

## Q&A on General Property Taxes:

1. Do you think you'll collect \$8.4 million in the last two months to reach overall projection of \$282,884,161?
  - This is the current projection based on a number of factors. See separate 2018 Projection methodology. Current year tax levy typically increases 1-2% from P10 to P13 as delinquent statements are sent out coupled the filing of tax liens (citing next steps of Tax Deed Sale or Foreclosure).
  - For similar reasons, interest and liens revenue typically increases approximately 20% between P10 and end of year (consistent with 17 actuals).
  - Prior year levies will capture revenues recorded in FY2019 within the first 60 days of collections that is attributed to FY2018 (GAAP reporting rules).
  - Lastly we have a final figure for subsequent tax liens for FY018 at \$1.7M. We are under contract with previous lien buyers to sell subsequent liens, the revenue of which materializes in June. The 60 day collections lookback will be a material factor which is not final until August of 2018 during fiscal year close.

### Other Collection Efforts (not reflected in FY2017 actuals):

#### Tax Deed Sale:

We mailed out Demand letters for the following (see attached sample):

Top 53 Residential total: \$1,816,027.74

Top 54 Commercial total: \$7,185,196.91

Total: \$9,001,580

20% Deposit for Payment Plan = \$1.8M

Assume 30% in FY2018 = approx. \$500K

#### Personal Property:

Tax Collectors Demand Letters issued as a final last step prior to alias tax warrants served at place of business. The immediate action plan for personal property is to have our collection agency, TaxServ, provide us with "desk top due diligence" of the top 100 delinquent accounts. They've performed 50 so far and are currently researching the next 50. To date they've provided us with the following results:

Collectable (11) \$2,643,757.09

Del Tax Enforcement (10) \$ 929,222.77

Aiming for \$100K for FY2018

#### Other:

On 5/5 we filed a total of 2007 tax liens for the 2016GL. We have now mailed out our May delinquent statement. Total billed was \$23,281,810.36.

2. Is a Tax Lien Sale planned for FY18 and FY19? **No a new tax lien sale is not planned for FY2019. However we are under contract with previous lien buyers to sell subsequent liens of approximately \$750,000, which is baked into the \$11.250M in Other Tax Revenues.**

3. Do you have a projected current tax collection rate for FY18? **The collection percentage of 95.5 seems a little higher than recent history. City charter requires the average of the 3 most recent fiscal years. Methodology: 93.39% in FY15, 97.01% in FY16, 96.07% in FY17. Averages to 95.5%.**
4. On page 6-3, why \$0 for tax lien sale in FY19? **See #2 above.**
5. From page 6-3, the increase in Current Taxes (in addition to the collection percentage and the slight grand list increase) seems to be fewer deletions related to: Appeals (\$1.250), MV cap adjustment (\$3.7m) and Tax liens sale (\$1.5m).

**This is correct. Yes, there is data for both appeals numbers. Based on the number of properties under appeal through the court system and historical experiences that the judge will “split the baby” our Tax Assessor estimates an impact of \$4.75M. Historical appeals through the Board of Assessment Appeals coupled with current volume of requests supports the \$500K assumption. The MV Mill Rate cap captures the difference between the 74.29 and proposed rate of 45 mills.**