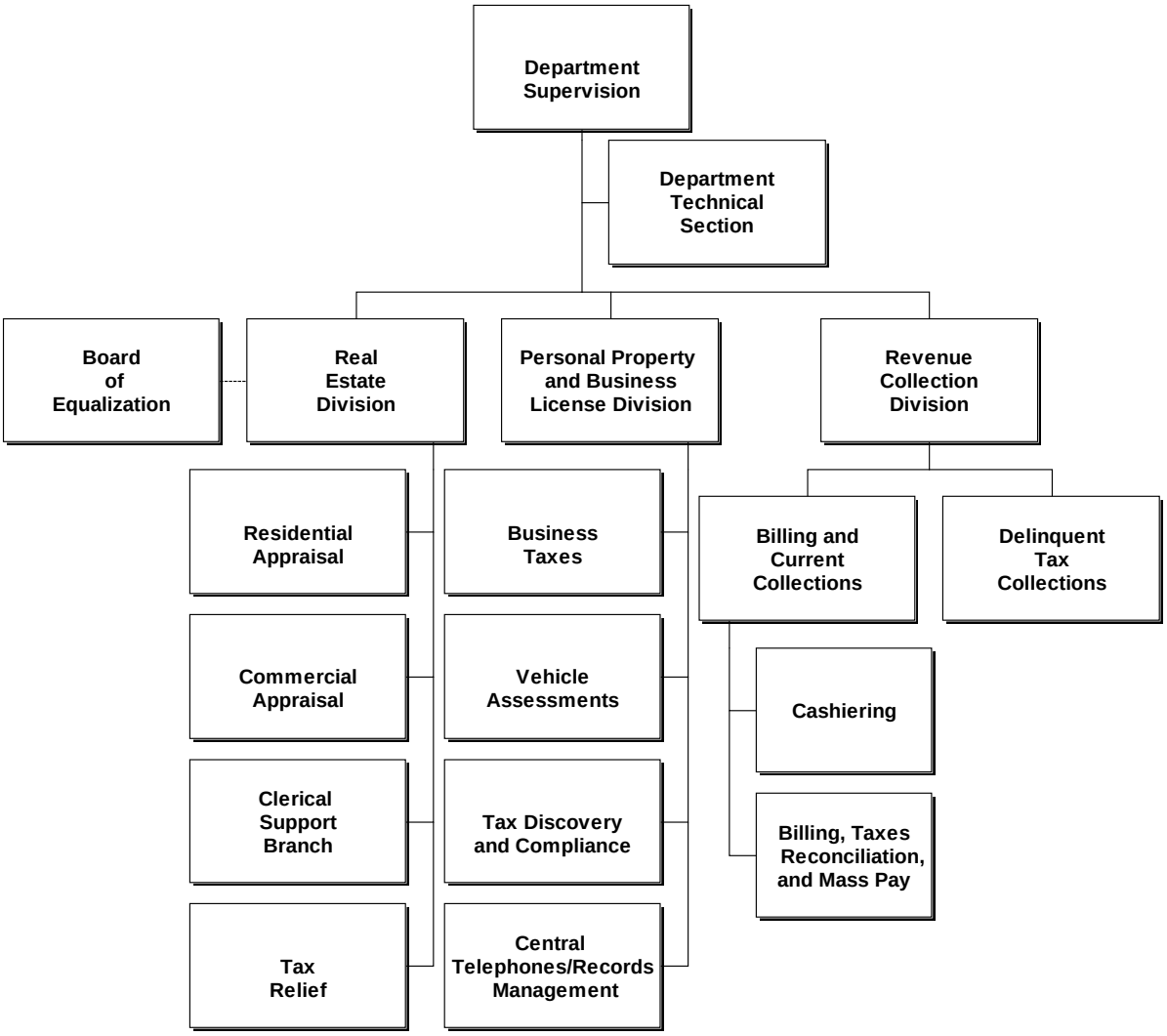
Department of Tax Administration



Mission

To uniformly and efficiently assess and collect County revenue, provide high quality customer service and promote an empowered, well-informed community.

Budget and Staff Resources

Agency Summary				
Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Baseline Budget
Authorized Positions/Staff Years				
Regular	320/ 320	320/ 320	320/ 320	320/ 320
Expenditures:				
Personnel Services	$17,919,135	$18,508,736	$18,543,736	$19,389,170
Operating Expenses	6,281,872	6,058,285	6,595,506	6,111,285
Capital Equipment	30,750	0	0	0
Total Expenditures	**$24,231,757**	**$24,567,021**	**$25,139,242**	**$25,500,455**
Income:				
Land Use Assessment Application Fees	$1,241	$600	$1,241	$1,241
Administrative Collection Fees for Delinquent Taxes	1,376,226	1,176,745	1,390,477	1,390,477
State Shared DTA Expenses	2,207,777	2,198,204	2,176,222	2,176,222
State Shared Retirement - DTA	68,092	67,536	67,536	67,536
Total Income	**$3,653,336**	**$3,443,085**	**$3,635,476**	**$3,635,476**
Net Cost to the County	**$20,578,421**	**$21,123,936**	**$21,503,766**	**$21,864,979**

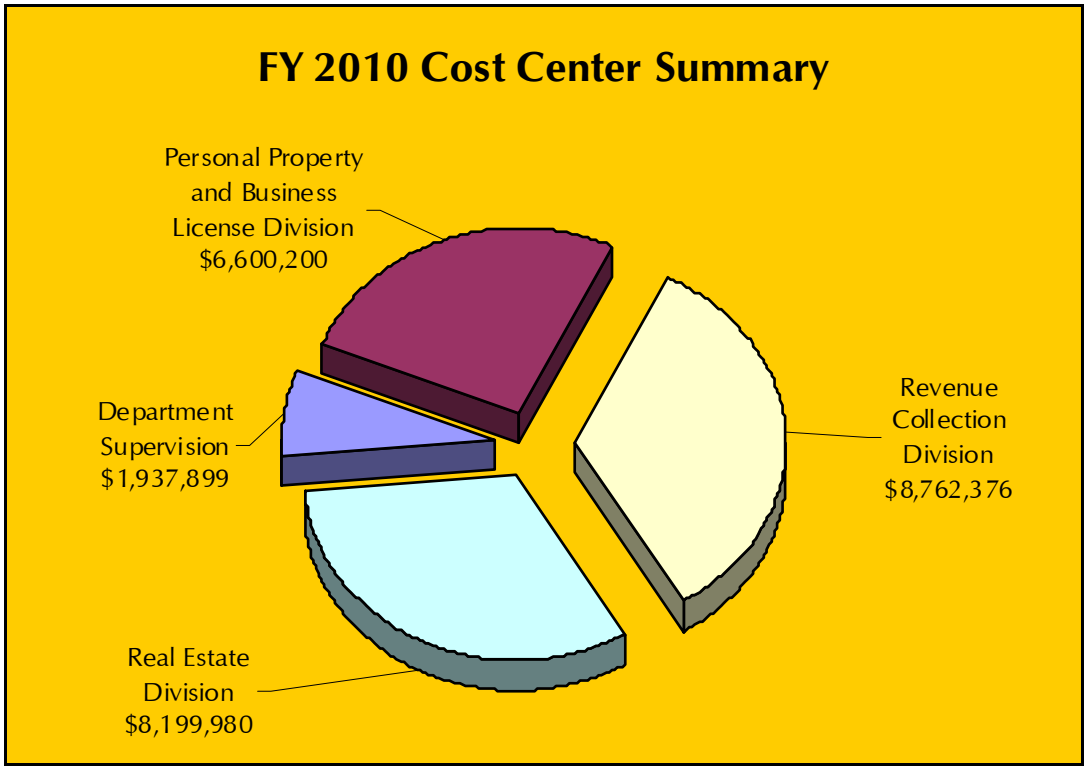
Changes to FY 2009 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2009 Revised Budget Plan since passage of the FY 2009 Adopted Budget Plan. Included are all adjustments made as part of the FY 2008 Carryover Review and all other approved changes through September 15, 2008:

- **Carryover Adjustments** **$572,221**
  As part of the *FY 2008 Carryover Review*, the Board of Supervisors approved encumbered funding of $537,221 in Operating Expenses. In addition, $35,000 was approved as a Living Wage Adjustment in support of the Board's request to extend a living wage to limited term employees.

Cost Centers

The Department of Tax Administration is comprised of four costs centers: Department Supervision, Real Estate, Personal Property and Business License, and Revenue Collection. These four cost centers work together to fulfill the mission of the department and carry out its key initiatives for the fiscal year. The Personal Property Division includes the department's main call center that provides customer service support across divisional boundaries.



Department Supervision

Funding Summary				
Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Baseline Budget
Authorized Positions/Staff Years				
Regular	11/ 11	11/ 11	11/ 11	11/ 11
Total Expenditures	**$1,879,024**	**$1,894,694**	**$2,296,393**	**$1,937,899**

Position Summary					
		Department Technical Section			
1	Director of Tax Administration	2	Management Analysts IV	2	IT Technicians II
2	Administrative Assistants IV	3	Business Analysts IV	1	Administrative Assistant III
TOTAL POSITIONS					
11 Positions / 11.0 Staff Years					

Key Performance Measures

Goal

To administer, supervise and adjudicate the assessment, levy, and collection of all taxes that are charged to residents and businesses of Fairfax County in order to ensure full compliance with the Virginia Constitution, State and County codes and to provide for the funding of the public need as established through the annual budget process.

Objectives

- To enhance taxpayer convenience by promoting 24/7 e-commerce transactions.
- To accurately forecast current real estate, personal property, and Business, Professional and Occupational License taxes to achieve a variance of 0.5 percent or less between estimated and actual revenues.
- To provide high quality customer service as measured by an average maximum wait time of no more than 1:30 minutes on the phone and at least a 3.5 point satisfaction rating (on a 4-point scale) by DTA customers.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimate/Actual	FY 2009	FY 2010
Output:					
24/7 e-commerce transactions	350,017	264,033	277,270 / 274,603	280,000	280,000
Real Estate, Personal Property, and BPOL Tax Revenues (in billions)	$2.379	$2.526	$2.608 / $2.633	$2.693	$2.462
Phone calls received	483,666	386,154	405,461 / 344,172	365,000	365,000
Efficiency:					
Cost per $1,000 collected	$9.19	$9.16	$8.87 / $9.20	$9.66	$9.66
Cost per phone call	$2.56	$2.77	$2.46 / $2.90	$2.79	$2.79
Service Quality:					
Average wait time on phone in minutes seconds (1)	2.59	0.45	1.30 / 0.30	0.30	0.30
Average rating of DTA services by customers	3.5	3.5	3.5 / 3.5	3.5	3.5
Outcome:					
Percent change in 24/7 e-commerce transactions (2)	4.6%	(25.0%)	5.0% / 4.0%	2.0%	2.0%
Percent variance between estimated and actual revenues	0.1%	0.5%	0.1% / 0.1%	0.1%	0.1%
Percentage of phone calls answered	81.5%	95.8%	90.0% / 93.9%	94.0%	90.0%

(1) The efficiencies of technology are being seen in the decrease in phone calls. More and more residents use the Internet and the DTA Web site for information rather than calling the department. The decrease in calls has allowed a great reduction in telephone call wait time from over 2 minutes to under 1 minute. DTA is also not as rushed on calls and can take more time with residents, especially those who speak English as a second language.

(2) E-commerce transactions were down in FY 2007 primarily because of the change in the vehicle decal requirement.

Performance Measurement Results

In accordance with DTA's strategic plan to promote taxpayer empowerment and more convenient access to information, performance measures have been developed to assess e-commerce efforts. The tremendous growth in the use of technology has resulted in significant efficiencies for both the public and DTA staff. The 24/7 e-commerce transactions include emails to DTA, online vehicle registrations, automated tax evader tips, e-check payments, and online credit card payments. In FY 2007, the requirement to purchase vehicle decals was eliminated, resulting in a drop in transactions. In addition, the downturn in the economy and the real estate market during FY 2007 and FY 2008 resulted in fewer residents moving in and out of the County, as well as purchasing and registering new vehicles. The overall reduction in e-commerce transactions during FY 2007 and FY 2008 was a result of both the economy and the change in vehicle registration laws. However, with the continued downturn in the economy, DTA projects a slight increase in e-commerce transactions from the FY 2008 numbers by a range of 2 to 5 percent in anticipation of payment plan requests and tax relief questions.

DTA continues to provide County management with timely and sound data with which to forecast County revenues. As a result, the FY 2008 variance between estimated and actual revenues for Real Estate, Personal Property and Business, Professional and Occupational License Taxes was less than 1 percent. The overall collection rate for these revenue categories was 99.51 percent for FY 2008. A near 100 percent collection rate is a reflection of an extremely dedicated and professional staff. The department will continue to monitor these revenue categories closely and provide accurate estimates. This will be of utmost importance in light of the current economic climate.

To better assess customer service, data on telephone calls are an important DTA performance measure. It is estimated that call volume will increase from approximately 350,000 calls annually to somewhere in the range of 360,000 to 370,000 annual calls. Numerous variables affect the number of calls received by the department in any given year. The downturn in the real estate market and the overall decline in the economy lead to a reduction in business, purchases of homes and vehicles and other luxury items. Subsequently, residents may find themselves in uncharted financial waters and require assistance from DTA pertaining to tax liabilities. This ever-changing environment makes it difficult to predict the exact number of calls to be received in any given year, but the department anticipates a slight increase for FY 2010. However, DTA's expanded Web site information and the availability to conduct business and pay fees online will mitigate any significant growth in telephone volume. In FY 2008, staff further reduced the average wait time for calls from 45 seconds to 30 seconds. The percentage of calls answered remained close to 95 percent in FY 2008. The objective is to answer all calls in as timely a manner as possible, with staff trained and poised to address the needs of the callers.

Real Estate Division

Funding Summary				
Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Baseline Budget
Authorized Positions/Staff Years				
Regular	112/ 112	112/ 112	112/ 112	112/ 112
Total Expenditures	**$7,908,742**	**$7,797,041**	**$7,825,041**	**$8,199,980**

Department of Tax Administration

Position Summary

1	Director of Real Estate		**Residential Appraisal**		**Clerical Support Branch**
3	Assistant Directors	10	Supervising Appraisers	3	Administrative Assistants V
2	Management Analysts III	18	Senior Appraisers	3	Administrative Assistants IV
1	Administrative Assistant III	32	Appraisers	15	Administrative Assistants III
				2	Administrative Assistants II
	Board of Real Estate		**Commercial Appraisal**	1	Management Analyst III
	Assessments Equalization	4	Supervising Appraisers	1	Management Analyst II
1	Administrative Assistant III	13	Senior Appraisers		
					Tax Relief
				1	Management Analyst III
				1	Business Tax Specialist II

TOTAL POSITIONS
112 Positions / 112.0 Staff Years

Key Performance Measures

Goal

To assess and update all real property in the County in a fair and equitable manner and to ensure that each taxpayer bears his or her fair share of the real property tax burden.

Objectives

- To assess property at fair market value as measured by an average assessment-to-sales ratio in the low 90s.
- To equitably assess properties by maintaining a maximum coefficient of dispersion of no more than 7.5.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimate/Actual	FY 2009	FY 2010
Output:					
Parcels assessed	349,995	354,830	359,000 / 351,598	354,000	354,000
Efficiency:					
Residential cost per parcel assessed	$22.78	$22.98	$23.29 / $23.45	$24.05	$24.05
Residential parcels per appraiser (1)	6,604	6,695	6,411 / 5,495	5,778	5,778
Service Quality:					
Assessment/Sales ratio	92.7%	91.5%	94.0% / 93.3%	94.0%	94.0%
Outcome:					
Coefficient of Dispersion	7.5	4.4	6.0 / 4.2	5.0	5.0

(1) Number of parcels per appraiser declined in FY 2008 due to the hiring of 10 new appraisers.

Performance Measurement Results

FY 2008 data indicate an assessment-to-sales ratio of 93.3 percent. This is well within the target of the low 90 percent range and reflects the department's assessment of real estate at fair market value. Further evidence of DTA's fair and equitable assessment practices is found in the low coefficient of dispersion of 4.2 in FY 2008. A low coefficient indicates that similar properties are assessed similarly and, hence, equitably. A coefficient of 15 is considered good, while a value in the 4 to 14 range indicates excellent uniformity.

Personal Property and Business License Division

Funding Summary				
Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Baseline Budget
Authorized Positions/Staff Years				
Regular	115/ 115	115/ 115	115/ 115	115/ 115
Total Expenditures	**$5,960,549**	**$6,324,299**	**$6,385,347**	**$6,600,200**

Position Summary

1	Director		**Tax Discovery and Compliance**		**Central Telephones and Records Management**
1	Assistant Director	1	Management Analyst III	1	Management Analyst II
1	Management Analyst III	3	Management Analysts II	5	Administrative Assistants IV
1	Administrative Assistant III	6	Auditors III	31	Administrative Assistants III
1	Administrative Assistant II	10	Business Tax Specialists II	6	Administrative Assistants I
		1	Administrative Assistant IV		
	Vehicle Assessments	8	Administrative Assistants III		**Business Taxes**
1	Management Analyst II			1	Accountant II
2	Administrative Assistants IV			2	Administrative Assistants V
10	Administrative Assistants III			1	Administrative Assistant IV
5	Administrative Assistants II			15	Administrative Assistants III
				1	Business Tax Specialist II

TOTAL POSITIONS
115 Positions / 115.0 Staff Years

Key Performance Measures

Goal

To establish and maintain an equitable and uniform basis for assessing County ad valorem taxes on personal property; and to administer County licenses, state income tax, and all other state and County programs assigned to the division in accordance with mandated statutes.

Objectives

- To maintain the cost per Personal Property and BPOL dollar levied at or below $0.01 with no degradation in accuracy as measured by exonerated assessments as a percent of total assessments.

- To achieve the highest degree of accuracy in personal property and business license assessment such that exonerations do not exceed 4.0 percent of annual levy.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimate/Actual	FY 2009	FY 2010
Output:					
Total tax levy for Personal Property and BPOL	$622,573,013	$648,478,065	$650,591,702 / $652,960,368	$646,899,581	$617,722,411
Value of Personal Property and BPOL tax bills adjusted	$26,271,704	$25,772,195	$23,706,076 / $22,444,618	$23,000,000	$23,000,000
Efficiency:					
Cost per tax dollar levied	$0.01	$0.01	$0.01 / $0.01	$0.01	$0.01
Outcome:					
Exonerations as a percent of total assessments	4.2%	4.0%	4.0% / 3.4%	3.6%	3.7%

Performance Measurement Results

In FY 2008, the cost per dollar of Personal Property and BPOL levy was $0.01, consistent with the target. For FY 2008, exonerations were 3.4 percent of the total tax levy. Exonerations occur after a record has been assessed and levied. Although some level of records will always change after the fact due to prorating, the objective is to bill records correctly the first time and minimize subsequent adjustments. Exonerations of no more than 5 percent indicate excellent billing practices. For FY 2009 and FY 2010, exonerations are projected to be below the 4.0 percent benchmark.

Revenue Collection Division

Funding Summary

Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Baseline Budget
Authorized Positions/Staff Years				
Regular	82/ 82	82/ 82	82/ 82	82/ 82
Total Expenditures	**$8,483,442**	**$8,550,987**	**$8,632,461**	**$8,762,376**

Position Summary

1	Director	21	Administrative Assistants III		**Billing, Taxes Reconciliation, and Mass Pay**
1	Management Analyst IV	1	Administrative Assistant I	1	Accountant II
1	Business Analyst III			1	Management Analyst III
1	Administrative Assistant III		**Cashiering**	2	Management Analysts II
		1	Accountant III	1	Management Analyst I
	Delinquent Tax Collections	1	Accountant II		
1	Management Analyst III	3	Administrative Assistants IV	4	Administrative Assistants V
1	Management Analyst II	12	Administrative Assistants III	1	Administrative Assistant IV
5	Administrative Assistants V			13	Administrative Assistants III
8	Administrative Assistants IV			1	Administrative Assistant II

TOTAL POSITIONS
82 Positions / 82.0 Staff Years

Key Performance Measures

Goal

To bill and collect taxes while providing quality customer service, in order to maximize General Fund revenue with accountability and minimize the overall tax burden by maintaining low delinquency rates.

Objectives

- To achieve a minimum collection rate of 99.61 percent in real estate tax collections, a 98.95 percent for current year personal property taxes; and 98.50 percent for Business, Professional, and Occupational License (BPOL) taxes.

- To collect a minimum of 35 percent of unpaid accounts receivable (i.e., unpaid taxes from prior years), while maintaining a cost per delinquent dollar collected of no more than $0.17.

Department of Tax Administration

Indicator	Prior Year Actuals FY 2006 Actual	FY 2007 Actual	FY 2008 Estimate/Actual	Current Estimate FY 2009	Future Estimate FY 2010
Output:					
Current year taxes collected: Real Estate (in millions)	$1,772.1	$1,884.7	$1,959.7 / $1,962.3	$2,035.0	$1,826.8
Current year taxes collected: Personal Property (in millions)	$481.7	$508.3	$509.4 / $509.7	$506.5	$480.1
Current year taxes collected: BPOL (in millions)	$125.2	$132.5	$138.9 / $138.3	$132.8	$130.1
Delinquent taxes collected: Real Estate	$11,715,456	$11,324,812	$11,898,024 / $12,823,358	$11,898,024	$11,898,024
Delinquent taxes collected: Personal Property (1)	$15,808,127	$14,033,619	$8,854,189 / $9,525,472	$7,769,588	$7,769,588
Delinquent taxes collected: BPOL	$2,009,588	$3,931,528	$421,618 / $677,150	($1,011,526)	$3,040,375
Efficiency:					
Cost per current dollar collected	$0.004	$0.001	$0.001 / $0.001	$0.001	$0.001
Cost per delinquent dollar collected	$0.10	$0.09	$0.13 / $0.13	$0.17	$0.17
Service Quality:					
Percent of bills deliverable	97.0%	97.0%	97.0% / 97.0%	97.0%	97.0%
Outcome:					
Percent of current year taxes collected: Real Estate	99.62%	99.64%	99.61% / 99.66%	99.61%	99.61%
Percent of current year taxes collected: Personal Property	98.11%	99.71%	98.87% / 99.53%	98.95%	98.95%
Percent of current year taxes collected: BPOL	98.27%	98.45%	98.50% / 98.13%	98.50%	98.50%
Percent of unpaid accounts receivable collected (2)	41%	35%	51% / 35%	35%	35%

(1) With the downturn in the economy, it is difficult to project the amount of delinquent accounts which will be collected.

(2) The actual percent of unpaid accounts receivable collected in FY 2007 was revised to reflect the new methodology of estimating this indicator.

Performance Measurement Results

Collection rates remain especially strong in all tax categories, as well as the collection of unpaid parking tickets. The collection rate for real estate taxes was 99.66 percent in FY 2008, reflecting a superb collection effort by the Revenue Collection Division. The collection rate for personal property of 99.53 percent in FY 2008 was greater than the target of 98.87 percent. Personal Property Tax collections include taxes assessed locally by DTA, as well as Public Service Corporation (PSC) taxes assessed by the state but billed and collected by DTA. A collection rate of 98.13 percent was achieved for Business, Professional and Occupational License taxes in FY 2008. With the continued negative economic outlook, it will be of paramount importance for DTA to continue to work diligently to maintain these high collection rates during FY 2009 and FY 2010.

The cost per delinquent dollar collected was $0.13 in FY 2008. This collection cost may increase slightly during FY 2009 and FY 2010 because of the difficulty of collecting in a down market. Typically, as overall collection rates increase, the delinquent accounts that do exist are smaller in dollar value and generally more difficult to collect. Additionally, when the economic climate is poor, collections typically become more difficult and time consuming for staff.