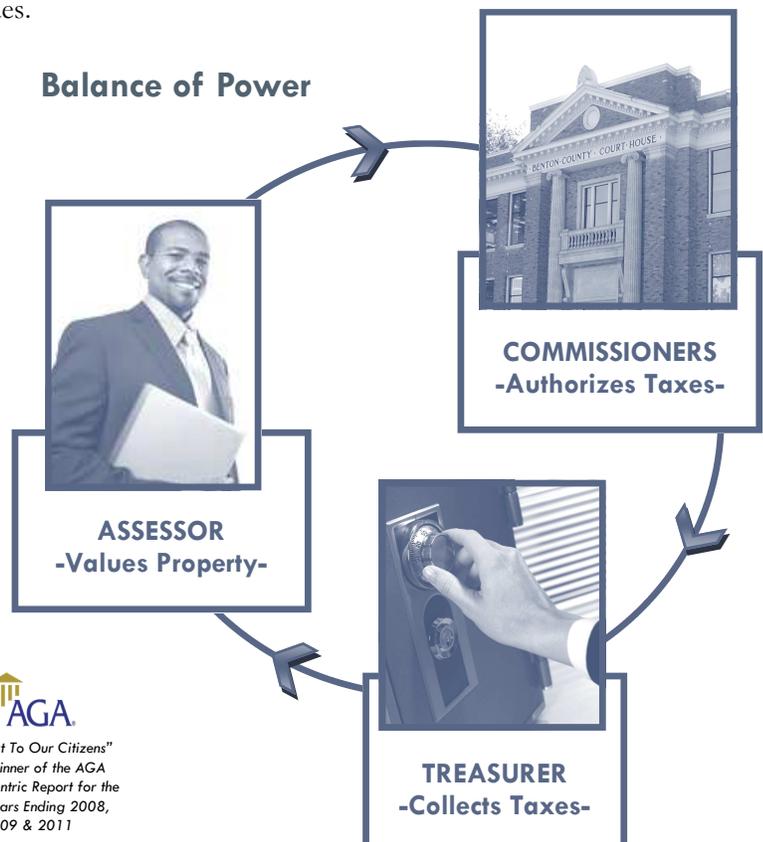
What do we do?

The Treasurer is a constitutional officer elected by the people for a four year term. This position provides independence from the Board of County Commissioners (the legislative branch) as well as all other various local governments that have the ability to levy taxes and assessments. This provides separation from the branch of government responsible for levying taxes to the branch charged with collecting tax revenues.

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Balance of Power



"A Report To Our Citizens" was a winner of the AGA Citizen-Centric Report for the Fiscal Years Ending 2008, 2009 & 2011

Accomplishments

Payments Processed

	2012	2011
Mortgage Accounts	57,499	55,659
Automated Process	39,598	40,863
In Office	30,938	30,970
Irrigation Payments	9,638	9,668
Web/ACH	7,531	6,862
Total	145,204	144,022

The Paperless Office

The Treasurer's office is continuing the pursuit of becoming a paperless office, or at least greatly reducing the amount of paper documents we produce and archive. Digital documents are easier to share, store and reduce our environmental footprint.

We are working towards this goal in the following areas:

- 1. Internal Documents.** The process continues of digitizing our central files that allows employees easier access to the files from both of our office locations. Many internal documents are now routed to employees by email and file sharing and never printed.
- 2. Paperless Tax Statements.** The monthly payment plan is available for taxpayers that want the convenience of paying their taxes in smaller increments and not two larger payments each April & October. The Treasurer's office has partnered with doxo.com to offer paperless billing. Taxpayers have the option of receiving and paying their taxes electronically which saves paper and postage.
- 3. Meetings and Printouts.** Agendas and Minutes of the Finance Committee meetings are now in digital format and archived. The grant application process for the Historical Grant Program is now done by an application form on our website and all grant forms and evaluations are paperless.

Treasurer's Investment Pool

In 2012 the Treasurer's office launched the Treasurer's Investment Pool (TIP) which provided a new opportunity through which the County departments, districts and other local governments could earn higher interest returns without sacrificing safety or liquidity. Participants of the TIP take advantage of the economies of scale and efficiencies by joining with others to improve their investment performance.

Through pooling, the County Treasurer has the ability to provide higher earnings, while meeting liquidity needs and improving fund diversification for all participants. The pool objective of the combination of blended investments is the ability to quickly change investment strategies when market conditions dictate which allows participants in the TIP to earn more interest income over time.

The benefits to the TIP participants are:

- A responsive investment strategy that matches the specific needs of each participant.
- Expected higher earnings over interest rate cycles.
- Experienced investment professionals advising and managing pool funds.
- Reduction in administrative duties related to investments at the entity level.
- Diversification of investment, which helps reduce risk.

Other Processing

	2012	2011
Tax Statements Sent	77,071	76,454
Property Transfers	6,187	6,143
General Receipts	5,682	6,105
Investments	1,705	2,274
Overpayments /Refunds	846	904
Total	91,491	91,880

Independent Audit The Treasurer's office does not issue separate financial statements, however, the Treasurer's office contributes a major portion of the revenues and statements included in the Benton County Comprehensive Annual Financial Report (CAFR). The 2012 audit report on the County's CAFR has not been issued as of the date of this report. Complete financial information can be found at the County's website: www.co.benton.wa.us.

Your Money

Our Costs

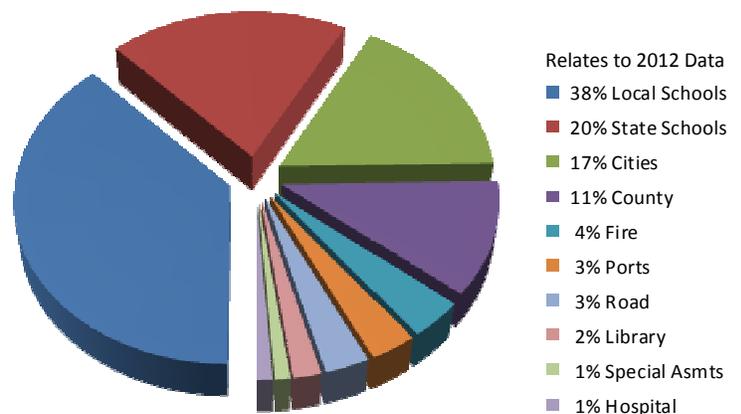
* Current Expense (General Fund)

Treasury Department Costs*	2012	2011	2010
Salaries & Benefits	\$895,144	\$844,057	\$800,174
Supplies & Services	104,047	101,286	165,074
Interfund (Other County Departments Charges)	246,778	246,947	238,969
Capital	-	-	1,789
Total	\$1,245,969	\$1,192,290	\$1,206,006

	2012	2011	% Change
Local Schools**	\$64,846,216	\$63,969,167	1.37%
State Schools**	33,789,132	29,760,957	13.54%
Cities	28,840,065	27,892,979	3.40%
County	19,274,946	18,962,653	1.65%
Fire	6,440,073	6,117,757	5.27%
Ports	5,294,256	5,145,945	2.88%
Road	5,218,253	5,072,226	2.88%
Library	3,261,869	3,211,012	1.58%
Special Asmts	1,796,403	2,169,408	-17.19%
Hospital	1,891,325	1,830,025	3.35%
Total	\$170,652,537	\$164,132,128	3.97%

** State School is a levy all property taxpayers pay for public schools and Local School is tax levy approved by voters for a specified school district.

Where did your tax money go?



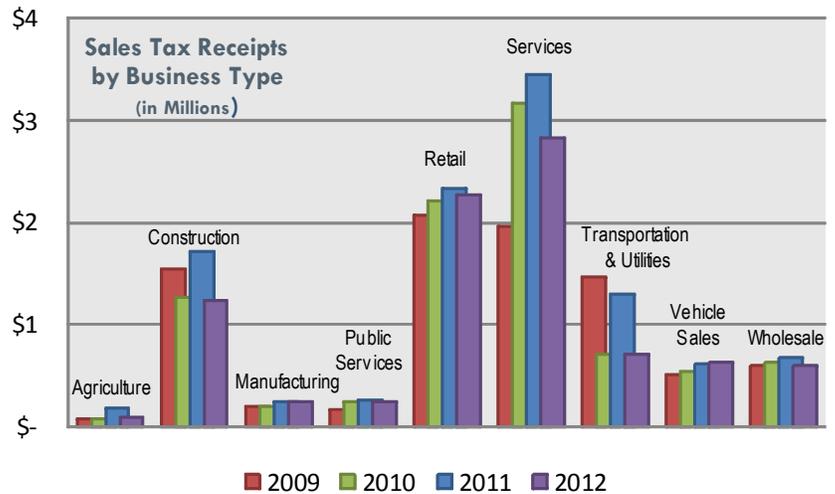
Investments

- We serve as the investment office for many local governments in addition to Benton County (schools, fire districts, etc.).
- Total Investments as of 12/31/12 was \$224,294,783.
- Our office continues to experience increased demands on our services. The table on page 2 displays the activity based on production totals.
- In addition to the budget displayed (above), the Treasurer also has a revolving fund to help defray the cost associated with foreclosure of delinquent parcels and personal property.
- This revolving fund does not receive tax revenues and is funded by fees collected on the parcels in foreclosure.
- Total balance in the revolving fund at year end was \$208,706.55.

What's Next

Future Challenges & Economic Outlook

- Sales & use taxes are the second largest revenue source for Benton County, second only to real & personal property taxes. Overall, sales tax collections decreased approximately 11% in 2012 compared to 2011.
- ARRA stimulus funds expired in September 2011, which is the primary reason behind the reduced sales tax revenues. In total, the Hanford Nuclear Site received about \$1.96B of stimulus funds in 2009-2011 for various environmental cleanup projects.



- As the chart to the right depicts, the loss of stimulus funds not only affected Hanford related sales tax revenues from industries such as services and transportation/utilities, but it also greatly affected sales tax receipts in the retail and construction industries.
- Bechtel National Inc. is constructing the world's largest radioactive waste treatment plant at the Hanford Nuclear Site. It will be the largest plant of its kind, and is expected to be completed in 2019 with an estimated cost of \$12.2B.
- Revenues from this project have totaled nearly \$8.5M for Benton County, and have significantly helped counteract the global recession's effect on Benton County.
- The Treasurer's Office finds it essential to monitor sales & use tax trends for the welfare of the county and will continue to develop innovative new solutions to maintain this office as efficient stewards of public funds in correlation with our mission statement.

2013 Goals

We value your feedback!

Did you find this report informative? Would you like to see other information included in this report?

Please let us know by contacting the Benton County Treasurer:

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PO Box 630	Kennewick, WA 99336
Prosser, WA 99350	P: 509-735-8505
P: 509-786-2255	F: 509-736-2705
F: 509-786-5628	duane.davidson@co.benton.wa.us

* Includes drop off box. Additional drop off boxes are available at the following locations:

Benton City City Hall: 708 9th St., Benton City
 Benton County Auditor: 101 Wellsian Way Ste E., Richland

For 2013, we have established the following goals in accordance with our mission statement and strategic plan:

- Continue implementing digital solutions in the transition to a "paperless" and digital office
- Build new enhanced website that provides more information and greater payment methods to the public
- Further enhance the investment returns for local governments participating in the newly created investment pool
- Streamline the refund check process to provide taxpayers with refunds faster and provide easier calculation of the administrative refund levy