

BOARD OF COUNTY COMMISSIONERS

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Memorandum

DATE: June 7, 2011

TO: Board of County Commissioners

FROM: Michael Merrill, County Administrator

SUBJECT: Package #3 - Information Items from the January 27, 2011 Budget Workshop

At the January 27th budget workshop, the Board asked for additional information on several issues. The attached pages with the response to one of these issues are hole-punched for placement in a 3-ring binder.

Attached are the responses for the following.

Information Item #	Information Request
I-2	Provide information on uncollectible revenue and what could reasonably recovered if new collection approaches were used.

Remaining responses to information requests will be forthcoming soon.

Please let me know if you have any questions or require additional information.

MM/mm

cc:

Michael Merrill, County Administrator (Read File)
Renee Lee, County Attorney
Sharon Subadan, Deputy County Administrator
Dan Klein, Chief Deputy, Clerk of Circuit Court
Department & Division Directors

Bonnie Wise, Chief Financial Administrator
Lucia Garsys, Deputy County Administrator
Helene Marks, Chief Administrative Officer



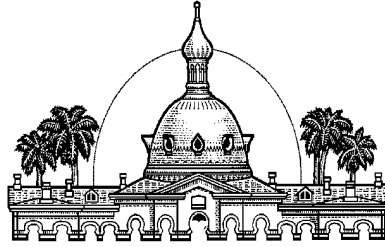
Hillsborough County
Florida

FY 12 – FY 13 Recommended Biennial Budget BOCC Information Requests

Info #	Request	Assigned To	Provided to BOCC
<u>Information Requests from 1/27/11 Workshop</u>			
I-1	Provide information about the sources of revenue by department and programs.	Business and Support Services Department	Provided at February 9, 2011 Budget Workshop
I-2	Provide information on uncollectible revenue and what could reasonably recovered if new collection approaches were used.	Business and Support Services Department	June 7, 2011
I-3	Provide an explanation on what amounts are available for the Board's spending.	Business and Support Services Department	Provided at February 9, 2011 Budget Workshop
I-4	Provide a report on state-funded mandates by program areas.	Business and Support Services Department	March 14, 2011
I-5	Advise the board on its liability if it decides not to fund state-mandates.	Rene Lee, County Attorney	Supplied directly to the Board on March 17, 2011
<u>Information Requests from 2/9/11 Workshop</u>			
I-6	Provide a list of positions eliminated in the Adopted FY 11 budget. Additionally, provide a list of employees included in reductions-in-force in 2010 and 2011.	Tom Fesler, Business and Support Services Department	May 3, 2011
I-7	Provide a list of current vacant funded positions by department and the source of funding for those positions.	Tom Fesler, Business and Support Services Department	May 3, 2011
I-8	Provide an analysis of management positions by department and indicate what percentage of the department's budget their salaries represent.	Tom Fesler, Business and Support Services Department	May 3, 2011
I-9	Provide the Board with a copy of the Budget Preparation and Limitations Policy (Board Policy 03.05.07.00).	Tom Fesler, Business and Support Services Department	March 14, 2011
I-10	Provide a report on County policies regarding lobbyists and interfacing with staff.	County Attorney	
I-11	Provide a report on the financial status including reserves of the Hillsborough County Health Care Program.	Family and Aging Services Department	

**FY 12 – FY 13 Recommended Biennial Budget
BOCC Information Requests**

Info #	Request	Assigned To	Provided to BOCC
I-12	Review public transparency of the budget process.	Tom Fesler, Business and Support Services Department	March 14, 2011
I-13	Assign a Budget Analyst to each Commissioner.	Tom Fesler, Business and Support Services Department	March 14, 2011



Hillsborough County
Florida

**RESPONSE TO REQUEST FOR INFORMATION
#I-2**

Reference:	Provide information on uncollectible revenue and what could reasonably recovered if new collection approaches were used
Meeting:	January 27, 2011 budget workshop
Materials:	Report from departments about delinquent and uncollectible revenues
Background:	At the January 27 th , the Board asked for information about delinquent and uncollectible revenues.
Requested Board Action:	None - For information only



Hillsborough County
Florida

Summary of Uncollected Revenues

Department	Revenue Description	Uncollected Amount	Relevant Information
Animal Services	\$50 cost recovery on Civil Citations	\$ 194,381	The fee is collected by the Clerk of the Circuit Court, and the Clerk is responsible for collection efforts on uncollected balances.
Animal Services	\$5 training fee on Civil Citations	Not Available	The fee is collected by the Clerk of the Circuit Court and they are responsible for collection efforts on uncollected balances.
Code Enforcement	False alarm fines	\$ 329,800	The fines have been in place since October 2004. The collection rate is 97%. Liens are placed on property for unpaid fines.
Code Enforcement	Demolition liens	\$ 1,072,988	Liens result from demolition of dangerous structures. The collection rate is 71%, and the liens date back to 1985.
Family and Aging Services	Senior citizens co-payments for home and community-based services	\$ 9,737	Senior co-payments are \$7+ per month based on client income. The collection rate is approximately 90% and client services are terminated after 90 days if not paid.
Fire Rescue	Ambulance transportation services	\$ 10,639,805	The collection rate for net billable charges is 70% and is 13.7% for self-pay. Collections are aggressively pursued for six months, are active for three years, and are then written off. FR is currently pursuing a contract for collections.
Fire Rescue	Fire Marshall and inspection services - excessive fire alarms, permits, plans review, building inspections	\$ 394,149	The collection rate is 81%. Collection efforts for these fees are consistent with those of ambulance transportation services.

Summary of Uncollected Revenues

Department	Revenue Description	Uncollected Amount	Relevant Information
Library Services	Loaned library late fees, lost or damaged fees, collection agency fees, and NSF check fees	\$ 2,845,008	A collection agency is used, and there are policies describing collections procedures and accounts receivable management.
Medical Examiner	Cremation investigation fee - \$25 each	\$ 150	Annual revenues for this service are approximately \$80,000. The uncollected amount is approx. .2% of annual revenues.
Parks and Recreation	After school program activity fees	\$ 105,000	A collection agency is not currently used. The department recently changed its procedures to require payment of fees in advance of service.
Planning and Growth Management	Code compliance fines	\$ 652,803	There is a 15% collection rate on these fines. Unpaid fines result in property liens
Planning and Growth Management	After-The-Fact permits	\$ 64,497	There is a 13% collection rate on these fines.
Public Utilities	Water, wastewater, and reclaimed water	See attached.	Less than .2% of annual revenue goes uncollected. Service is disconnected after three months of nonpayment. Liens are place on property resulting in a 77% collection rate on liens. A collection agency recovers 14% on non-liened property. The department holds \$10.8 million in deposits on hand.

Summary of Uncollected Revenues

Department	Revenue Description	Uncollected Amount	Relevant Information
Non-departmental	Red light camera fines	\$ 512,460	The uncollected balance relates to fines before 7/1/2010. After this date, a new state law turns fines into a Uniform Traffic Citation if not paid in 30 days. A contracted collection agency is pursuing collection of amounts due prior to 7/1.

Note: A significant number of County services require payment in advance of service. Therefore, many County revenue sources are not included in this analysis.

Note: Property Liens for various code and ordinance violations are not presented on this schedule since they are not considered to be accounts receivable to the County. The purpose of these liens is to obtain compliance with County ordinances and codes and ultimately a large percentage of these amounts do not result in cash flow to the County. These liens are described in an attached summary.

Animal Services Department
3/14/11

RE: Uncollected Revenues/Amounts

-A description of the activity that creates an amount due to the County (examples - red light camera fines, fire rescue billings, co-pays for services to seniors, code enforcement fines, water billings, permit fees, etc.)

Citation "Cost Recovery" Fee and Animal Control Officer Training Fees: Animal Services is responsible for the enforcement of Florida Statutes and County Ordinances dealing with companion animals. Enforcement actions can range from the issuance of civil citations to the arrest of offenders.

As a result of changes made to Article V of the State Constitution in the last several years, monies collected through the civil citation process are no longer retained by the county in the same manner as they had previously been. As a result of these changes, the Department established a "cost recovery" fee of \$50 per citation issued to help defer some of the costs of enforcement associated with these actions.

Furthermore, Florida Statute 828.27 permits agencies to "impose and collect a surcharge of up to \$5 upon each civil penalty imposed for violation of an ordinance relating to animal control or cruelty." Proceeds from this fee are used to pay for the training of Animal Control Officers (ACOs).

-The current balance of amounts due that are considered to be delinquent.

In November of 2010, Animal Services requested a report from the Clerk's Office that would detail the amount of uncollected revenue associated with the \$50 cost recovery fee. The Clerk's Office was able to provide a report that showed a total of \$194,380.91 as uncollected for the time period ranging from 05/01/2008 through 11/30/2010.

Animal Services is currently working with the Clerk's Office to obtain a similar report that would detail the amount of uncollected revenue associated with the \$5 ACO Training Fee.

-A description of your collection activities related to these balances (i.e. - do we contract with a collection agency, do we follow up with County staff, etc.).

Currently, Animal Services has no collection activities associated with these fees as they are part of unpaid civil citations that are under the purview of the Clerk's Office. However, we have discussed scheduling a meeting with members of Budget and the Clerk's staff to discuss collection options for the fees described above and will do so when time and staff availability permits.

-An analysis of our success in collecting past due amounts.

As indicated, there are no current collection activities initiated by the Department for these fees.

-A description of any tools at our disposal to incentivize collection. (i.e. - discontinue service, placing of a lien on property, etc.)

One option for consideration would be to stop providing non-essential services to individuals who are delinquent in paying fees for county services or who has not paid fines and/or associated fees. Non-essential services would be those not directly related to an individual's health or safety. Ideally a centralized reporting database would be available that would allow departments to flag these individuals.

-A description of the process for writing off past due balances

As these fees are directly associated with the issuance of civil citations for violations of County Ordinance, it is not believed there is a "write off" procedure in place. However, any such procedures would be those of the Clerk's Office.

-Identification of any opportunities to improve our collection rates and reduce outstanding delinquent balances

-Any other information that would be useful in our analysis for the Board.

Code Enforcement Department Uncollected Revenues/Amounts

False Alarm Fines

These are fines that are issued based on false alarms at businesses and residences in the unincorporated areas as reported by the Hillsborough County Sherriff's department. Once an alarm is called in by an Alarm company to the Sheriff's office dispatch center and is cleared as a false alarm by either the deputy or respondent a fine could be issued against the tenant and property owner. Residents and businesses receive 2 false alarms without a charge in a 365 day revolving period. Beginning with the 3rd alarm in that same period, a \$75.00 fine is assessed in accordance with the below schedule:

- 4th false alarm - \$100.00
- 5th false alarm - \$150.00
- 6th false alarm - \$300.00
- 7th false alarm - \$500.00

Any further alarms which occur beyond this level are assessed a \$500.00 fine during the 365 day period. These fines are assessed per Ordinance 04-17 and have been collected since 10/1/2004.

As of 1/31/11, there is \$329,800.81 in uncollected revenue for the False Alarm program. According to our records, the department has achieved a 97% collection rate for uncollected fines. We believe this is due to the fact that these uncollected revenues are processed through the Code Enforcement Special Magistrate and a lien is filed against the properties for any unpaid fines. *This amount does not include fines that have accrued as a result of non-compliance with an Order of the Code Enforcement Special Magistrate.*

This receivable is reported monthly to the Finance Section of the Clerk's office. Unpaid fines in this program are only written off by the Fiscal Manager for cases where the fine is uncollectable (i.e. property has transferred ownership and the previous owner cannot be found, government owned properties)

Demolition Liens

Demolition liens are prepared as Resolutions and approved by the Board of County Commissioners. The Resolution is assessed for the actual cost incurred by the County for demolition of dangerous structures in the unincorporated areas of the County. These Resolutions accrue 6% interest per annum and are non negotiable. If any of these properties have a homestead exemption, the lien cannot be foreclosed. The current amount that remains uncollected on these

liens is \$1,072,987.90. Based on our information, these Resolutions date back to 1985 and we have an approximate collection rate of 71% to date.

Our office has pursued the collection of the outstanding amounts in recent years by notifying owners of the property regarding the amounts due. Our department collected \$62,479 in payoffs over the last 2 fiscal years (FY09/10). Code Enforcement is now reviewing these outstanding liens and forwarding any properties without homestead exemption to the County Attorney's office for further collection efforts.

RE: Uncollected Revenues/Amounts

-A description of the activity that creates an amount due to the County (examples - red light camera fines, fire rescue billings, co-pays for services to seniors, code enforcement fines, water billings, permit fees, etc.)

Co-pay for services to seniors: The Division of Aging Services provides home and community based services to elderly Hillsborough County residents funded by the Florida Department of Elder Affairs (DOEA) with State General Revenue grant dollars. Local Countywide General Fund dollars supplement the state grant programs to expand service capacity. To help pay for services received, Florida Statutes that govern the grant funded services programs require the County to assess and collect co-pay fees from functionally impaired elderly persons for certain co-pay eligible services rendered, based on a standard statewide sliding-fee schedule that reflects a client’s overall ability to pay. The lowest monthly fee starts at around \$7.00 per month and goes up from there depending on income level. At the end of each month a client receives co-pay eligible services, the client receives a co-pay bill that identifies the total amount due including current month charges, and any prior balance due from previous months. Payments of outstanding balances are due upon receipt and bills are past due after 30 days.

Since there are limited funds to meet overall growing needs for services, DOEA rules mandate that every eligible client must be given the opportunity to participate in the co-pay for services program. Some clients enrolled in co-pay eligible programs are exempt from making co-payments due to low income or other factors. In cases of financial hardship, DOEA program guidelines permit Aging Services to evaluate and waive clients’ co-pay fees up to 10% of the annual projected co-pay revenue target. Revenue from co-pay collections is budgeted as part of total revenue for the applicable grant programs and must be accounted for and used to support the costs of providing program services.

-The current balance of amounts due that are considered to be delinquent.

Co-pay fees assessed over the past year total \$174,348. Program enrollments and assessed co-pay revenues vary from month to month due to client attrition. For general comparison, in January, 489 clients that were billed a total of \$14,636 in co-pay fees. Current delinquent fees aged by month are as follows:

- 31-60 days \$3,616.31
- 60-90 days \$2,169.04
- Over 90 days \$3,951.87

-A description of your collection activities related to these balances (ie - do we contract with a collection agency, do we follow up with County staff, etc.).

Clients are expected to mail-in their payments within 30 days and those amounts are credited to their account once received. Collection processing follow-up is conducted by Aging Services Case Managers according to guidelines prescribed by DOEA and internal written policies and procedures. Due to DOEA program compliance standards, client rights to due process of review and grievance procedures, HIPPA regulations, and the frail physical and mental nature of the functionally impaired elderly clients that are served, external collection agencies have not been used.

-An analysis of our success in collecting past due amounts.

Approximately 75% of assessed co-pay fees are collected within 30 days and 90% is collected within 60 days of initial billing. Due to our policy of terminating of services beyond 90 days, the bulk of co-payments that are likely to be received will be collected within 90 days. Many clients experience temporary hardships and become eligible to have their fees waived on a short-term or annual basis. Over the past 12 months approximately 2.6% of assessed fees were written off as uncollectable due to non-payment or refusal to pay fees. During the same period approximately 4.0% was uncollectable due to the client being deceased, moving out of the area, being placed in a nursing facility, being transferred to other programs, etc.

Client accounts that go uncollected beyond 90 days are typically those where the client has died, been hospitalized for an extended illness, has moved away to another region or state, or some other extenuating financial hardship has occurred. Clients in these circumstances have little or no income or assets. Historically, in the majority of these type instances, there is little or no opportunity to recover the unpaid balances from the client, their family, or what is remaining from their estates once they have passed away. Due to the relatively small dollar amounts involved, it has not been determined to be economically feasible or beneficial to bear additional expense for employing a collection agency or to devote excessive additional staff time to pursue collections.

Due to substantial numbers of clients on waiting lists for services, there are sufficient numbers of eligible potential clients who can be served who are willing and able to pay the small co-pay share of costs for services that are provided. Therefore, termination of services after 90 days of non-payment is our most effective tool for managing past-due co-pay collections.

-A description of any tools at our disposal to incentivize collection. (ie - discontinue service, placing of a lien on property, etc.)

Clients with accounts 30 days or more past due receive a delinquency notice letter explaining the consequences of non-payment of their co-pay could result in termination of their services. When a client account becomes 60 days delinquent, the Case Manager who is familiar with the client's individual circumstances will begin to initiate an official "Notice of Case Action" when appropriate for termination of the client's services due to non-payment. Per DOEA rules, clients have a right to appeal service termination within a prescribed time frame under DOEA review and grievance procedures. Case Managers work with clients and their caregivers up to 90 days to bring their accounts up to date. Barring any extenuating circumstances, beyond 90 days delinquency clients services are processed for termination of services due to non-payment of their co-pay fees. Collection notices continue to be mailed out until the client settles the outstanding balance or the account is written off as uncollectable. Clients may request waiver of fees due to financial hardship. Waiver requests are reviewed and approved or denied on a case-by-case basis. Waivers expire after 1 year.

-A description of the process for writing off past due balances

Monthly accounts receivable reports are provided for Case Managers to review and follow-up with clients on their past due account balances. Case Managers advise, communicate and follow-up with the client, their caregivers, family members, and the Fiscal office regarding client account

balances and payment status. Applicable waivers and service terminations are processed as appropriate depending on various scenarios that may occur as follows:

- Situation 1: Client has not paid as promised. Case Managers send a notice of case action to the client giving the client 30 days to pay balance. Termination of services results due to non-compliance. Client is billed for 3 additional months until account is paid or written-off.

- Situation 2: Client has voluntarily terminated services and has a balance due. Case Manager follows up with clients, caregiver, family or estate on outstanding balance. Client is billed for 3 additional months until account is paid or written-off.

- Situation 3: Client has died. Case Manager follows up with clients' family or estate on outstanding balance. Client is billed for 3 additional months until account is paid or written-off.

- Situation 4: Client wishes to re-start services that were terminated due to non payment. Case Manager coordinates with client for full payment of prior charges. Fiscal advises Case Manager on receipt and clearing of full payment. Case Manager works with client to determine which services can be re-started.

-Identification of any opportunities to improve our collection rates and reduce outstanding delinquent balances

-Any other information that would be useful in our analysis for the Board.



Hillsborough County
Florida

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Mark J. Thornton, Interim

MEMORANDUM

DATE: February 24, 2011

TO: Ronald Rogers, Interim Fire Chief

FROM: David Travis, Interim Assistant Chief-Administration

SUBJECT: Uncollected Revenues

On February 14, 2011, the Department of Management and Budget asked for information about the department's uncollected revenue. This memorandum serves as a response to their request. Specific answers to their questions follow the narrative.

Fire Rescue bills for ambulance transportation services, building inspection services, permits, excessive fire alarms, and building plans review. These activities are divided into two categories; ambulance and Fire Marshal/inspection services billing.

The department contracts with one vendor for both categories of billing services. The current vendor, ADPI (dba Intermedix), was recently awarded the contract after a lengthy RFP process. The effective date for ADPI was January 28th of this year. For the previous six years, the vendor handling this function was Diversified Ambulance Billing (DAB).

The department charges for different levels of ambulance transportation and also in two non-transport situations, pre-medevac and cardiac arrest. These levels are defined by a Medicare fee schedule. The department has additional charges for mileage and oxygen when a patient is transported.

The department collects approximately 70 percent of the net-billable charges of all ambulance fees. The department's payor mix for these services is: private insurance companies (32%), Medicare (28%), Medicaid (13%) and self-pay (27%). Only 13.7 percent of the charges to those in the self-pay category are collected. An increasing number of the patients who receive services are uninsured and thus, this percentage of self-pay has grown significantly. The department collects 81% of fees associated with the Fire Marshal's services.

Ambulance revenues are aggressively pursued by the billing company for six months and remain active for a period of three years. At the end of three years, the accounts are written off and no collections are pursued. The discovery of this practice was considered a key finding in a County Audit performed by the Clerk in February, 2009 (Report #177). The auditor pointed out that the County wrote-off \$2,225,523 in uncollected ambulance revenue and \$42,280 in uncollected Fire Marshal revenue in FY 2007. There was a recommendation within the audit report that the department should pursue these collections more aggressively. The department agreed that a collection contract would be pursued after the electronic reporting system was functional and the billing RFP was awarded. The department now has electronic reporting in place and the RFP for billing services has been awarded.

On May 19, 2010, at the Board's regular meeting, an agenda item to increase Fire Rescue's ambulance fees was presented. During the discussion of this item, several commissioners questioned Eric Johnson and Chief Nesmith about the pursuit of collection of these fees among the uninsured. Chief Nesmith assured the commissioners that those without insurance did not have their credit damaged and there was a lack of negative impact to those who could not pay. The motion before the Board to increase fees failed.

At the present time there is not a collection contract in place. The department does not use tools such as a threat of discontinuation of service or property liens to incentivize collections. The department has not pursued collections of delinquent accounts.

The Bad Debt write-off for the past three fiscal years is as follows:

Rescue:	FY 10	\$4,489,145.77	Fire Marshal:	FY 10	\$71,966.00
	FY 09	\$3,684,635.62		FY 09	\$70,475.75
	FY 08	\$2,482,555.09		FY08	\$41,341.00

It should be mentioned that with regard to the uncollected revenue from ambulance billing, the vast majority results from non-payment from the uninsured. The department is now prepared to pursue a collection services contract, should that be the Board's desire and direction. In addition, the department is reviewing ordinances such as 98-41, to determine if there is a legal enforcement option to collect unpaid inspection fees.

Questions posed by the Budget Department regarding Fire Rescue's Uncollected Revenue:

- 1. A description of the activity that creates an amount due to the County (examples - red light camera fines, fire rescue billings, co-pays for services to seniors, code enforcement fines, water billings, permit fees, etc.)**

Ambulance fees: Fee billed for medical patients responded to and transported by Fire Rescue ambulances. There are also two non-transport situations which are billed.

Inspection fees: Fee billed for fire inspection of all commercial facilities inspected by the Fire Marshal's office.

Plans Review: Fees billed for reviews of all commercial building plans done by the Fire Marshal's office.

Permits: Fees billed for permits reviewed for temporary tents, by the Fire Marshal's office.

False Fire Alarm fees: fees billed for three or more false fire alarms responded to by Fire Rescue.

- 2. The current balance of amounts due that is considered to be delinquent.**

The current balance for delinquent Fire Rescue ambulance billing is \$10,639,804.72
The current balance for delinquent Fire Rescue Inspection and Plans Review billing is \$394,149.

- 3. A description of your collection activities related to these balances (i.e. - do we contract with a collection agency, do we follow up with County staff, etc.) We do not have any collection agency or follow up:**

Currently our contracted billing vendor follows-up on all outstanding balances from zero to 180 days until the account is paid.

Any account that is more than 180 days is maintained in the billing company records and is written off to bad debt after three years from the date of service.

The department has been working on developing a collection contract but due to manpower issues this RFP had been deferred until the new billing contract was awarded and transitioned. The department is now in the process of pursuing a collections contract.

4. An analysis of our success in collecting past due amounts.

We have not aggressively pursued collections of delinquent accounts.

5. A description of any tools at our disposal to incentivize collection. (ie - discontinue service, placing of a lien on property, etc.)

Fire Rescue has not utilized any incentives for collections.

6. A description of the process for writing off past due balances

All past-due accounts greater than three years old are written off per BOCC policy 03-04-20-01 (attached).

7. Identification of any opportunities to improve our collection rates and reduce outstanding delinquent balances

Fire Rescue has been researching other communities and is in the process on developing a Request for Proposal (RFP) for a collections contract.

Attachment

cc: Sharon D. Subadan, Interim Public Safety Administrator
Tom Fesler, Manager, Management & Budget
David Travis, Asst. Chief/Admin, Fire Rescue
Alice Hernandez, Fiscal Manager, Fire Rescue

**BOARD OF COUNTY COMMISSIONERS
HILLSBOROUGH COUNTY
TAMPA, FLORIDA 33601**

BOARD POLICY - SECTION NUMBER 03.04.20.01

SUBJECT: THE WRITING OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLES FOR
THE FIRE RESCUE DEPARTMENT

EFFECTIVE DATE: AUGUST 15, 2001

SUPERSEDES: OCTOBER 6, 1982

PURPOSE:

County Fire Rescue shall use all reasonable means available to pursue and collect any and all monies due the County for services provided.

POLICY:

1. Fire Rescue will make every effort to insure that each account is processed in accordance with its operating procedures before designating the account as un-collectible.
2. Accounts that are outstanding for three years or more from date of service will be deemed un-collectible. Write offs will be done four times a Year (as of Dec.31, Mar. 31, Jun. 30, and Sept. 30).
3. Accounts with a balance of \$5.00 or less, and are outstanding for three months or more will be deemed un-collectible and written off.
4. A detailed listing of these un-collectible accounts will be approved by the Director of Fire Rescue.
5. The listing will be submitted to BOCC Accounting Department after each write off.
6. The BOCC Accounting Department will, upon receipt of the listing, reduce accounts receivable in the general ledger and charge the amount to the allowance for Bad Debt Account. Fire Rescue will reduce the balance on the Daily Collection Report with the write off, and account details of the write off will be removed from the subsystem.
7. The listing of the write offs will be maintained as a permanent record. Collection against write offs will be recorded as a separate revenue (Revenue on prior years write off).

Responsibilities:

It is the responsibility of the Fire Rescue, under the direction of the County Administrator, to implement this policy.

Approved by: Board of County Commissioners
Approval Date: August 15, 2001

**Library Services
Report of Collection Activity**

August 1999 through January 2011

Dollar Value of Submissions	\$ 8,146,500.88
Dollars Recovered	\$ 1,039,339.62
Value of Materials Returned (1)	\$ 2,651,478.86
Total Recovery	\$ 3,690,818.48
Recovery vs Submissions (2)	45.3%

No. of Accounts Submitted	83,187
Cost per Referral	\$ 7.95
Total Cost	\$ 661,336.65
Cost vs Recovery	17.9%

(1) The Library's collection agency focuses on and specializes in materials recovery for public libraries. Return of lost material is of greater value than receiving replacement cost due to reordering, reprocessing, and the possibility of items being unavailable because they are now out of print

(2) Uncollectible delinquent accounts aged three years or more are removed from financial records per Library Policy LS 1513 Library Accounts Receivable Management and BOCC Policy #03.04.26.00/LS-02.

**BOARD OF COUNTY COMMISSIONERS
HILLSBOROUGH COUNTY
TAMPA, FLORIDA 33601**

BOARD POLICY - SECTION NUMBER: 03.04.26.00/ LS-02

SUBJECT: ACCOUNTS RECEIVABLE-LIBRARY SERVICES

EFFECTIVE DATE: NOVEMBER 6, 2008

SUPERSEDES: NEW

Purpose:

To establish a policy for the recording of Hillsborough County Library Services Department (Library Services) accounts receivable and the write-off of any accounts deemed uncollectible, in the official financial records of the Board of County Commissioners (BOCC).

Policy

Library Services shall maintain a system which provides for the appropriate recording and reporting in the BOCC official financial records of all funds due to Library Services from its customers and patrons. Library Services shall use reasonable and cost effective means to pursue and collect these accounts receivable. The Director of Library Services (Director), collaboratively with the Clerk of the Circuit Court BOCC Accounting Department (Clerk), shall establish the department's operating procedures for the recording, reporting, review and collection of these accounts receivable.

The Director shall review accounts receivable on a quarterly basis (as of December 31, March 31, June 30 and September 30) to ensure that accounts are being monitored routinely for collection and , if necessary, to deem any delinquent accounts as uncollectible. Accounts receivable that are delinquent for three years or more from the date the debt was incurred may be deemed uncollectible and presented to the Clerk for review. After the Clerk's review and agreement, the Director shall submit the uncollectible accounts for BOCC consideration and approval to remove them from the financial records on the next BOCC agenda. Such requests shall be fully documented by Library Services and at a minimum shall include a list of each account's age, number and amount.

Removal of delinquent accounts receivable from the financial records does not release the debtor from the obligation to the County. Therefore, it does not preclude Library Services from subsequent collection efforts and from obtaining and accepting payment to the extent that such efforts are reasonable and cost effective.

Oversight Responsibility:

It is the responsibility of Library Services, under the direction of the County Administrator, to implement this policy.

Approved by: Board of County Commissioners
Approval Date: November 6, 2008

SUBJECT: MATERIALS RECOVERY AND COLLECTION (UNIQUE)

EFFECTIVE: JUNE 1, 2008

SUPERSEDES: NEW

REVIEW: 2 YEARS

1. PURPOSE:

- A. Library Services contracts with a materials recovery and collection agency known as Unique National Collections to provide material recovery services for delinquent Library customer accounts in order to provide the best possible rate of return of overdue materials so that they are available for public use and to maintain an accurate inventory control.

2. POLICY:

- A. Library Services monitors and manages the contract agreement with Unique Management Services, Inc. (Unique) on a regular basis with set written standards for performance to ensure efficient, timely and cost effective return of loaned library materials.
- B. Library Services shall monitor Unique's performance in the following areas:
 - (1) A comparison shall be made of the dollars spent to the dollars and value of materials collected in order to determine the cost effectiveness of the contract. The standard shall be between \$5.00 and \$7.00 recovered for every dollar spent.
 - (2) The response rate of accounts shall be measured to ensure the effectiveness of the contract with a standard of sixty (60) to seventy-five (75) percent.
 - (3) The number of updated customer addresses or telephone numbers (skip-tracing activity) provided by Unique shall be monitored for a standard of one-hundred seventy-five (175) to two hundred (200) updates of accounts each month.
- C. Library Services shall reconcile the number of accounts sent to Unique with the number of accounts billed by Unique on a monthly basis to ensure that Unique properly bills the Library for these accounts.
- D. Library Services shall monitor Unique accounts on a quarterly basis for excessive fine amounts per account and any accounts with negative adjustments
- E. Library Services shall monitor Unique's performance for the content, timeliness and accuracy of letters and phone calls biennially.

3. PROCEDURE:

- A. Library Services shall refer delinquent accounts to Unique when the following conditions are met:

- (1) Customers who have not responded within ten (10) calendar days after the overdue billing notification.
- (2) Accounts are for \$25.00 and more.
- B. Accounts are sent electronically to Unique via an automated report. This report is generated and sent to Unique after day-end processing in the Horizon circulation system once a week.
- C. Library Services' Manager of Materials and Collections shall obtain a "Summary Status Report" (Summary) from [Unique's Web Site](#) on a monthly basis in order to make the following comparisons.
 - (1) The dollar value of materials recovered is compared to the dollars spent.
 - (a) Using the figures on the Summary the calculations are as follows:
 - (i) Multiply the number of Accounts Submitted by \$7.95 to figure the amount spent.
 - (ii) Add the amounts of Dollars Received and Material Returned to figure the amount recovered.
 - (iii) Divide the amount collected (ii) by the amount spent (i)
 - (b) The result should be consistent with the standard in Policy section 2. B. (1) above.
 - (2) The "Percent of Accounts Activated" shall be compared to the standard in Policy section 2. B. (2) above.
- D. The Borrower Services Coordinator shall monitor skip-tracing activity through the monthly "Change of Address Report" and compare to the standard in Policy section 2. B. (3) above.
- E. The Manager of Operations shall reconcile the number of accounts referred with the number billed on a monthly basis. Discrepancies shall be resolved with the Unique customer service representative and the Borrower Services Coordinator.
- F. Library Services defines excessive fines as delinquent accounts of \$100.00 and more. These accounts are credit reported by Unique if not resolved. Security levels for staff ensure that fines/fees can not be waived or overridden by anyone lower than a Supervisor level in the Horizon circulation system.
- G. The Borrower Services Coordinator shall monitor and correct negative balances in Unique accounts in the following manner. This shall be done on a quarterly basis at the least.
 - (1) Request a Synchronized file from Library Network Services (LNS) which finds any discrepancies between Unique files and Horizon account balances.
 - (2) All discrepancies shall be investigated individually and resolved in Horizon.
 - (3) Unique shall be provided the correct information to be identical to that in

Horizon.

- H. The Manager of Materials and Circulation shall monitor Unique's performance for the content, timeliness and accuracy of letters and phone calls biennially in the following manner.
- (1) A "dummy" account is created in Horizon that is purposefully delinquent to test the service.
 - (2) The accuracy and timeliness of Unique's notifications shall be measured in order to ensure compliance with performance as agreed to in the contract.

4. AUTHORITY:

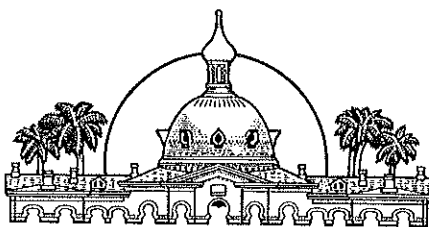
Pursuant to Section 5(1) of [Chapter 84-443](#), Laws of Florida, the Library Board has the duty and the responsibility, among others, to serve in a recommending capacity to the Director of Library Services and to the County Administrator in respect to all matters pertaining to the public library.

Approval Signature:

Joe Stines
Director of Libraries

BOARD OF COUNTY COMMISSIONERS

Kevin Beckner
Victor D. Crist
Ken Hagan
Al Higginbotham
Lesley "Les" Miller, Jr.
Sandra L. Murman
Mark Sharpe



Hillsborough County
Florida

Office of the County Administrator
Michael S. Merrill

CHIEF ADMINISTRATIVE OFFICER
Helene Marks

CHIEF FINANCIAL ADMINISTRATOR
Bonnie M. Wise

DEPUTY COUNTY ADMINISTRATORS
Lucia E. Garsys
Sharon D. Subadan

MEMORANDUM

DATE: March 29, 2011
TO: Tom Fesler, Director, Management and Budget Department
FROM: Dick Bailey, Manager of Operations, Medical Examiner Department. *DB*
SUBJECT: Uncollected Revenues

In 1991 and 1993, the Board of County Commissioners authorized the Department to collect a \$25 fee to investigate cremations and removals of bodies from State. This fee generates approximately \$80,000 of revenue annually.

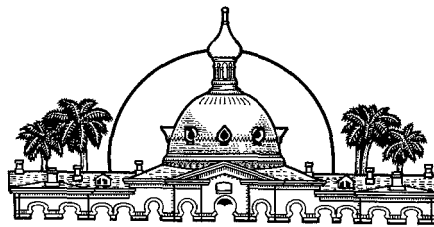
As of March 28, 2011, a total of \$125 (0.16%) is delinquent. The low delinquency rate is attributable to the nature of the fee.

Before a body can be cremated or before a death certificate can be registered for a body removed from the State, the funeral home or direct disposer needs to provide proof that the Medical Examiner has reviewed the case and declined further investigation. The required proof is a "cremation approval number" provided by the Department,

The Department does not provide "approvals" to funeral homes that do not pay in a timely fashion. The inability to conduct business when the accounts are in arrears virtually eliminates uncollected fees.

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ADMINISTRATORS

Lucia E. Garsys
Eric R. Johnson
Edith M. Stewart
J. Eugene Gray, Acting
Sharon D. Subadan, Interim
Mark J. Thornton, Interim

MEMORANDUM

DATE: March 28, 2011

TO: Tom Fesler, Interim Director, Procurement Services

FROM: Mark Thornton, Director, Parks, Recreation & Conservation Dept 

SUJECT: **PRC After-School/Summer Program**

Currently, the PRC After-School/Summer Program has a total of \$105,000 in delinquent fees. We have changed our process so that all fees are paid up front rather than ongoing during the program to assure that no additional delinquencies occur.

We also have not written off any amounts of the delinquent fees as they are listed as inactive accounts. Should a parent that owes money to the County attempt to register for a program, we are able to collect the amount and have had a fair amount of success in bringing down the total.

Let me know if you have any questions.

MT:rpr

cc: Chuck Kuntz, Fiscal Control Manager
James Crouch, Senior Buyer, PRC Dept

PGM Receivable Report

All Non-BSD PGM services are pay-as-you-go. Most Building Services are also pay-as-you-go. See details below.

Description of the activity that creates an amount due to the County

The Issuance of Code Compliance fines and After-The-Fact permits create receivables. All other services are paid for in advance. Returned Checks also create an amount due to the County.

Current balance of amounts due that are delinquent

Code Compliance fines - \$652,803.00, After-The-Fact permits - \$64,496.59(All Compiled from 9/30/10 year-end report required by Clerk's Office). Returned check balance is \$773.18 and \$4125.07 has been written off since 2003 per the Clerk's Office.

Description of your collection activities related to these balances

Code Compliance places liens on delinquent accounts with approval of the Board. Returned checks result in suspended activity for the current project and any future projects or licenses. Unsuccessful attempts by staff are sometimes forwarded to the County Attorney, depending upon the dollar amount.

An analysis of our success in collecting past due amounts

Code Compliance is successful in the sense that liens placed against properties guarantee the eventual collection of fees and fines, however, the retrieval of funds many times comes with the sale of the property and that cannot be forecast. The collection rate last year was about 15% for code compliance. The After-The-Fact permit collection rate was about 13% in FY10 from FY09. Returned checks have a 54% financial recovery rate since 2003. The liens referenced above are subject to homestead exemptions.

Description of any tools at our disposal to incentivize collection

All PGM services are paid for in advance of the service being provided, with the exception of code violations, After-The-Fact citations and in the case of returned checks. PGM places liens on code compliance violator's properties and/or places a "hold" on a contractor's license or certificate of occupancy until fees due are satisfied. Returned checks will also trigger a hold on any permitting, inspection, licensing or land-use processing and also incur additional fees as prescribed by the Clerk's Office. Additionally, check writing privileges will be suspended as described in the PGM Check Acceptance Policy.

Description of the process for writing off past due balances

Board directed

Opportunities to improve our collections rates and reduce outstanding delinquent balances

Almost all PGM services are paid for up front. Property owners who receive After-The-Fact permits are charged triple fees when discovered. Since the public is often not aware of this procedure, creating awareness might curtail some of this activity.

Any other information that would be useful in our analysis for the Board-



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Date: March 28, 2011
To: Tom Fessler, Division Director, Financial Services Group
Business and Support Services
From: Karen M. Matches, Manager, Citizen Boards Support *KM*
Client and Liaison Services
Subject: Uncollected Revenues

-A description of the activity that creates an amount due to the County (examples - red light camera fines, fire rescue billings, co-pays for services to seniors, code enforcement fines, water billings, permit fees, etc.)

Citizen Boards Support (CBS) processes cases on properties in unincorporated Hillsborough County that are in violation of various codes and ordinances from numerous County departments to the Code Enforcement Board (CEB) or one of three Code Enforcement Special Magistrates (CESM). At the hearings, the CEB and the CESM determine if violations exist, order compliance within a specified time, and if compliance is not achieved in a timely manner, a fine will accrue daily until complete compliance is achieved. An inspection is conducted by the citing department after the compliance date has passed, and if compliance had NOT been achieved, the fine commences as ordered. CBS records a "certified copy" of the Order in the Public Record pursuant to FSS 162.09(3), which constitutes a lien against the property in violation and against any other real or personal property owned by the violator. Sometimes the fines will exceed the market value of the property that is in violation, but the fines continue to accrue because the code lien encumbers all properties owned by the violator. When compliance is achieved, the fine ceases, but the lien remains until satisfied or until 20 years from the recording date.

-The current balance of amounts due that is considered to be delinquent.

The last report that was run from the Permits Plus data system in March, 2011, showed over \$122 million outstanding in code enforcement fines. This amount changes daily, because on the cases that are in non-compliance, the fines accrue per day until compliance is achieved. This total fine amount is what the system shows, but is not a collectible amount. Any negotiations on fines reduction begin at the market value of the property, which may be less than the total amount due on a case, and code fines are often reduced after compliance is achieved.

-A description of your collection activities related to these balances (ie - do we contract with a collection agency, do we follow up with County staff, etc.)

Pursuant to FSS 162.09(3), after 3 months from the filing of the Order, the CEB/CESM may authorize the local governing body attorney to foreclose on the lien or to sue to recover a money judgment for the amount of the lien plus accrued interest. This authorization is included in the Order that is issued when

a property is found to be in violation, and Citizen Boards Support's operating procedure is to send cases where the liens have been recorded over 3 months to the County Attorney's office (CAO). The case files are scanned and transmitted electronically to the CAO. After a case has been referred to the CAO, any

further requests for reduction or settlement is handled by that office and brought before the CEB/CESM by an Assistant County Attorney for consideration.

-An analysis of our success in collecting past due amounts.

The following is the history of code enforcement fine collections over the last eleven (11) years:

FY 2000 \$189,983.98	FY 2006 \$1,107,492.48
FY 2001 \$327,227.72	FY 2007 \$662,608.32
FY 2002 \$518,893.37	FY 2008 \$661,566.64
FY 2003 \$239,413.76	FY 2009 \$419,441.54
FY 2004 \$457,718.09	FY 2010 \$360,578.00
FY 2005 \$919,692.75	

Please note that the collection of fines is directly impacted by the real estate market and its activity.

-A description of any tools at our disposal to incentivize collection. (ie - discontinue service, placing of a lien on property, etc.)

Citizen Boards Support has proposed a Code Lien Amnesty Program where the outstanding code fines would be reduced by a specified percentage of the fines to property owners that were in violation, that are now in compliance with liens recorded against them. In the event the code fines exceed the property value, the reduction would be taken from the market value listed on the Property Appraiser's web page. This program would be heavily promoted through letters, web, media, and social media means. An application fee would be charged to cover the County administrative costs to operate the program. This proposal is currently being reviewed and is scheduled to go before the Executive Team in April for a follow-up meeting and to set the proposed criteria, then to the Board of County Commissioners in early May for consideration and possible approval.

Amnesty programs have been successfully used in over 15 jurisdictions in the State of Florida and in Portland Oregon.

-A description of the process for writing off past due balances

If a property comes into compliance within 3 months of the recording of the Order, the owner is given an opportunity to petition the Code Enforcement Board/Special Magistrate (CEB/CESM) for a reduction in the code fines through the Citizen Boards Support (CBS) office. A compliance notice is sent by CBS to the owner providing the total fine amount due and the reduction procedures. When a written request for a fine reduction is received by CBS, the case is scheduled for the next available hearing. At the hearing, the owner may appear to speak on the issue or they can rely on the information they included in their letter. The CEB/CESM base their decisions on the actions taken by the violator to comply and any extenuating circumstances or hardships that prevented timely compliance. The lien is released upon receipt of payment; however, if the reduced amount is not paid in the time set by the CEB/CESM, the fines revert to the full amount, minus any payments received.

If the case on the subject property that comes into compliance has already been referred to the County Attorney's office, that office negotiates a settlement and brings the proposal to the CEB/CESM for approval. The CEB/CESM can approve the recommendation as presented or may amend the settlement.

Pursuant to Florida State Statute 162, the code enforcement liens are valid for 20 years from the date the Order is recorded in the Public Record. If the fines have not been collected at the end of 20 years, then the lien "sunset" or goes away, and the fines are removed from the data system .

-Identification of any opportunities to improve our collection rates and reduce outstanding delinquent balances

See information on Amnesty Program listed above.

-Any other information that would be useful in our analysis for the Board.

No lien created pursuant to this part may be foreclosed on real property which is a homestead under s.4, Art. X of the State Constitution. FSS 162.09(3)

Business and Support Services Uncollected Revenues/Amounts Due

1. A description of the activity that creates an amount due to the County.
 - a. Unpaid amounts associated with the Red Light Monitoring Program for red light violations prior to July 1, 2010 - As of July 1, 2010, state statutory provisions went into effect, which result in the issuance of a Uniform Traffic Citation if amounts due are not paid within 30 days. Unpaid citations are handled by the Clerk of the Court and can result in suspension of the violator's driver's license.
2. The current balance of amounts due considered to be delinquent are:
 - a. For violations that occurred prior to July 1, 2010, when the new statute went into effect, the outstanding balance is \$512,460 based on 3,724 violator accounts.
3. A description of your collection activities related to these balances.
 - a. The vendor issued second notices for violation amounts not paid within 30 days of the first notice.
 - b. The County has contracted with a third party collection agency to pursue collection of these unpaid amounts.
4. An analysis of our success in collecting past due amounts.
 - a. Violators have paid \$619,650 after receiving a second notice for violations prior to July 1, 2010. Subsequent to that date, failure to pay after the first notice results in issuance of a Uniform Traffic Citation, payment of which is handled through the Clerk to the Court.
5. A description of any tools at our disposal to incentivize collection.
 - a. Once a Uniform Traffic Citation is issued, failure to pay can result in suspension of the violator's driver's license. While the original ordinance allowed for a lien to be filed against violators that did not pay, the original ordinance was superseded by statute as of July 1, 2010 as discussed above.
 - b. We have contracted with a collection agency for assistance in collecting delinquent amounts associated with violations occurring prior to July 1, 2010.
6. A description of the process for writing off past due balances.
 - a. Upon completion of collection efforts, the relatively low balances per account would not justify any additional efforts be expended in collecting the past due amounts for violations prior to July 1, 2010. At that time, staff will prepare a Board agenda item recommending that any outstanding balances be written off as uncollectable.

7. Identification of any opportunities to improve our collection rates and reduce outstanding delinquent balances.
 - a. As these delinquencies represent a one-time occurrence resulting from unpaid amounts associated with violations that occurred prior to July 1, 2010, no additional opportunities exist. Violations that occurred post-July 1, 2010 are handled by the Clerk of the Court as explained above.

8. Any other information that would be useful in our analysis for the Board.
 - a. The actual contract for services is between the Sheriff's Office and the vendor, American Traffic Solutions, Inc.