



Public Hearing Item 12-C:

Costs and Methods for Alternative User Fee Collection

April 16, 2012, Regular Meeting
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Fee Collection Methods

- Options Identified
 - Assessor's Roll
 - Direct Mail
 - Third Party Billing
 - In-House Billing

Assessor's Roll

- Advantages
 - Secure Method
 - 100% Collection Rate
 - No Separate A/R Module
 - No Need to Hire Staff
 - Most Cost-Effective Method
- Disadvantages
 - Cash Flow – Twice per Year

Direct Mail (Third Party)

- Advantages
 - Frequency Option (Bi-Monthly, Semi Annual)
 - Cash Flow (Sooner Based on Option)
 - No Equipment Costs
 - No Stationery/Printing Costs

Direct Mail (Third Party)

- Disadvantages
 - Not Very Secure
 - 60-70% Collection Rate
 - Lien for Uncollectables
 - Separate A/R Module
 - Expensive than Assessor's Roll
 - May Need to Hire Additional Staff


Direct Mail (In-House)

- Advantages
 - Frequency Option (Bi-Monthly, Semi Annual)
 - Cash Flow (Sooner Based on Option)

Direct Mail (In-House)

- Disadvantages
 - Not Very Secure
 - 60-70% Collection Rate
 - Lien for uncollectables
 - Separate A/R Module
 - Most Expensive Method
 - Hire Additional Staff (Fixed Costs)
 - Equipment/Printing Costs

Assessor's Roll Costs



Processing Fee	\$ 18,500
Postage Fee	N/A
Data Preparation	1,650
Receipts/Deposit	N/A
Staff Time - Accounting	250
Staff Time – Cust. Service	400
Equipment Lease	N/A
Stationery	N/A
Printing	<u>N/A</u>
Total	\$ 20,800

Direct Mail (Third Party) Costs

	<u>Bi-Monthly</u>	<u>Semi-Annual</u>
Processing Fee	\$ 5,515	\$ 6,380
Postage Fee	18,270	18,270
Data Preparation	620	825
Receipts/Deposit	7,400	7,400
Staff Time - Accounting	640	640
Staff Time – Cust. Svc.	2,160	1,440
Equipment Lease	N/A	N/A
Stationery	N/A	N/A
Printing	<u>N/A</u>	<u>N/A</u>
Total	\$ 34,605	\$ 34,955

Direct Mail (In-House) Costs

	<u>Bi-Monthly</u>	<u>Semi-Annual</u>
Processing Fee*	\$ 8,320	\$ 8,320
Postage Fee	18,270	18,270
Data Preparation	620	825
Receipts/Deposit	7,400	7,400
Staff Time - Accounting	640	640
Staff Time – Cust. Svc.	N/A	N/A
Equipment Lease*	1,000	1,000
Stationery	5,220	5,220
Printing	<u>1,050</u>	<u>1,050</u>
Total	\$ 42,520	\$ 42,725

Collection Costs Summary

	<u>Assessor's Office</u>	<u>Direct-Mail Third Party</u>	<u>Direct-Mail In-House</u>
Bi-Monthly	N/A	\$207,000	\$311,000
Semi-Annual	\$21,000	\$70,000	\$179,000
Collection Rate	100%	60-70%	60-70%

Summary

- No Action Required Until June 12th Meeting

For More Information

- Staff reports and presentation materials can be found on the District's website at:
www.mpwmd.net
- PowerPoint presentations will be posted on the website the day after the meeting.