



San Francisco

T

TREASURER
& Tax Collector

CITY AND COUNTY OF SAN FRANCISCO



Annual Report
Fiscal Year 2002-2003
Hon. Susan Leal, Treasurer

www.sfgov.org/tax/annualreport

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Welcome to the 2002-03 Annual Report for the Office of the Treasurer & Tax Collector. It is always a pleasure to share with you our yearly accomplishments, and while this year remained fiscally and politically tumultuous, the Treasurer's office prudently invested San Francisco's money. In 2003, the United States went to war with Iraq, and as a country we felt the effects at the Federal, State and local level.

Despite the enduring economic recession and ongoing local financial turmoil, the Office of the Treasurer & Tax Collector earned \$65,428,804 on its \$2.36 billion portfolio, representing a 2.766% yield on its investment portfolio. In addition, San Francisco continued to achieve a yield on the investments of our pooled funds that surpassed our peers such as Los Angeles, San Diego, Sacramento as well as the State of California.

Our office also implemented a program to aggressively audit those companies claiming the bulk of the new jobs tax credit. Of those companies that were audited, we recaptured \$17,106,834 in New Jobs Tax Credits.

Customer service remains a top priority in the Treasurer's office. As a manager, I am proud of the hard work and experience of staff members and am delighted to report that last year, of the 599 surveys completed, 96.6% of customers rated our services as either good or excellent.

These accomplishments, amongst many others, are highlighted in the 2002-03 Annual Report. For more information on the Office of the Treasurer & Tax Collector, please visit our web page at www.sfgov.org/tax, email me at treasurer.taxcollector@sfgov.org, visit the City Payment Center City Hall Room 140, write to me (1 Dr. Carlton B. Goodlett Place, Room 140, San Francisco, CA 94102), or call my office (415.554.4478) with questions or comments. Your feedback is essential to the success of my department and I look forward to hearing from you.

Susan Leal
Treasurer



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This report covers the fiscal year from July 1, 2002, through June 30, 2003, and contains both general and statistical data on the performance of each operating section.

The report is available for download at: <http://www.sfgov.org/tax/annualreport>

STATEMENT OF PURPOSE

Treasurer Susan Leal and her staff serve as the banker, tax collector, collection agent, and investment officer for the government of San Francisco, the only combined City and County in the State of California. The Treasurer, an elective office created by the City Charter in 1850, supervises a department of ten sections that receives over \$10.6 Billion and disburses over \$8.49 billion annually.

The *mission* of the Office of the Treasurer & Tax Collector is to:

- Facilitate voluntary compliance with the tax laws of the City and County of San Francisco by simplifying all processes and procedures and by providing efficient and customer-friendly service.
- Collect all taxes and fees due to the City.
- Provide safekeeping for all City funds, prudently investing the monies to achieve maximum yield with low risk and high liquidity.

The Office of the Treasurer & Tax Collector serves two broadly -defined functions for the residents of the City and County of San Francisco:

1. The collection of taxes and other city revenue.

Through the mail, in person at the City Payment Center, and via the Internet, the Department collects taxes and other obligations owed to the City including business taxes, property taxes and fees for various business licenses and permits required by the Municipal Code. Tax Collection units collect over \$2 billion annually in property taxes, business taxes and license fees. Additionally, the Department investigates and collects unreported and delinquent tax obligations. Through the City Payment Center and the Bureau of Delinquent Revenue, the Department contracts to collect current and delinquent obligations owed to other City Departments, such as water and hospital bills.

2. The oversight of monies before disbursement.

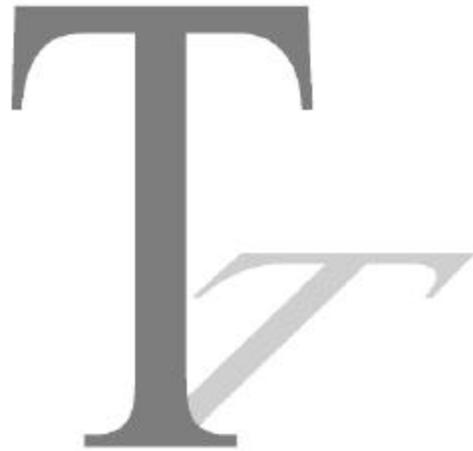
The Treasurer manages all city funds in order to gain the maximum return with low risk and high liquidity, including investing the City's portfolio of pooled funds. The Treasurer works with all City departments to ensure that funds are received, deposited and reconciled as quickly and accurately as possible, providing the maximum interest and investment returns for the people of San Francisco. The Department administers and monitors the bank accounts and wire transactions used by all City agencies and contracts with banks for their services. The Treasurer also disburses payments on the City's General Obligation municipal bonds.



MAJOR INITIATIVES OF 2002-03

- **Jobs Tax Credit:** Due to the loss of jobs in San Francisco and the number of companies that took advantage of the new jobs tax credit, the Treasurer's office implemented a program to aggressively audit those companies claiming the bulk of the credit. Of the audits completed, the office recaptured \$17,106,834 in New Jobs Tax Credits.
- **Yield Remains High:** The annual yield of San Francisco pooled funds, managed by the Treasurer, was 2.766%, with the Treasurer executing \$21 billion in investment transactions.
- **Delinquent Revenue Collections Rise:** Bureau of Delinquent Revenue collections increased more than 6% over the previous fiscal year, to over \$58 million. The department hired four additional collectors who, in less than 4 months, collected over \$4 million dollars for the City.
- **Property Tax Delinquencies Remained Low:** Secured Property Tax delinquency rate for FY 2002-03 remained significantly low at a rate of 1.55%.
- **Customer Service:** Through suggestions provided via phone, the Internet and surveys, the office continued to work hard to update services and to make visits to the office as expeditious and easy as possible. Last year, of the 599 surveys completed, 96.6% of customers rated the services of the Treasurer & Tax Collector as either good or excellent.
- **Historic Business Tax Recovery:** In one of the largest business tax recoveries, the Office of the Treasurer & Tax Collector conducted a business tax audit that resulted in the collection of over \$10.2 million in Payroll Expense Taxes.

San Francisco



TREASURER
& Tax Collector

SECTIONS

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CITY PAYMENT CENTER



The City Payment Center provides a consolidated information and payment facility where taxpayers conduct a variety of City transactions. Emphasis is placed on providing a user-friendly environment with superior levels of customer service. The City Payment Center staff provides guidance and direction regarding all City transactions, tax ordinances and outstanding City obligations. The Center also houses the Bay Area's leading passport acceptance facility.

The City Payment Center was created to:

1. Collect and process all City payments received from taxpayers by the Office of the Treasurer & Tax Collector;
2. Provide substantive information and assistance to taxpayers, other members of the public and City departments;
3. Promote a positive environment for taxpayers and ensure that the Payment Center is regarded as a service-oriented unit.

The City Payment Center consists of four major sections: Taxpayer Assistance, Passport Services, the Information Counter, and Cashiering.



MISSION:

To provide tax information effectively and expediently to taxpayers, other members of the public and city departments; to promote and perpetuate outstanding public relations as a service oriented unit; to serve as the primary public contact unit for the Office of the Treasurer & Tax Collector.

"I was registering for a new business tax certificate, and was all prepared to have to wait. But the clerks were fast, friendly, courteous, and wonderful! I just wish most businesses would offer the same quality of customer service."

-Customer

TAXPAYER ASSISTANCE

The Taxpayer Assistance (TPA) section, located in the City Payment Center, provides efficient and courteous help to San Francisco taxpayers via the phone and in person. The staff is cross-trained on all City tax procedures and places strong emphasis on customer service. This section places customers' needs first and ensures that the public receives quality service and accurate information.

During FY 2002-03, approximately 29,900 taxpayers worked with TPA staff regarding their questions about business taxes, property taxes, business licenses/permits and general inquiries regarding starting a business.

During the fiscal year, TPA registered 11,031 new businesses, a 13% increase over last fiscal year. In total, TPA collected \$4.6 million in business taxes, licenses, permits, and property taxes. Of that total, \$789,431 was attributed to new business registration fees.

In addition, the phone bank received more than 75,511 calls. According to our customer surveys, TPA received a 96% "Excellent" rating on its overall service.

To further assist taxpayers, The Treasurer's office houses an Automated Teller Machine (ATM), operated by the San Francisco Federal Credit Union. It is accessible to the visually impaired and does *not* impose surcharges on customers.

PASSPORT SERVICES

The Treasurer's U.S. Passport Application Acceptance facility opened in Fiscal Year



1999-00. Serving as authorized passport acceptance agents, department staff processes U.S. passport applications and serves as an information resource for the public regarding passport issuance and legislation. The staff's excellent service has quickly

made this the premier Passport Acceptance facility in Northern California and the primary referral by the San Francisco Passport Agency for passport services in the Bay Area.

Treasury Passport Services processed 8,455 passport applications in 2002-03, representing a 5.7% decrease from the previous year. This slight drop reflects the marked decrease in travel leading up to and during the U.S. war in Iraq. Despite the reduction in travel, the Treasury passport services unit earned \$226,834 in revenue for the City, and simplified the passport application process for thousands of travelers and new citizens.

SERVICE & INFORMATION COUNTER

Employees who staff the Service & Information Counter are cross-trained in San Francisco's property and business taxes, licenses, city services, passport processing, and other City information. Staff members work with taxpayers to assess their needs and assist or refer them to the appropriate section within the Office of the Treasurer & Tax Collector. Members act as liaisons on behalf of taxpayers with other City and County departments and serve as resources beyond City Hall regarding taxpayer issues.

Staff also actively conducts outreach efforts to a variety of community, neighborhood and business organizations, educating the public about local requirements and available City resources.

"I cannot believe the speed and excellence of the departments I visited while filing paperwork for my small business! It was a wonderful experience- Thank you!"
-Customer

ACCOUNTING SECTION

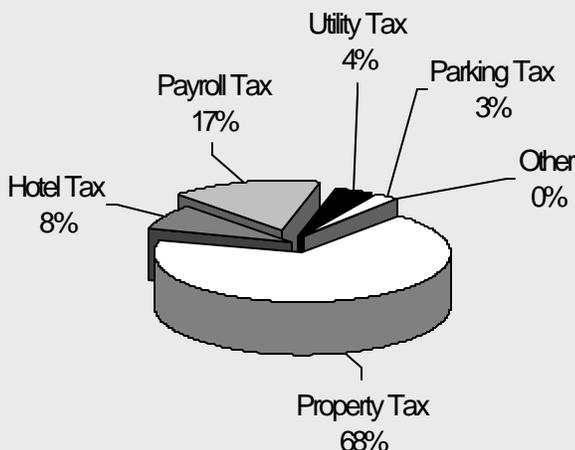


THE ACCOUNTING SECTION'S two primary goals are to provide internal control systems to safeguard the City's assets and to assist the Treasurer in improving office efficiency and productivity.

On a daily basis, this unit provides accounting and support services to the Office of the Treasurer & Tax Collector, performing regular coordination in the reconciliation of cash and bank accounts. The Accounting unit monitors collections, deposits, investments, and other related financial activities that involve cash and securities. Major responsibilities include providing input for the department's budget preparation, expenditure tracking, appropriation payment requests, purchasing, statistical reports, data processing services, and equipment and facilities maintenance. Additionally, this unit handles the reconciliation of business tax credits.

The Accounting team is divided into four subsidiary ledger groups: Real Property Secured and Unsecured, Supplemental Secured and Unsecured, Redemption, and Business Taxes.

**TOTAL RECONCILED COLLECTIONS
FY 2002-03**



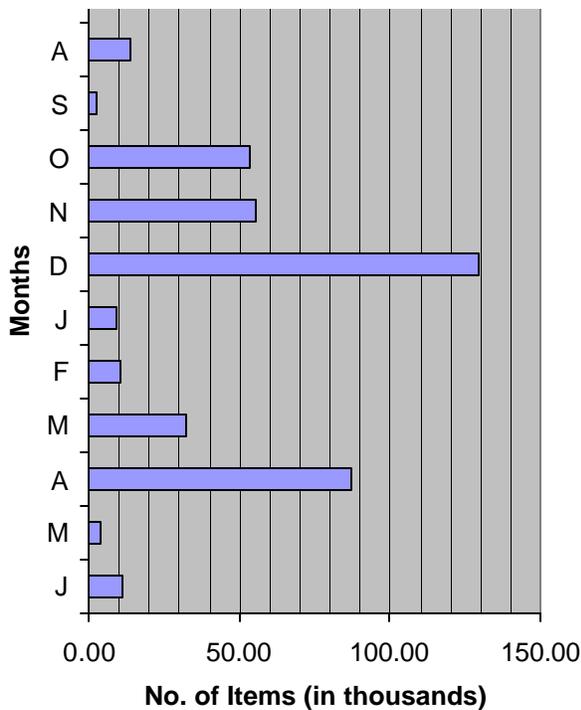
Mission:

To increase accounting efficiency in the Office of the Treasurer & Tax Collector. To serve the public more effectively and to reconcile the posting to individual taxpayers' accounts in an accurate and timely fashion. This includes real estate taxes, business taxes, other taxes, licenses, and all other account receivables under the jurisdiction of the Treasurer.

TOTAL RECONCILED COLLECTIONS

Collection Type	2002-03	2001-02
Property Tax	1,107,742,846	1,086,670,447
Payroll Tax	268,363,755	272,396,592
Gross Receipts Tax	698,966	837,857
Business Reg./License	10,422,755	6,730,207
Hotel Tax	132,155,049	134,579,467
Utility Users Tax	66,522,577	72,030,775
Parking Tax	45,299,014	50,697,808
Emergency Response Fees	17,793,238	15,805,498
Stadium Tax	2,868,547	2,392,912
Roofers' Fees	12,155	12,210
TOTAL	\$ 1,651,878,902	\$ 1,642,153,773

ACCOUNTING SECTION MONTHLY RECONCILIATIONS FY 2002-03



HIGHLIGHTS OF 2002-03

- A total of 421,599 items were reconciled for secured real estate taxes, a decrease of 1.3% (5,749) from last fiscal year.
- Total reconciled dollars increased by \$21.07 million or 2.0% from last fiscal years.
- Staff was cross-trained on different systems to maximize flexibility and optimize productivity.

*“Resolved complicated problem, promptly and knowledgably, with great courtesy. Thanks.”
-Customer*

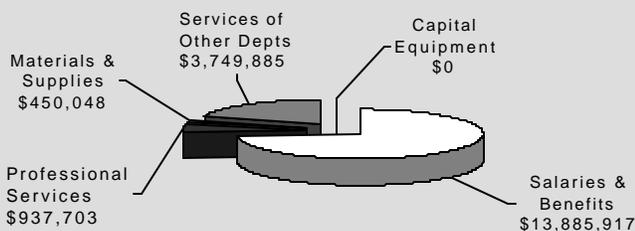
ADMINISTRATION SECTION



THE ADMINISTRATION SECTION provides centralized support services to the various operating sections of the Office of the Treasurer & Tax Collector. These services include personnel, payroll, purchasing, information services, departmental accounting, budget preparation, and general administrative services.

The section also responds to requests for ad-hoc reports for the Mayor, Board of Supervisors, citizen interest groups and individuals, and other City departments.

FINAL BUDGET OFFICE OF THE TREASURER & TAX COLLECTOR FISCAL YEAR 2002-03



BUDGETED EXP. :	\$19,023,553
LESS RECOVERIES FROM WORK ORDERS:	1,428,836
TOTAL BUDGET ALLOCATION:	\$17,594,717

MISSION:

To provide such effective support services throughout the Office of the Treasurer & Tax Collector that the Department is recognized as the most efficient, knowledgeable and helpful revenue-producing organization in the State of California.

- **Payroll**

The Payroll Clerk processes daily attendance data and prepares and submits bi-weekly time rolls.

- **Budget Management**

A priority for the administration section is the preparation of the annual departmental budget request. The department's budget request is determined based on the needs of the nine separate sections and is prepared in consultation with designated managers and senior management. The final budget appropriation for FY 02-03 totaled \$17.59 million.

- **Personnel Management**

Administration's personnel staff handles the recruitment and hiring of personnel and assists managers in addressing disciplinary matters in a fair and equitable manner. Staff also monitors the application of entitlement programs that have been enacted at the federal and state level. Examples of these programs include: the Family Medical Leave Act [FMLA], Americans with Disabilities Act [ADA] and Workers Compensation [WC].

- **Purchasing and Supply**

Administration staff provides support to all sections by ordering office supplies, equipment,

and other minor furnishings, arranging for maintenance of copiers and other office equipment, and managing an inventory of approximately 130 different forms and statements.

- **Departmental Accounting**

The Administration section's principal accountant is responsible for accounts payable and monitors and analyzes spending patterns and historical data for budget preparation. The principal accountant also serves as the department's contact for the FAMIS, ADPICS and BPREP online systems.

- **Information Systems**

The staff is responsible for maintaining all telecommunications and data processing activities for the Treasurer's office. The staff also manages the computer systems, servers, databases and workstations for approximately 200 employees. Specialized systems maintained by this group support efforts to collect delinquent accounts, register businesses, collect business and property taxes, and perform cashing and remittance processing functions. Staff installs computers, troubleshoots performance problems and provides in-house training for new users.

*" The services are great. It's wonderful to know that you all care."
-Customer*

BUREAU OF DELINQUENT REVENUE/INVESTIGATIONS



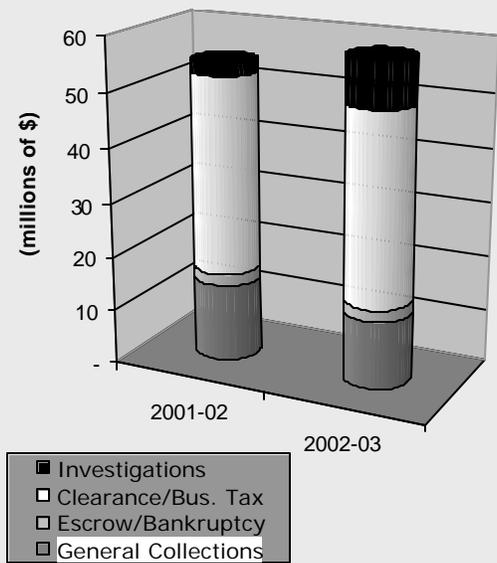
THE BUREAU OF DELINQUENT REVENUE

(BDR) is the official collection arm of the City and County of San Francisco. It is authorized to collect all accounts receivable over \$300 and at least 90 days overdue. This pertains to City and County departments including but not limited to: San Francisco General Hospital, Laguna Honda Hospital, The Department of Public Works, the City Attorney, the Fire Department, the Mayor's Office of Community Development, and the Water Department.

BDR uses the Columbia Ultimate Business Systems (CUBS) automated collection software to ensure that all accounts are handled in both a timely and legal manner. The Bureau's objectives are to work with customers to collect payments consistent with their ability to repay debt while maintaining client satisfaction.

Additionally, BDR remains updated on collection and system techniques and employees are members of both the California Municipal Business Tax Association and the California Revenue Officers Association. The staff strives to remain educated about current industry trends and attends annual conferences.

BDR COLLECTIONS



TOTAL 2001-02: \$54,882,577
TOTAL 2002-03: \$58,235,338

MISSION:

To serve the City and County of San Francisco with expertise in all collection matters; to recover debts accrued; to enforce the local ordinances and achieve compliance therewith. Additionally, to balance this commitment with providing efficient, effective and equitable service and support to the public and business communities so that they may accept their responsibilities.

*" I was so pleasantly surprised at the great service at City Hall. Thanks for caring enough to improve."
 -Customer*

BDR staff is divided into five units of which each has separate and distinct roles:

GENERAL COLLECTIONS UNIT

The General Collections unit (formerly the Medical Unit) processes delinquent accounts from various departments. A majority of accounts are referred from San Francisco General and Laguna Honda hospitals. In addition, various accounts are referred from the Department of Public Works, the Mayor's Office, The Department of Recreation & Park, the Water Department and the Department of Elections.

The Collections unit's new clients include: the Ethics Commission, the San Francisco Redevelopment Agency and the Trial Courts.

Since August 2002, the Office of the Treasurer & Tax Collector has been collecting delinquent

**GENERAL COLLECTIONS UNIT
FY 2002-03**

SFGH	\$9,473,633
Ambulance	\$373,461
Via Collection Agency	\$448,452
Laguna Honda	\$304,641
Water Dept.	\$374,765
MOCD	\$1,700
Adult Probation	\$9,022
Commission	\$258,543
Other	\$5,516

moving violation citations issued by the Trial Courts. In FY 02-03, these collections generated \$1,332,362.

The General Collections unit's collections decreased from \$14,323,690 in 2001-02 to 12,465,593 in FY 02-03. This decrease is largely attributed to Olszewski v. ScrippsHealth, which eliminated health care provider liens on third party recoveries obtained by Medi-Cal

**ESCROW/BANKRUPTCY UNIT
FY 2002-03**

Unsec. Prop	\$948,744
Supp. Prop.	\$129,764
Sec. Prop.	\$377,753
Bus. Tax	\$544,506
Hotel Tax	\$7,814
Parking Tax	\$20,108
Bus. Reg. Fee	\$41,322
License	\$36,975
Misc.	\$29,583
TOTAL	\$2,136,569

beneficiaries. The court held that the state welfare and institutions code was pre-empted by federal law which does not allow for recovery when patients receive public assistance. Since medical liens were once the primary source of general collections for BDR, the court's decision greatly shifted the Unit's collection focus.

ESCROW/BANKRUPTCY UNIT

The Escrow/ Bankruptcy unit researches, compiles data and files claims on outstanding debts owed to the City once escrow or bankruptcy is filed.

The research phase begins when notices are published or sent to the Escrow Bankruptcy unit and the Unit conducts database research. During fiscal year 2002-03, this research led to the successful collection of \$2,136,569. Since claims sent to this section are directly related to the state of the economy, it is not surprising that collections remained down 21% similar to last fiscal year.

CLEARANCE/BUSINESS TAX UNIT

The Clearance staff works with business owners, the Business Tax section and the Property Tax section to either collect or resolve delinquent business-related taxes as well as unsecured personal property taxes. All outcomes are resolved in a manner equitable to both the customer and the City.

In a continued effort to collect delinquent business taxes, 4 new collectors were added to the

CLEARANCE UNIT (CONT'D)

Clearance Unit in order to expedite the delinquent collections this fiscal year. Trained in March, by June these 4 new collectors alone generated over \$4 Million in business related taxes. Due to their incredible success, the Board of Supervisors has extended their contracts.

INVESTIGATIONS UNIT

The Investigations unit ensures that taxpayers comply with City and State tax regulations. The unit operates in support of all sections in the Tax Collection Division. The Investigations unit is responsible for a wide range of enforcement activities such as surveys, surveillance, small claims filings, post-judgment execution, seizures, summary judgments, FTB Offsets, complicated accounts, citations, business tax and UPP liens and judgment renewals.

The Investigations unit has improved dramatically since new investigators are well versed in both clearance and collections. At full capacity, the unit has increased its productivity, particularly in the area of surveys. For Fiscal Year 2002-03, the unit collected a total of \$6,654,983 in surveys alone, as compared to the \$654,486 collected in FY 01-02.

Surveys

Investigators are assigned to systematically research, inspect and interview city businesses with potentially high revenue. Senior investigators also completed a plan to survey the entire San Francisco area within 2 years. Overall, approximately 13% of businesses surveyed were unregistered. This total decreased from last year's 22% of unregistered businesses.

CLERICAL UNIT

This sub-unit is responsible for providing all clerical work for the various units of BDR. Clerical staff conducts the initial screening of customers and determines the section or employee most appropriate to address the customer's questions. Clerical staff provides counter coverage on a rotational basis. Also, BDR has set a goal requiring each clerk to be cross-trained to handle and/or assist any unit that needs staff support. During fiscal year 2002-03, the unit screened approximately 21,004 customers in person. In addition, the requests for Spanish translation services increased by 8.9%, and Chinese translation requests nearly tripled from 63 to 178.

HIGHLIGHTS OF 2002-03

- Collections during the FY increased over 6% to \$58,235,338.
- Hired 4 additional collectors and in less than 4 months collected over \$4 million.
- Business Tax collections from surveys increased from \$654,486 in FY 01-02 to \$6,654,983 in FY 02-03.

*" I like the prompt service of the fellow workers. There was no waiting at all. It's great service!"
-Customer*

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BUSINESS TAX SECTION



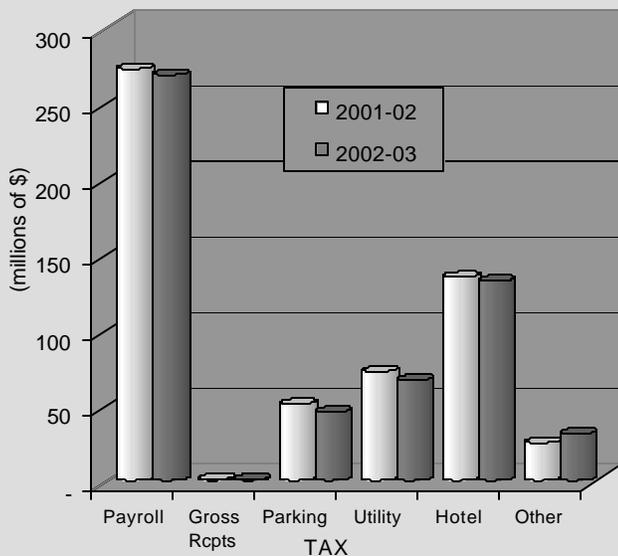
THE BUSINESS TAX SECTION implements and enforces the Business Tax Ordinances for the City and County of San Francisco. The taxes include: Payroll Expense Tax, Parking Tax, Hotel Tax, Utility Users Tax, Roofers' Vehicle Tag fees, Emergency Response Fees, and Stadium Taxes. The section is comprised of two functional units—the *Audit Unit* and the *Account Services Unit*.

THE AUDIT UNIT

The Audit Unit performs scheduled and unscheduled audits to promote voluntary taxpayer compliance with the City's Business Tax Ordinances. In addition, audits are used to detect the underreporting of taxes.

In FY 2002-03, audit deficiency billings totaled \$21,701,053, with 23 payroll expense tax audits generating over \$17,812,000, 2 parking tax audits generating \$718,000 and one hotel audit generating over \$551,000 in deficiency billings.

BUSINESS TAX COLLECTIONS



- (See Accounting Section *Total Reconciled Collections*, p. 10)

OUT OF AREA AUDITS

At the beginning of FY 2002-03, two staff members performed audits in the Los Angeles vicinity. Of the audits conducted, 8 generated a total of \$488,544 in audit deficiency billings.

ACCOUNT SERVICES UNIT

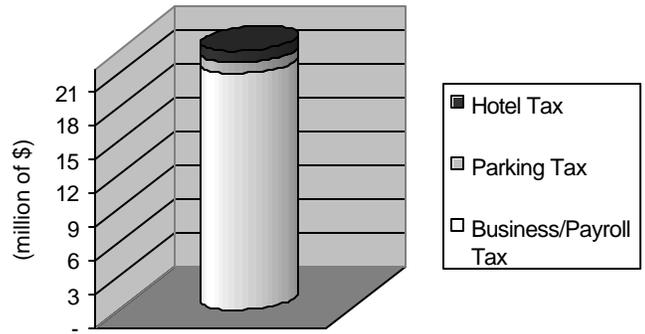
The Account Services Unit maintains taxpayer accounts in the Business Tax System (BTS) and reviews and processes annual, semi-annual and quarterly tax filings. The unit also handles business registration renewals, prepayments and refund requests. The unit troubleshoots all systems-related issues, reviews service requests, recommends action for enhancement, and responds to requests for statistical information.

In FY 2002-03, the Board of Supervisors approved an ordinance that changed the registration renewal deadline to coincide with the filing of the Annual Payroll Tax statement. The consolidated 2002 Payroll Tax & Fiscal Year 2003-04 Business Registration Renewal Statement allowed taxpayers to file one statement, thereby simplifying the filing requirements for taxpayers. However, the impact of this consolidation required significant updates to the Business Tax System, Cashiering System and the system used to process statements.

The Account Services Unit mailed, processed and administered the following tax statements and notices during FY 2002-03:

- **Annual Business Tax Registration Renewal:** In September 2002, 78,364 taxpayers were sent Annual Business Tax Registration Renewal forms. Of these, 54,079 taxpayers renewed their registration certificate.

AUDIT DEFICIENCY BILLINGS



Total Audit Deficiency Billings = \$21,701,053

- **Payroll Tax Annual Statement:** In January 2003, 79,985 Annual Payroll Tax Statements were mailed to taxpayers for YR 2002.
- **Payroll Tax Determination:** In August 2002, 15,764 taxpayers failed to file their 2001 Annual Payroll Tax Statement. Taxpayers were advised to file immediately to avoid additional penalties and collection activity.

MISSION:

To implement and enforce the Business Tax Ordinances; to administer these municipal tax provisions to ensure taxpayer compliance through accurate and responsive account maintenance system; to monitor voluntary compliance through a post-audit program; to promote revenue maximization.

TAX CREDIT FILINGS

Type of Tax Credit	No. of Firms Filing					Amount Claimed
	1998	1999	2000	2001	2002	2002
Enterprise Zone	12	12	8	16	3	\$ 4,762
New Jobs	296	391	557	526	389	8,604,822
Summer Youth	5	3	2	4	-	-
Garment Mfrs.	75	86	77	52	12	69,948
TOTAL	388	492	644	598	404	\$ 8,679,532

- Quarterly and Semi-Annual Business Payroll Tax Prepayment:** To facilitate and accelerate the total annual collection of tax liability, taxpayers are mailed either quarterly or semi-annual prepayment forms. Quarterly prepayment forms are issued to taxpayers whose prior year's payroll tax liabilities exceeded \$50,000. Semi-annual prepayment forms are issued to taxpayers with tax liabilities between \$2,500 and \$50,000. This year, a total of 8,810 prepayment forms were mailed.
- Quarterly and Monthly Hotel Tax and Parking Tax Prepayment:** In addition to managing the Payroll Tax filings, the Account Services Unit also oversees the Hotel Tax for over 800 hotels and the Parking Tax for approximately 350 parking operators. In FY 2002-03, 2,694 monthly hotel tax prepayments, 2,665 quarterly hotel tax statements, 1,444 monthly parking tax prepayments, and 2,381 quarterly parking tax statements were filed. This fiscal year, the Quarterly Parking Tax Statement will require parking operators to file a separate parking tax statement for each parking location. This will improve the monitoring and tracking of parking tax revenue by parking location.
- Utility Users Tax Monthly Tax Statement:** This year, a new Utility Tax Statement was developed to ensure a uniform filing process for monthly returns. During FY 2002-03, 1,824 Utility Tax Statements were filed.
- Request for Waiver of Penalties:** For the 2002 tax year, the Account Services Unit approved 762 requests for waiver of penalties. The number of refunds is significantly lower than those issued in 2001 due to changes in the San Francisco Business and Tax Regulations Code. Such changes in the Code enabled taxpayers to file a Payroll Tax Exemption Declaration for Tax Year 2002, allowing taxpayers with a tax liability of less than \$500.00 to forego the Annual Payroll Tax Statement and only file a Payroll Tax Exemption Declaration. By doing so, many small businesses filed on time, avoiding the assessment of penalties and/or interest for non-filing.

- **Reinstatement of Small Business Exemption:** During the 2002 tax year, this unit received 60 requests for the Reinstatement of the Small Business Exemption. 9 exemptions were approved, 2 denied and 49 are pending.
- **Requests for Taxpayer Refunds:** In FY 2002-03, Account Services processed 1,076 refund requests for various payments. Of this amount, 546 were approved and 455 were denied compared to FY 01-02 when, of the 1,324 requests received, 1,284 were approved and 40 were denied. This decrease in refund requests is attributed to the sunset of the New Jobs Tax Credit.

OTHER PROJECTS

- **Annual Tax Credit Report:** During May of each year, the Tax Collector's Office submits an Annual Tax Credit Report to the Board of Supervisors.

HIGHLIGHTS OF FY 2002-03

- The audit staff generated \$21,701,053 in audit deficiency billings during the fiscal year, a 327% increase from the prior fiscal year.
- The Business Taxes Division collected over \$13,071,000 from audit deficiency billings.
- The audit staff recaptured \$17,106,834 in New Jobs Tax Credits.
- The contractor completed work on Phase I of the BTS migration project in March 2003.

CASHIERING SECTION



CASHIER SECTION

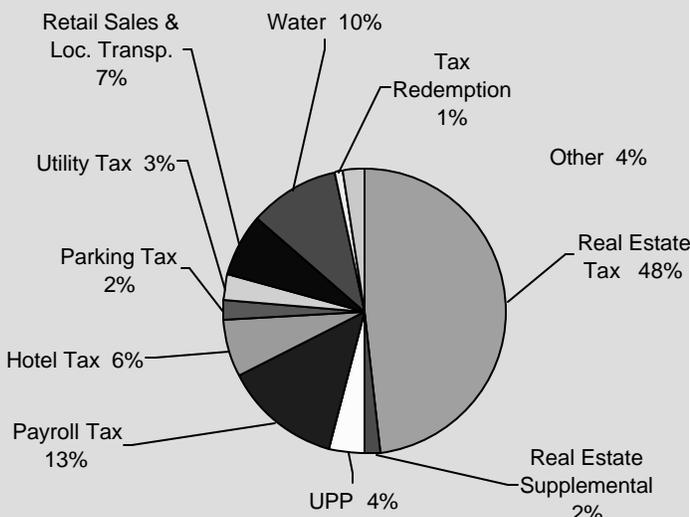


The **CASHIERING SECTION** receives and processes much of the City's revenue. In FY 1998-99, the Treasury and Tax Collector Cashiering units were restructured and merged under the Chief Assistant Treasurer. While the subunits retained discrete tasks and staff, the merger helped the Remittance Processing Center handle a significantly higher number of transactions.

CASHIERING, REMITTANCE & MAIL OPERATIONS

The Cashiering, Remittance & Mail Operations unit accepts and processes tax payments, registration and license fees. The unit handles payments received through the mail, presented in person, paid by credit card or wire, as well as via the Internet. The city payment center also sells many public transportation products to the public.

**CASHIERING COLLECTIONS
FY 2002-03**



TOTAL COLLECTIONS = \$2,042,296,907
(See chart p. 22)

MISSION:

Cashiering, Remittance & Mail Unit: To collect and process all City payments received from taxpayers, by Office of the Treasurer & Tax Collector in an efficient and expedient manner, and to provide substantive information and assistance to taxpayers and other members of the public.

Banking Operations Unit: To receive, account, process and deposit all payments for taxes, licenses, and other revenues in an efficient and expedient manner; to render high quality service to departments, residents, businesses, and visitors.

Remittance & Mail Operations is comprised of four areas which work together to process and post all tax payments:

- *The City Payment Center Cashiers* accept payments from taxpayers, sell transit items, distribute commuter checks, receive department deposits, process mail payments, and distribute departmental NSF.
- *The Mailroom* staff sorts, opens and verifies all mail for the Office of the Treasurer & Tax Collector, the Water Department and the Port of San Francisco. The staff also distributes mail to all designated units.
- *The Remittance Processing* staff processes water bills and other tax payments using high-speed NCR Remittance machines.
- *The Check Control and Research* staff researches and processes unidentified tax payments in order to produce payment stubs for Delinquent Revenue payments and other tax bills.

number of articles handled by the Check Control area increased by 36% as compared to last fiscal year. This increase was in direct response to other coordinating department requests to have actual items placed in check control.

**REMITTANCE & MAIL
COLLECTION TOTALS**
(in millions of \$)

For fiscal Year 2002-03, collections increased by \$7.2 million from \$2.035 billion to \$2.042 billion.

The overall increase represents significant increases in the collection efforts by the Office of the Treasurer & Tax Collector. For example, Business Tax Registration increased by 55.7% and Delinquent Revenue by 38.2%.

During FY 2002-03, the Mailroom also increased its productivity. The section sorted, opened, and distributed a total of 1,222,413 pieces of mail to all divisions of the Office of the Treasurer & Tax Collector during the year. Approximately 55% of the mail was related to Water Department payments and Property Tax bills constituted 23% of all envelopes processed. The

Revenue Type	2002-03	2001-02
Sec. Property Tax	\$980.13	\$922.76
Real Estate Supplemental	\$42.28	\$65.26
Unsecured Personal Property	\$85.52	\$90.17
UPP Supplemental	\$1.80	\$1.50
Business Tax Registration	\$10.46	\$6.72
Business Tax	\$0.71	\$0.82
Payroll	\$267.58	\$271.47
Tax Redemption	\$18.86	\$16.85
Hotel	\$132.28	\$134.49
Parking Tax	\$45.20	\$49.98
Utility Tax	\$66.19	\$71.65
Retail Sales & Local Transit	\$145.04	\$158.42
Water Bills	\$210.20	\$214.05
License	\$6.49	\$6.16
Emergency	\$18.12	\$15.91
Other	\$11.44	\$8.89
TOTAL	\$2,042.30	\$2,035.10

" I drove in from Sacramento and appreciated the excellent service."
-Customer



Accomplishments in FY 2002-03

- The Section began processing payments for Alarm Registration fees in May 2003. By June 2003, 2007 payments were processed for a total collection of \$99,125.
- Cashiering began issuing Golf Resident cards for the Recreation and Park Department in July 2002. These cards provide discounts to San Francisco and Pacifica residents at the city golf courses. The approximate number of cards issued per month is 500.
- A Translink Add-Value terminal was installed in the Cashier Window area. The terminal will allow commuters to either add products or a monetary amount to their existing Translink Cards.

TREASURY ACCOUNTING AND BANKING SERVICES

The primary objective of the Accounting and Banking Services section is to process and account for the receipt of collections, departmental deposits, and disbursements by the close of the same business day.

Detailed responsibilities of the Accounting and Banking Services Unit include:

- Processing and accounting of all City and County monies and checks, through direct bank deposits, the mail center, electronic fund transfers, federal reserve wires, lockbox operations, credit card transactions, bank adjustments and City Payment Center transactions.
- Payment of all Controller warrants through the Department's Clearinghouse Bank.
- Recording and approving daily cash transactions to FAMIS, the City's internal accounting system.
- Maintaining online FAMIS ledger accounts and reconciling balances to their respective bank account balances. As of June 30, 2002 there are more than fifty-five depository accounts in the Treasurer's Group of accounts.
- Daily input and detailed reconciliation of FAMIS reports.
- Performing safekeeping functions for bequest and lease deposit securities for the City and County.

Tax collection receipts and other City department receipts are electronically received for processing through the NCR remittance processing system. This enables the early deposit of receipts as well as a reduction in bank charges.

All checks received through the Treasurer's receiving window are encoded and microfilmed prior to deposit in the City's bank accounts. A division of duties among the Department's receiving cashiers, vault cashiers, paying cashiers, reconciliation cashiers, clerks, and accountants ensure internal controls.

In addition, the Banking Operations unit oversees credit card payments to the City for property taxes, traffic fines, towing and storage fees, misdemeanor bails, library fees, and Bureau of Vital Statistics fees.

**TREASURY ACCOUNTING & BANKING SERVICES
TRANSACTION STATISTICS FY 2002-03**

Description	Amount
Departmental Deposits	1,104,303,798
Departmental Deposits at Cashier's window	137,662,468
Wires/Electronic Fund Transfers	
EFT/ACH	2,333,766,004
Online Credit Card Receipts	3,215,681
Online E-Check Receipts	2,046,654
Credit Card Wires	6,649,941
State Checks	300,699,128
Citywide Receipts (not inc. tax collections)	\$ 3,888,343,674
Disbursements	
Citywide Disbursements	4,817,649,768
Disbursement Wire outs	3,670,708,796
Total Citywide Disbursements	\$ 8,488,358,564
Port Lockbox	\$ 27,081,522
Non-Sufficient Funds (NSF)	4,060,916
Passport Applications Processed	7,822
Passport Processing Fee	246,360
Number of Stop Payments Processed	1,205
Number of Checks Deposited	3,206,061
Number of NSF Checks Returned	5,707
Number of NSF Checks Recleared	9,085
Cash & Equity Balance (as of 6/30/03)	\$ 2,390,292,979

HIGHLIGHTS OF FY 2002-03

- The Cashiering unit processed over 3.4 million items with an accuracy rate of over 99%, exceeding private industry.
- The Banking Operations unit reconciled \$1.4m in payments delivered through the E-Government platform. This option gives greater flexibility in the payment of both property taxes and business taxes for the constituency.

"The staff member who helped is a wonderful representative of the SF Tax Collector. I have resided and voted in SF for 50 years and am grateful for this respectful service."

-Customer

INVESTMENT DIVISION



The INVESTMENT DIVISION administers and controls the investment of all monies in the Treasurer's custody that are not required for payment of current obligations. The staff's goal is to maximize interest income while preserving the liquidity and safety of the principal. The Investment Division has consistently demonstrated prudent portfolio management with excellent results. In Fiscal Year 2002-03, the Treasurer executed \$21 billion in investment transactions.

Direct wire lines maintained by major investment houses enabled the Chief Investment Officer to make investments on behalf of the City through rapid, competitive online bidding. The Treasury does not own any stocks or bonds. Instead, the City's accounts (excepting pension funds) are invested in commercial paper, bank notes, banker acceptances, Federal agencies, and U.S. Treasury notes.

Cash Managers

The Cash Managers assist the Chief Investment Officer in administering the cash management and investment policies. The Cash Managers' primary responsibilities include:

- Initiating, analyzing and modifying cash-flow procedures and systems.
- Advising and making recommendations regarding cash management procedures and policies, bank relationships, bond interest and redemption wires, and the bond arbitrage rebate program.

<u>Yield Comparisons</u>	<u>FY 2002-03</u>
S.F. Cty. (Pooled)	2.766%
S.F. Cty (All Funds)	2.691%
Avg. 90-day U.S. T-Bills	1.20%
San Diego Cty. (Pooled)	2.34%
Los Angeles Cty. (Pooled)	2.16%
State Local Agency Fund (Pooled)	2.18%

- Ensuring compliance with regulations that require that all revenues received by City departments are deposited and receipted in a timely manner.
- Managing the bond and coupon redemption program.
- Preparing and issuing Requests for Proposal (RFPs) for various financial services as required by individual departments.
- Co-administering with the Controller the bond arbitrage rebate program.

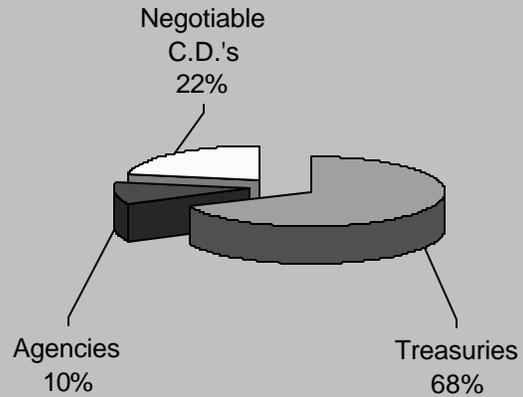
The Investment Division also monitors and invests all City funds that flow through the remittance processing system electronically. All funds are transferred by Fed-wire to the City's primary bank accounts for disbursement by the Controller or for investment by the Treasurer. Additionally, in FY 2002-03, the Investment Division implemented 1,300 outgoing Federal wire transactions valued in excess of \$1.5 billion.

Bond and Coupon Redemption

The Treasurer, through the Investment Division, is responsible for the payment of the City's general obligation bonds, principal and interest. During FY 2002-03, the Treasurer paid \$128,999 in interest and \$455,000 in principal on bearer bonds as well as \$57.52 million in interest and \$86.27 million in principal on book entry bonds. The 1994 series ABCD bonds were called on June 15, 2003.

The Investment Division is also responsible for the calculation of arbitrage rebate liability for bond revenue proceeds. Currently, calculations are performed on approximately 30 bond issues. Once the calculations have been performed, the calculation workpapers are forwarded to the Controller's Office for review and verification of any liabilities due and payment of any liability on the fifth year anniversary date.

**INVESTMENTS
OUTSTANDING AS
OF JUNE 30, 2003**



TOTAL PAR VALUE = \$2,332,000,000
 TOTAL BOOK VALUE = \$2,318,805,031

• Avg. age of portfolio	= 193 days
• Interest Received	= \$75,315,857
FY 2002-03	
• Total Net Earnings	= \$69,506,630
FY 2002-03	
• Market Value	= \$2,315,411,977
plus fixed assets	= \$7,541,670
accrued earnings	

LEGAL SECTION



LEGAL SECTION pursues collection litigation on delinquent accounts that fall under the Office of the Treasurer & Tax Collector's jurisdiction. Legal only becomes involved when all other collection efforts have failed. It also responds to legal challenges against Treasurer & Tax Collector claims in bankruptcy, judicial foreclosure and hospital lien cases. In addition, this section serves as the legal advisor on collection-related issues to both the Tax Collector and section supervisors.

Collection Activities

- 4 complaints and answers filed
- 1 abstract and consensual lien recorded

Most delinquent accounts referred to the Legal section are tax deficiency assessments from the Business Tax Section; the remainder are from the Bureau of Delinquent Revenue (BDR). Civil collection suits are the primary means of enforcing payment of delinquent accounts. However, when appropriate, the unit uses negotiations and other civil creditor procedures in support of voluntary payment agreements negotiated with the debtor. The Legal Section monitors all monthly payment accounts and takes specific action to bring defaulting debtors into compliance. The

LEGAL SECTION ACTIVITY

TYPE OF ACTIVITY	2002-03	2001-02
Complaints & Answers Filed	4	5
Abstracts & Consensual Liens Recorded	1	1
TOTAL DOLLAR RECOVERY	\$1,542,578	\$2,220,207
Concluded Bankruptcy Cases (transferred to BDR)	9	8
BDR Hospital Liens	\$619,485	\$291,921

MISSION:

To provide litigation services in all cases under the Tax Collector's jurisdiction where court action is the only effective collection tool and to provide legal advice on collection-related issues to the Tax Collector and section supervisors.

section's priority is to identify those monthly payment cases where the debtor has defaulted and to take action to promote compliance.

Litigation Activity

- 4 new cases filed -\$4,463,733
- 1 judgment entered -\$31,678
- 2 cases dismissed -\$45,233

The legal section also continues to monitor the monthly payments for the \$2,050,000 settlement reached in the suit brought against two parking lot operators who were discovered to be underreporting and underpaying parking taxes.

BDR/Hospital Cost Recovery Liens

- \$619,485 Collected

The total collection through liens on hospital patient's third party recoveries increased from the previous fiscal year. This increase was despite the negative impact of [Olszewski v. ScrippsHealth](#). This case eliminated health care provider liens on third party recoveries obtained by Medi-Cal beneficiaries, who comprise a large segment of the San Francisco General Hospital patient population.

Bankruptcy Litigation

- 18 cases referred
- 9 cases successfully completed
- 27 cases in inventory

In this program, also in coordination with BDR, Legal Section performs legal services in the bankruptcy courts on specific bankruptcy files referred by the BDR bankruptcy group. These include responding to debtor objections to Tax Collector creditor claims, improper treatment of taxes in debtor payment plans and responding to lawsuits filed in bankruptcy court against the Tax Collector. Current economic conditions have precipitated a dramatic increase in the number of referrals to the Legal section where the section has preserved \$915,332 in creditor claims for eventual payment to the Bureau of Delinquent Revenue.

Non Litigation Collection Activity

- 5 cases collected in full - \$270,416

In addition to litigation activity in the courts, Legal section negotiated structured settlement agreements to obtain payment of large tax delinquencies.

Legal Advice

Staff attorneys respond to legal inquiries from other Tax Collector sections throughout the year. The attorneys prepare major legal advice memoranda in addition to providing informal case advice and settlement recommendation.

MANAGEMENT INFORMATION SYSTEMS



THE MANAGEMENT INFORMATION

SYSTEM SECTION was created in July 2000 to provide centralized support services for the entire department's computer and information system needs. This includes procurement of services, hardware, software, and data processing supplies, as well as administering the hardware and software maintenance agreement for the different systems. Additionally, the unit is responsible for the system administration of the department's local area network (LAN) and wide area network (WAN) services.

MIS recently deployed the Citrix terminal server which allows remote network connectivity through dialup access and Internet connectivity to the department's resources through a virtual private network (VPN). It is expected that these resources will be expanded to a wireless environment to provide real time information for auditors and investigators conducting fieldwork.

The MIS section coordinates custom programming projects, service requests, production support maintenance and security issues with the Department of Telecommunication and Information Services (DTIS), vendors and consultants.

MIS, having been instrumental in launching the department's Intranet website, is responsible for maintaining the server resources as well as updating the website and its content. The site continues to facilitate the needs of the department through resource and information sharing.



MISSION

To support the various Information Technology projects of the Department by providing high levels of customer service, maximizing revenue collection and providing the necessary management tools and services required to increase staff productivity and efficiency.

MIS continually works to build a network of resources that meets the needs of the department, taxpayers and on-line customers. Internally, this includes implementing and maintaining access to specialized applications for each department in the Treasurer and Tax Collector's office. Some of these applications include: Cardiff Teleform Information Capture System, Alchemy Imaging, Columbia Ultimate Business System, Netvantage-ITEMAGE, Anacomp-Alva, Timeslip, Compulaw, SmartLaser 2000, MAPINFO, EPISUITE Pro.

Coordinates Services with State and Other City Departments

The wide area connection (WAN) through DTIS and other city departments ensures the highest reliability and interoperability of our systems. The department use of Rumba Office provides interfaces to the IBM Mainframe, UNIX VAX, and AS/400 for all critical and confidential records and information pertaining to Secured and Unsecured property taxes, business licenses and taxes and patient information.

Highlights for FY 2002-03

- As of July 1, 2002, the Office of the Treasurer & Tax Collector became the official location to obtain Golf Resident Cards for San Francisco and Pacifica residents wanting to use San Francisco's golf facilities.
- Completed the successful migration of the Department's CCmail to the new city enterprise Lotus notes/Domino Email system.
- Installed Alva-Anacomp, a paperless program for the payroll section that provides immediate access to payroll reports. Reports are stored on CD-Rom from the Controller's PPSD unit, eliminating wasteful and cumbersome computer printouts.
- Implemented an ID card badge system for the taxicab drivers (A Card) in coordination with the Cashiering and Property Tax/Licensing section.
- Upgraded the Legal section's Netware server to a Windows 2000 server increasing processor speed and storage capability.
- Expanded the e-government cashiering interface application for online property tax payment and inquiries, business registration renewals and business tax statement filings.
- Installed an updated property tax bill CD-ROM that allowed staff to print past tax bills for fiscal years 1993-2001 without microfiche machines.
- Developed MS Access database application for tracking passport applications and parking bonds.

PROPERTY TAX & LICENSE SECTION



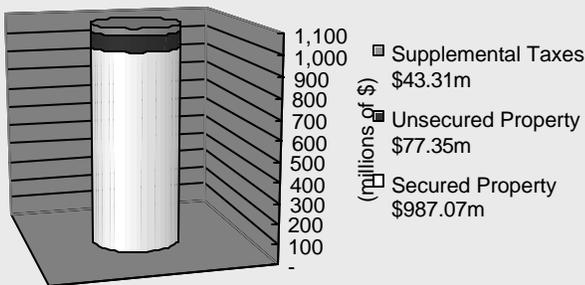
THE PROPERTY TAX & LICENSE SECTION handles the billing, collection, recording and reporting of payments for secured and unsecured property taxes, as well as special assessments. This section also administers special licenses and permits related to specific businesses. The three major units of this division are Real Estate, Tax Redemption and Business License.

REAL ESTATE UNIT

The Real Estate unit is responsible for processing tax bills for secured taxes and resolving the public's property tax issues via the telephone, in person and through correspondence. It also establishes and records four-year installment payment plans for secured and unsecured escape assessments for all prior fiscal years. The Real Estate unit processes refund requests for overpayments and duplicate payments of property taxes and business license fees. In addition, the unit collects various special assessments placed on secured property tax bills including over 57,000 rent board fees, approximately 31,000 apartment house fees and more than 800 hotel license fees.

PROPERTY TAX COLLECTIONS FY 2002-03

(See chart p. 33)



Total Property Tax Collections = \$1.108 billion

MISSION:

The Property Tax & License Section strives to serve the general public by providing timely and accurate property tax and business license information in a fair, legal and courteous manner.

In fulfilling this mission, we will meet our responsibilities and preserve high levels of customer satisfaction.

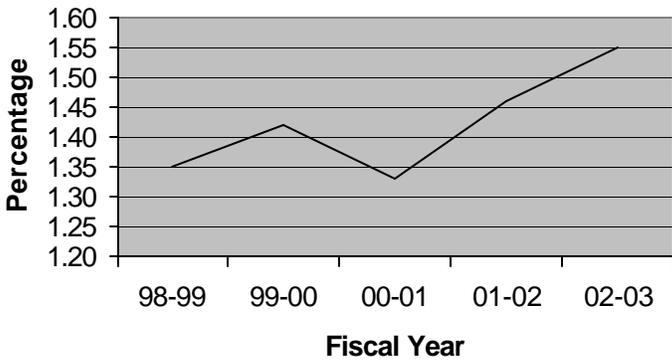
" A refreshing experience. Pleasant, engaged and helpful staff from the Front Desk to the woman assisting me. Relaxed and patient! Thank you."

-Customer

Secured Property Taxes

During Fiscal Year 2002-03, property tax revenue collection increased by \$52.0 million, or 5%, as compared to last fiscal year. This modest increase was due largely to the lack of home-price appreciation as seen in previous years and the reduction of assessed property value. Also, while the section continues to experience problems associated with the linking of the Assessor's computer system with the mainframe where the property tax database resides, staff continues to respond effectively to taxpayer questions and concerns. In fact, the Property Tax section has maintained a remarkably low delinquency rate of 1.55%, ranking San Francisco 7 out of the 58 counties in terms of the lowest delinquency rates.

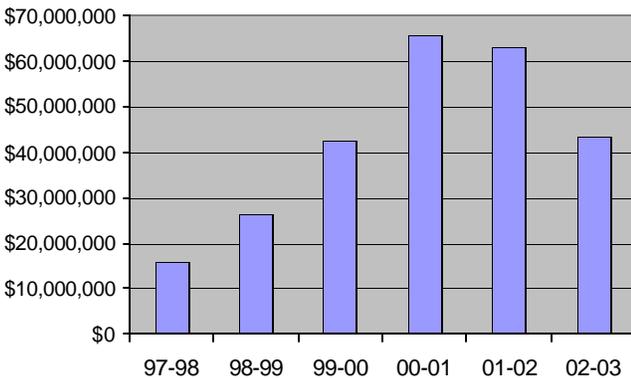
SECURED PROPERTY TAX DELINQUENCY RATE



Supplemental Property Taxes

Secured supplemental tax revenue collection for fiscal year 2002-03 dropped by 31% as compared to last fiscal year. This decrease in revenue collection was due largely to a declining housing economy where there was virtually no increase in home price, particularly in San Francisco.

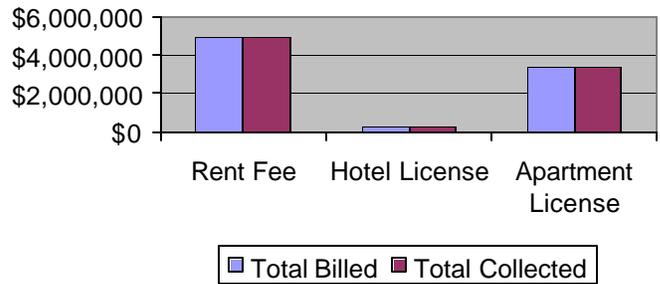
SUPPLEMENTAL PROPERTY TAX REVENUE COLLECTION



Special Assessments

For efficiency and effectiveness, collection of apartment and hotel license fees as well as rent board fees are incorporated into the secured property tax bills. Eliminating the excess mailings reduces departmental costs and results in savings for the City. It also contributes to the exceptionally low delinquency rate of approximately 1 percent for special assessments.

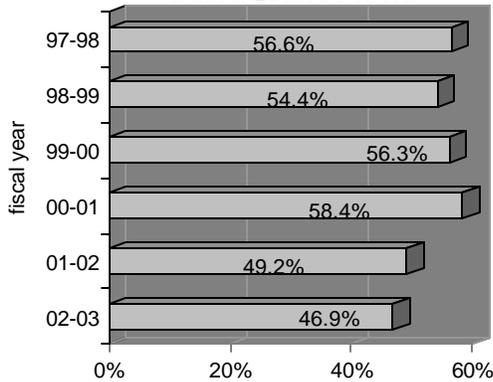
SPECIAL ASSESSMENT



Tax Redemption Bureau

The Tax Redemption Bureau processes and computes prior years' delinquent secured property tax payments. It also maintains records on taxes being paid on a five-year installment plan. Annually, in compliance with state law, the unit prepares a list of properties in tax-default for over five years. These properties are subject to the Tax Collector's Power to sell and the unit records a "Notice of Power to Sell Tax-Defaulted Property" for each of these properties. These notices are posted throughout the year in newspapers of general circulation. The Unit must attempt to sell these tax-defaulted properties at either public auctions or through sealed bids within four years after the property is subject to the Power to Sell. This fiscal year there was a sharp decrease in the redemption delinquency rate. This was due largely to the cancellation of incorrect assessments made on several secured property tax enrollments.

TAX REDEMPTION DELINQUENCY RATE



Business License Unit

The Business License unit handles the billing, collecting, recording, and reporting of business license fees as mandated by the San Francisco Municipal Code, Business and Tax Regulations Code. All business license fees that are delinquent for 90 days are reported to the regulatory departments for collection. During Fiscal Year 2002-03, this unit processed 30,644 business license accounts for the Departments of Public Health, Police, and Fire as well as numerous dog licenses for the Department of Animal Care and Control. These licenses resulted in more than \$6.73 million in revenue, a 9.15% increase from last fiscal year.

BUSINESS LICENSE FEES STATISTICAL ACTIVITY FY 2002-03

Type of Collection	FY 2002-2003	
	Amount	No. of Items
Police	\$1,583,793.00	11,154
Public Health	\$4,326,291.00	7,577
Fire	\$485,276.00	2,710
Dog Licenses	\$96,366.00	4,347
Total	\$6,491,726.00	25,788

PROPERTY TAX COLLECTIONS FY 2002-03

Secured Property	
Current Year	\$968,295,983
Prior Years' Redemption	18,778,703
TOTAL	987,074,686
Unsecured Property	
Prepaid	551,309
Current Year	83,201,596
Prior Years'	-6,398,311
TOTAL	77,354,594
Supplemental	
Secured	41,363,487
Unsecured	1,950,079
TOTAL	43,313,566
TOTAL COLLECTIONS	\$ 1,107,742,846

Highlights For FY 2002-03

- On April 25th, 2003, the Property Tax/License section conducted a successful public auction of secured real properties that were subject to the Tax Collector's "Power to Sell". The purpose of offering tax-defaulted property at auction is to collect unpaid taxes and to convey the property to a responsible owner. Of the 79 parcels offered at auction, 9 were removed for reasons such as bankruptcy or probate, 43 were redeemed prior to the auction and 15 were sold. Revenue earned from this auction was \$22,479.50.
- A total of 180,000 secured property tax bills were mailed out by October 16, 2002, two weeks ahead of the state scheduled deadline. 8,000 requests for overpayment refunds of property taxes and business license fees were processed within 30 days, reducing the amount of paid interest. In addition, 300 written requests for waiver of delinquent penalties were reviewed and replied to within 30 days of receipt.
- The Property Tax section reduced the percentage of unpaid redemption files to under 47%.



SUSAN LEAL, TREASURER

In November 2001, Susan Leal was re-elected to her second term as Treasurer of the City and County of San Francisco, capturing 87% of the vote. As Treasurer, Susan serves as the City's banker and chief investment officer. Her duties as Treasurer also include managing all tax and revenue collection for San Francisco.

Since taking office in 1998, Treasurer Leal instituted a number of programs and operational improvements that have significantly increased tax collection rates. These include outreach efforts to individual citizens, business owners and non-profit organizations as well as crackdowns on delinquent and fraudulent taxpayers. Treasurer Leal has achieved a 91% increase in delinquent tax collection, representing more than \$26 million in additional revenue for the City.

Treasurer Leal initiated San Francisco's first-ever socially responsible investment policy that has consistently achieved a rate of return that is highest among its peers. Treasurer Leal has also made many innovative improvements to customer service including, introducing the City Payment Center, a one-stop shop for City transactions such as transit passes, water bills, and passports; spearheading the City's e-commerce initiative which was named one of the top e-government projects nationwide; and launching the nation's first audio ATM for the visually impaired.

Susan Leal first joined San Francisco's government in June 1993 when she was appointed to the County Board of Supervisors. The following year, she won a four-year term, receiving over 100,000 votes. While serving on the Board, she chaired its Finance Committee, where she was responsible for balancing a \$4 billion budget.

Prior to her years in elected office, Susan Leal had a distinguished career as an entrepreneur as well as lawyer and investigator in state and federal governments. In 1985, Ms. Leal became vice-president of a health care management company. She helped grow the business from a local company with a handful of employees to a nationally recognized, publicly traded company with several hundred employees. In 1982, she served as senior consultant to the State Assembly's Committee on Ways and Means. Beginning in 1976, Ms. Leal served as counsel to U.S. House Energy and Commerce Committee's Subcommittee on Oversight and Investigations. A San Francisco native, Treasurer Leal earned a bachelor's degree in Economics and a Juris Doctorate from the University of California at Berkeley.



GEORGE PUTRIS, TAX ADMINISTRATOR

George Putris is a lawyer who has spent his career specializing in taxation law. Through both private practice and public service, he has gained extensive experience in the areas of federal income taxation, property taxation, state and local taxation, tax litigation, municipal finance, tax-exempt organizations and tax legislation. Immediately prior to undertaking the position of Tax Administrator, Mr. Putris practiced law in the San Francisco City Attorney's Office, where, as Deputy City Attorney, he served primarily as counsel to the Office of the Treasurer & Tax Collector.

Mr. Putris places a high value on efficiency, simplicity and fairness in the administration of the various tax services and regulatory functions performed by the Office of the Treasurer & Tax Collector. He believes that sound tax policy encourages voluntary compliance with the law, and that sound tax administration enhances the City's attractiveness as a place for businesses to locate their facilities and jobs. He is committed to revitalizing the policies and procedures that enable taxpayers to take full advantage of the services offered by the Office of the Treasurer & Tax Collector.

Mr. Putris is a graduate of the Martin Luther King, Jr. School of Law at the University of California, Davis. He also has an LL.M. degree in Taxation Law from New York University. He received his BA degree from the University of California, Berkeley. Mr. Putris is a member of the California Bar Association.



JAY BANFIELD, CHIEF ASSISTANT TREASURER

As Chief Assistant Treasurer, Jay Banfield serves as Deputy to Treasurer Susan Leal in administering the operations of the Office of the Treasurer & Tax Collector, formulating citywide financial policies and controlling the receipts, management and disbursement of city funds. He also serves as the office's Chief Technology Officer and Budget Director.

With a focus on innovation and customer service, Mr. Banfield spearheaded a national award-winning e-government initiative that allows customers to conduct business with the City online. He also manages the City Payment Center, a one-stop-shop for financial transactions that has undergone significant expansion over the last three years. In October 2001, Mr. Banfield was awarded the Public Managerial Leadership Award by the Municipal Fiscal Advisory Committee to the Mayor.

Mr. Banfield has served in the legislative and executive branches of San Francisco Government since 1997. Prior to his work in the Office of the Treasurer & Tax Collector, he worked as a legislative assistant to then Supervisor Susan Leal, Chair of the Board of Supervisors' Finance Committee.

Prior to joining municipal government, Mr. Banfield was a manager at Oracle Corporation, where he led business development efforts in the federal, state and local government sectors. He holds a B.A from Stanford University and a Master of Public Policy degree from the University of California at Berkeley.

S.F. Treasurer

CONTACTS

SENIOR STAFF

Treasurer	Susan Leal
Tax Administrator	George Putris
Chief Assistant Treasurer	Jay Banfield
Chief Investment Officer	Daniel Patrick Daly
Special Assistant to the Treasurer	Shana Margolis
Section Managers:	
Accounting Section	Manuel Valle
Administration Section	Gail Hemenway
Bureau of Delinquent Revenue/ Investigations	Florence Mar
Business Tax Section	Mark Buckley
Cashiering Section	
Remittance & Mail Operations	Sonia Martinez
Treasury Accounting & Banking Services	Daniel Patrick Daly
Legal Section	Robert Fletcher
Management Information Section	Darrell Ascano
Property Tax & License Section	Francis Nguyen
Taxpayer Assistance Section	Anita Jin



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