

WAYNE COUNTY TREASURER'S OFFICE

PROGRESS REPORT



Eric R. Sabree
WAYNE COUNTY TREASURER

2016-2019

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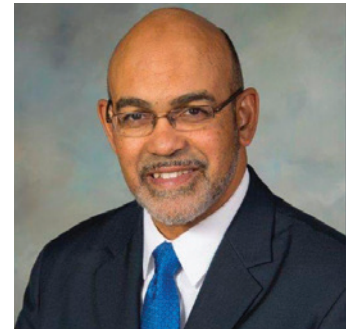
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LETTER FROM THE TREASURER



It is an honor to serve as the Wayne County Treasurer in the great State of Michigan. It is equally an honor to share the accomplishments of my office over the last four years.

This report will provide an overview of how the Wayne County Treasurer's Office (WCTO) has been proactive in addressing the changing needs of the residents of Wayne County. With the leadership of my administrative team, work process audits, and established process improvement teams, the office of the Treasurer has emerged as a more efficient and effective office. I commend my hard-working and committed staff who have embraced changes as they work together to provide dependable quality services for the public.

Over the past four years the WCTO has engaged in a new approach to management and productivity which involves extensive staff training by subject-matter experts. The staff has participated in redefining the mission and vision of WCTO which now align with the needs of the County, the local communities, and the interests of the taxpayers. The mission and vision now guide the decision-making process by all internal units. Staff currently implements revised policies and procedures based on the recommendations of a first-time operational audit by a nationally renowned accounting consulting firm.

The many substantive accomplishments of the WCTO would not have been possible without the engagement of philanthropic and community partners and the regular interaction with the County, local municipalities, and the Office of the State Treasurer. With these partners and with my focus as the fiduciary of Wayne County assets and resources, the WCTO has made tremendous progress. We have increased investment returns by 500% and reduced property tax foreclosures by 86 % over a four-year period. This is a major accomplishment and the result of hard work and alliances with public and private partners.

As Wayne County Treasurer, I look ahead with the continued responsibility for the receipt, custody, investment, and disbursement of all County funds while maintaining an effective and efficient administration of property tax collection for the County. As the WCTO continues to focus on strategic planning and the alignment of resources and goals, I remain optimistic that the efforts of the past four years and the upcoming years will continue to strengthen and stabilize Wayne County communities.

A handwritten signature in black ink that reads "Eric R. Sabree". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eric R Sabree
Wayne County Treasurer



OUR MISSION

The Wayne County Treasurer's Office is responsible for the collection and disbursement of delinquent taxes and investment of all County funds while providing outstanding customer service.

OUR VISION

The Wayne County Treasurer's Office is committed to providing superior customer service and increasing returns on financial investments while embracing new technologies. We strive to reduce delinquencies and prevent foreclosures of owner-occupied homes for the stabilization of neighborhoods. Wayne County Treasurer's Office staff, along with community partners, will educate and empower taxpayers while treating everyone with dignity and respect.

Forfeiture and Foreclosures

The Wayne County Treasurer's Office faced an unprecedented number of property tax foreclosures in the past. In 2014, the City of Detroit alone had more than 70,000 properties that were subject to foreclosure. Over the past four years, the Treasurer broadened partnerships to achieve the remarkable reduction in County-wide foreclosures by 86%.

Although "forfeiture and foreclosure" is mandated by State law, Treasurer Sabree's philosophy includes ensuring property owners are provided with information and resources to assist them with preventing foreclosures.



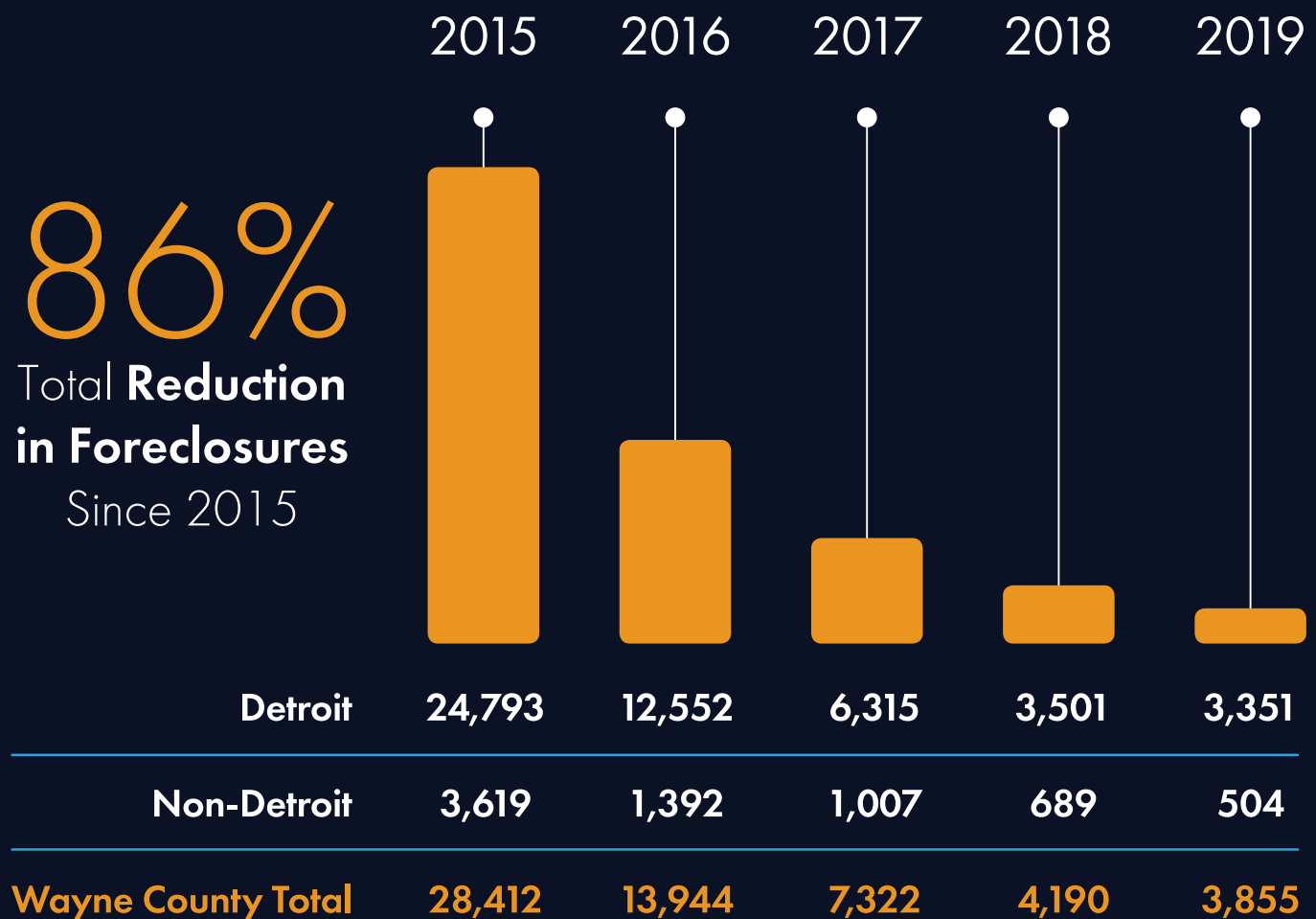
The Wayne County Treasurer's Office under Treasurer Sabree's Leadership:

- Has focused on **expanding outreach** to include holding neighborhood workshops, providing payment plan options, and free financial counseling.
- Was a driving force behind the 2016 legislative extension of Interest-Reduction Stipulated Payment Agreements (IRSPAs), which allowed taxpayers to pay back delinquent taxes at a **substantially reduced interest rate** (6% vs. 18%) in affordable installments over an extended period.
- Successfully lobbied the Michigan legislature in 2019 and obtained **total bipartisan support** to again extend the sunset of the legislative authorization of IRSPAs for another seven years.
- Enrolled more than 40,000 Wayne County taxpayers in IRSPAs resulting in **helping more than 100,000 residents** remain in their homes.
- Partnered with Diversified Data Processing (DivDat) to install 60 tax payment kiosks throughout Wayne County. The kiosks now account for more than 13% of total delinquent tax payments. In 2018 **more than 89,000 delinquent tax payments were made** at the kiosks amounting to collection of more than \$30 million.
- Expanded the DivDat partnership by **introducing a mobile app** allowing taxpayers to pay delinquent property taxes through their smartphones or tablets.
- Revamped "Show Cause" hearings and partnered with City of Detroit offices, Detroit Water and Sewerage, DTE Energy, and municipal, County, and State agencies. Resource fairs are held to **provide an abundance of free assistance** including legal aid, financial counseling, monetary assistance resources, property tax assessments, and foreclosure prevention assistance.
- Has engaged in **educating taxpayers** on principal residence and low-income exemptions.
- Annually identifies occupied properties facing foreclosure through its "Knock-n-Secure" program and commissions a door-knocking effort to visit every property to verify whether or not it remains occupied. Occupants are personally notified if their property is facing foreclosure and are provided with resource materials and information in order to contact the WCTO for **foreclosure prevention assistance**. Unoccupied properties are secured to prevent vandalism and squatting. Uncut grass is mowed.
- Procured private dollars since 2017 to **help pay property taxes for property owners** living in their homes facing hardships and foreclosure.
- Partners with Wayne County Community College District to host Taxpayer Assistance Saturdays on the various campuses in February and March. Participants receive **one-on-one guidance to avoid foreclosure**, enter into payment plans, make a property tax payments and obtain assistance from community partners.



Forfeiture and Foreclosures

A major success in reducing foreclosures is the Treasurer's program of meeting in-person with mayors, treasurers, and other local community officials to review lists of pending foreclosures in each of the 43 Wayne County Communities. The Treasurer established outreach programs in which local officials meet with residents on the pending foreclosure list to assist them with their specific issue to prevent foreclosures. The program runs from February to April and has been instrumental in helping the Treasurer achieve the dramatic reduction in County-wide foreclosures by 86% over the past four years.



Effective Internal Operations & Efficient Customer Services

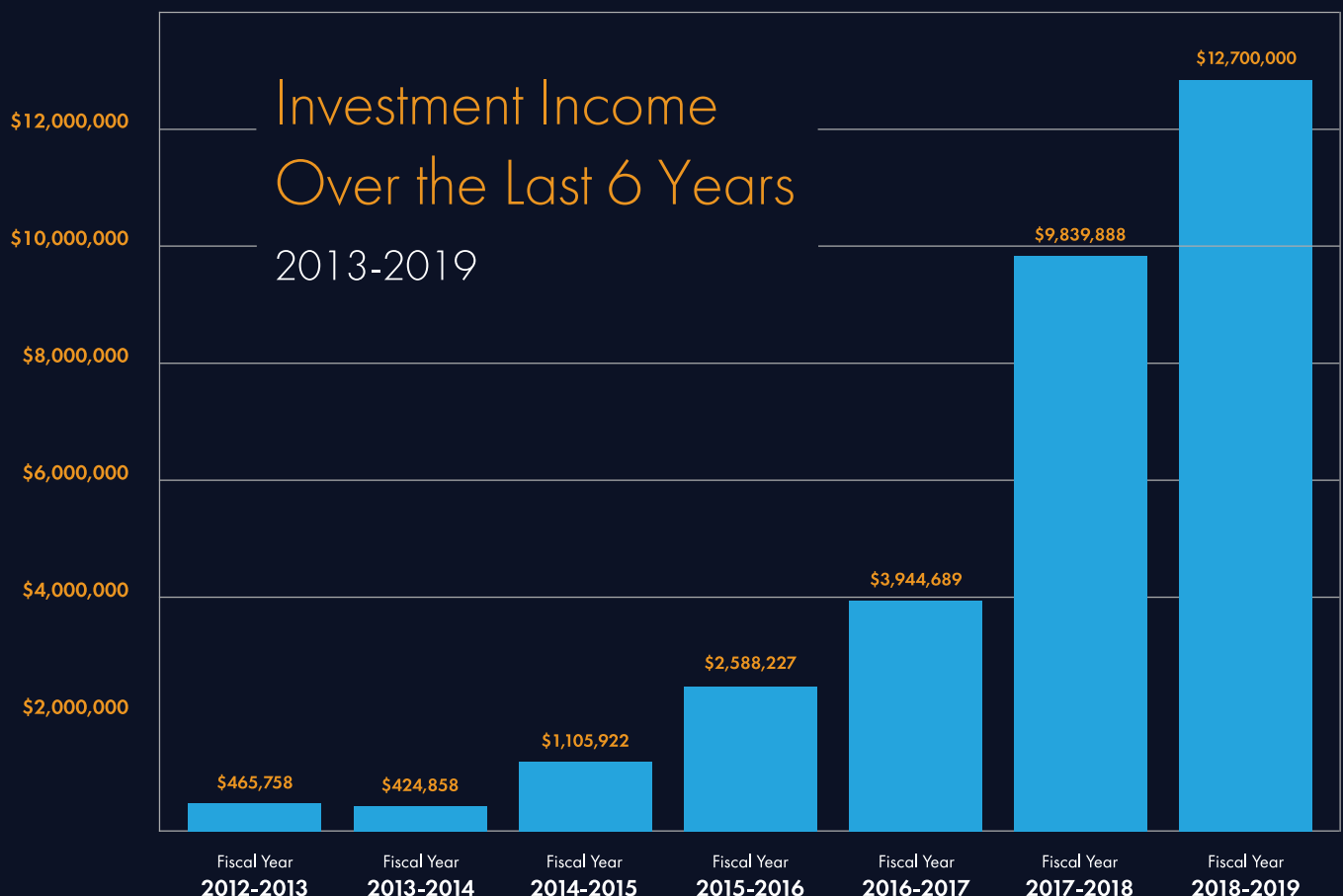
Over the past four years, the Wayne County Treasurer's Office has worked diligently to develop a new culture that promotes teamwork and excellent customer service. Significant efforts were made to increase professionalism, improve morale, and increase productivity throughout the Office. Training sessions have prepared staff and employees with specialized knowledge to better assist taxpayers.

- The Treasurer brought in executive team members with years of experience in legislative initiatives, public finance, investment, and management resulting in **increased professionalism** of the WCTO staff.
- With the assistance of external and internal project consultants, the WCTO completed an **office-wide operational audit** and organizational review. The recommendations for improvements throughout the WCTO are being implemented as well as new and updated standard operational policies and procedures.
- With an emphasis on ensuring excellence in WCTO operations, the staff completed training in more than 20 programs conducted by Skill Path, Business 21 Publishing, Franklin Covey, and the Federal Bureau of Investigation. Customer service clerical specialists are now cross-trained in cashiering, taxpayer assistance, and call center customer service. The Treasurer is **committed to continuous professional development** for staff to ensure effectiveness, efficiency, and excellent customer service.



Improved Fiscal Management

Treasurer Sabree is the custodian of all County funds, collector of County taxes, distributing agent for certain tax funds to local communities and school districts, the investment officer of funds belonging to and under the control of the County, and performs other duties concerned with interrelated fiscal matters of the numerous County departments and agencies. The Treasurer sets a standard for efficient accounting operations, has a solid commitment to the needs of the 43 municipalities and local taxing authorities, and has an unprecedented focus on increasing Wayne County investment returns.



Improved Fiscal Management

- For the first time in its history, the WCTO commissioned a forensic audit of cash operations resulting in providing the basis for **improved policies and procedures**.
- The WCTO annually and upon the authorization by the County Commissioners, issues Delinquent Tax Anticipation Notes (DTANs) to advance to local taxing authorities any delinquent amounts owed by taxpayers. These annual borrowings allow the taxing authorities to provide services without interruption, and the DTANs are subsequently paid off with delinquent property taxes collected by the WCTO.
- Since 2016, the WCTO has issued \$640 million in delinquent tax anticipation notes. The office has also refinanced \$150 million of these notes, **saving the County millions of dollars in interest costs**.
- The WCTO maintains a SPL credit rating and manages funds in a manner that resulted in the Treasurer's ability to declare a surplus of funds in fiscal years 2015-16, 2016-17, 2017-18, and 2018-19. As a result, **the Treasurer has distributed over \$146 million in additional funds** to the Wayne County General Fund over the four-year period.
- For the first time in more than twenty years, the WCTO initiated a competitive bid process through a request for proposals for banking services. County taxpayers can be assured that the most cost-effective and efficient banks now manage the County's assets and banking transactions. As a result, the WCTO will realize **an estimated \$500,000 in savings from reduced banking fees**.
- The WCTO monitors and petitions the bankruptcy court to become a secured creditor whenever a County property owner files for bankruptcy. This is a critical function of the Treasurer's office and the diligent securing of debt has generated approximately **\$5 million per year to the Treasury in tax payments** that otherwise would not have been collected.
- The WCTO investment manager was hired in 2017 and was tasked with diversifying the County's investment portfolio and increasing returns on investment while carefully managing risk. In 2017, 2018, and 2019, **interest earnings and portfolio values dramatically increased**.

500%
Increase in Investment
Income over the
last 4 years

Communication

Treasurer Sabree and the WCTO continue to meet goals by incorporating technology and improving communication.

- The WCTO Information Technology Unit developed the **highly successful "Project Tax Message"**, a free text messaging service to remind taxpayers of upcoming payments and to prevent defaults on payment plans. Since its implementation in October 2018, the WCTO has sent out approximately 140,000 text messages.
- New **online tutorials** on the WCTO website provides guidance for making delinquent tax payments and explains how to register and bid in the Wayne County Tax Foreclosure Online Auction.
- The WCTO engages in **ongoing dialogue with State legislators** about tax policy, finance, and other proposed legislation as well as the status of current WCTO initiatives.



WCTO utilizes multiple channels to communicate with taxpayers, including: billboards, print advertising, websites, social media, and television. 

- Using the Public Access Television Network, the Treasurer's Office developed a cost-free ongoing program to **inform taxpayers about foreclosure prevention** through video presentations in most municipalities in Wayne County.
- The Wayne County Treasurer's Quarterly Newsletter provides Wayne County residents with **essential deadlines and information** about the Treasurer's Office in print and digital formats.
- Internal and external websites have been redesigned to be more user-friendly and social media accounts for the WCTO are on several platforms, including YouTube, Instagram, and Facebook. These platforms provide for **increased engagement and interaction** with the online community.
- The WCTO is conducting customer surveys with residents each month. To date 89% of respondents say the Treasurer's **payment plan programs have been of great assistance.**



Community Engagement

Treasurer Sabree and the WCTO focus on developing and maintaining relationships with taxpayers and partners. The office promotes a culture of participation with programs and organizations that work together to advance quality community engagement.



- The Treasurer held the second annual **Community Leadership Workshop** in 2019. Religious leaders, community leaders, and municipal treasurers gathered, discussed foreclosure prevention measures, and returned to their communities with helpful information and new strategies.
- Treasurer Sabree **promotes economic development and encourages reinvestment** in Wayne County communities. In 2018, he hosted an inaugural event honoring community investors. The Treasurer acknowledged those who invested in foreclosed properties for their contribution in rebuilding neighborhoods throughout Wayne County.
- The Third Annual Veteran's Outreach event was held in 2019 to **assist military veterans with zero-down payment plans** and informational packages on other available resources. More than 24 community organizations took part in the event, including all branches of the U.S. military, the Department of Veterans Affairs and its medical centers, Michigan Legal Services, and Detroit Wayne Mental Health Authority. Representatives from U.S. Congressional Offices and the Detroit City Council along with many veterans from municipalities throughout Wayne County attended.
- In 2017, Treasurer Sabree realized that despite exhaustive efforts by WCTO staff and community volunteers, 106 owner occupants owing less than \$1,000 were faced with foreclosure. He contacted private individuals which resulted in donations of approximated \$70,000 to pay the taxes of those 106 homeowners, **keeping them and their families in their homes**.
- The Wayne County Treasurer's Office worked with the City of Detroit, J.P. Morgan Chase, the Bloomberg Foundation, and Cities for Financial Empowerment to create a permanent Financial Empowerment Center to offer **financial coaching to residents** of the County. This service began August 2019 with two full-time counselors from Wayne Metro Agency in the Treasurer's Office two days per week.
- During the Federal Government's 2018-2019 shut-down that lasted for 35 days, Treasurer Sabree granted an **extension of time for paying delinquent taxes** to any furloughed worker. The same assistance was extended to striking UAW auto workers in 2019.

To learn more about The Wayne County Treasurer's Office and its services, visit **WayneCountyTreasurer.com**, or follow us on these social media platforms:

 Treasurer Media |  /WayneCountyTreasurersOffice |  /TreasurerMedia

WAYNE COUNTY MUNICIPALITIES

Allen Park

Belleville

Brownstown Township

Canton Township

Dearborn Heights

Dearborn

Detroit

Ecorse

Flat Rock

Garden City

Gibraltar

Grosse Isle Township

Grosse Pointe

Grosse Pointe Farms

Grosse Pointe Park

Grosse Pointe Shores

Grosse Pointe Woods

Hamtramck

Harper Woods

Highland Park

Huron Township

Inkster

Lincoln Park

Livonia

Melvindale

Northville

Northville Township

Plymouth

Plymouth Township

Redford Township

River Rouge

Riverview

Rockwood

Romulus

Southgate

Sumpter Township

Taylor

Trenton

Van Buren Township

Wayne

Westland

Woodhaven

Wyandotte