



DEPARTMENT OF FINANCE

David M. Frankel, Commissioner

Key Public Service Areas

- ✓ Bill and collect property and other taxes.
- ✓ Bill and collect parking tickets.
- ✓ Respond to customers in a timely and efficient manner.

Scope of Agency Operations

The Department of Finance (DOF) collects City revenues efficiently and fairly; enforces compliance with City tax laws; values all real property in the City; maintains accurate property records; provides an independent forum for the public to contest summonses issued for parking violations; and, through the Sheriff's Office, serves as the chief civil law enforcement body for New York City. The Mayor's Office of Pensions and Investments, located at the Department of Finance, represents the Mayor at the City's five pension systems. In addition to monitoring the eligibility of disability pensioners, it advises on the operational efficiency of the pension funds, with a focus on improving returns and optimizing risk.

Critical Objectives

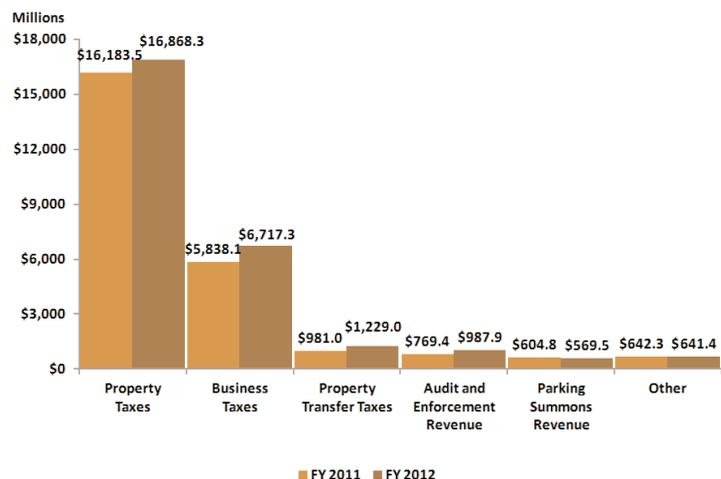
- Make it as simple as possible to make payments to New York City.
- Collect money owed to the City efficiently and cost effectively, and increase compliance with City and State tax laws.
- Aggressively pursue people and businesses that do not pay what they owe.
- Achieve performance targets for processing payments, refunds, tax returns, and conducting parking violations hearings.
- Achieve performance targets for recording publicly filed documents and increase the number of property documents available on-line.

Performance Report

✓ Bill and collect property and other taxes.

- In Fiscal 2012 the Department of Finance focused on closing aged or stagnant cases. Although this increased the average turnaround time for audits by nearly 12 percent to 684 days, it allowed the Department to close almost 70 percent of all audits that were more than 1,200 days old, clearing the way for auditors to focus on newer cases. The average amount collected from an audit increased by 44 percent to \$130,000 as many of these older cases had high audit liabilities. Overall tax liability increased close to 11 percent.
- During Fiscal 2012 the Department added auditors to its staff and continued to refine the audit selection and management process. A new Audit Work Plan database was implemented in September 2011 to track new audits and ensure that they are closed within a specified timeframe. Audits are classified by their level of complexity, which determines the timeframe.

Total DOF Revenue Collections



Performance Statistics	Actual					Target		5-Yr. Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
★ <i>Percent of City debt resolved</i>	23.5%	42.6%	42.0%	39.6%	39.2%	*	*	Upward
★ <i>Percent of property taxes billed that are paid</i>	97.7%	98.1%	98.1%	97.0%	97.3%	*	*	Neutral
- <i>Percent paid on time</i>	94.5%	93.3%	95.0%	95.0%	94.4%	*	*	Neutral
<i>Property assessments reduced by the Tax Commission (%) (calendar year)</i>	12%	11%	12%	13%	16%	*	*	Upward
<i>Audits closed within 1 year (%)</i>	NA	NA	33.3%	35.5%	33.7%	*	*	NA
★ <i>Average turnaround time for audits (days)</i>	NA	NA	598	612	684	*	*	NA
<i>Average amount collected from a closed audit (\$000)</i>	NA	NA	\$68	\$90	\$130	*	*	NA
★ <i>Percent increase in tax liability as a result of audits</i>	14.3%	7.4%	18.6%	26.9%	10.5%	*	*	Upward
<i>Percent of tax conciliation cases decided within 6 months</i>	60%	78%	68%	76%	79%	65%	65%	Upward
<i>Number of properties receiving 90-day lien sale notice</i>	NA	24,111	24,963	25,462	22,111	*	*	NA
<i>Percent of originally noticed properties sold in lien sale</i>	NA	20%	19%	20%	19%	*	*	NA

★ Critical Indicator "NA" - means Not Available in this report

✓ **Bill and collect parking tickets.**

- The percent of parking tickets paid online continued on an upward trend, reaching 41.2 percent.

Performance Statistics	Actual					Target		5-Yr. Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
★ <i>Percent of parking tickets issued that are paid within 90 days</i>	69.3%	62.0%	61.1%	63.3%	64.9%	*	*	Neutral
★ <i>Percent of parking tickets issued that are dismissed within 90 days</i>	14.7%	12.9%	13.8%	13.1%	12.6%	*	*	Downward
★ <i>Percent of parking ticket appeals granted a reversal</i>	17.1%	14.4%	15.1%	15.6%	12.2%	*	*	Downward
<i>Parking summonses received (000)</i>	10,921	10,662	10,709	9,845	9,823	*	*	Downward
<i>Parking summonses paid online (%)</i>	26.0%	28.5%	34.8%	36.9%	41.2%	*	*	Upward
★ <i>Average time to issue refunds for parking tickets, appeals and towing charges (days)</i>	14.8	15.6	15.0	12.3	8.7	10.0	10.0	Downward

★ Critical Indicator "NA" - means Not Available in this report

✓ **Respond to customers in a timely and efficient manner.**

- On average, property tax refunds were issued in 26 days, longer than the prior year and above the annual target of 20 days. The increase was the result of several factors, including a 23 percent increase in property refund cases and a higher number of cases involving the misapplication of funds, which required additional in-depth research. Finally, new staff members required training and time to learn their new role.
- Compared to Fiscal 2011 the Department reduced the average time to issue a business tax refund from 39 to 32 days, continuing to outperform the 45-day target. The faster turnaround time was due to three main reasons. First, more taxpayers filed electronically, reducing processing time. Second, the Department improved its automated refund processing and initiated electronic refunds to certain taxpayers. Third, the Department began to generate specific reports to identify and approve pending refunds that were not approved automatically.
- In January 2012 the Department ended the Parking Violations Settlement Program, which allowed motorists to pay a discounted rate for a parking violation in exchange for waiving their right to a hearing and appeal. In anticipation of this change, the Department hired additional hearing officers and implemented technological improvements to the online hearing process, allowing respondents to submit evidence electronically. These technological enhancements caused more motorists to use the hearing-by-web option to contest a violation, contributing to a decrease in the percent of requests for in-person hearings and a 5 minute improvement in wait times. Turnaround times for hearings by web and mail were 6.5 and 23.2 days, respectively, compared to 7.0 and 27.3 in Fiscal 2011.

Performance Statistics	Actual					Target		5-Yr. Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
★ Average wait time to see a cashier at payment centers (minutes)	4.9	4.8	5.5	8.7	7.9	6.0	6.0	Upward
Average response time for mail and e-mail correspondence (days)								
- E-mail	6.5	6.7	2.9	5.5	6.4	7.0	7.0	Neutral
- Correspondence	8.0	9.9	6.4	9.8	10.8	10.0	10.0	Upward
★ Average time to issue a property tax refund (days)	15	14	19	22	26	20	20	Upward
★ Average time to issue a business tax refund (days)	47	44	39	39	32	45	45	Downward
★ Average turnaround time for in-person parking ticket hearings (minutes)	26	28	25	23	18	40	40	Downward
★ Average turnaround time to issue decision for parking ticket hearing-by-web (days)	NA	NA	NA	7.0	6.5	*	*	NA
★ Average time to issue decision for parking ticket hearing-by-mail	NA	NA	NA	27.3	23.2	*	*	NA
★ Average time to issue decision for parking ticket appeals (days)	12.3	11.2	11.0	11.0	11.0	15.0	15.0	Neutral
Average time to record and index property documents (days) - Citywide	1.3	0.9	0.8	0.8	1.9	*	*	Upward
Payment method (%)								
- Cash	NA	NA	5.2%	6.2%	4.4%	*	*	NA
- Check/money order	NA	NA	56.5%	50.9%	36.8%	*	*	NA
- Credit card	NA	NA	21.6%	26.4%	37.9%	*	*	NA
- Electronic (ACH/EFT)	NA	NA	16.7%	16.5%	20.8%	*	*	NA

★ Critical Indicator "NA" - means Not Available in this report

Agency Customer Service

Performance Statistics	Actual					Target		5-Yr.Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
Customer Experience								
Percent of e-mails responded to in 14 days	NA	NA	92	78	75	NA	75	NA
Percent of letters responded to in 14 days	NA	NA	97	77	61	NA	61	NA
Average customer in-person wait time (minutes)	NA	NA	8	12	11	NA	11	NA
Completed customer requests for interpretation	NA	NA	3,070	2,921	3,274	NA	NA	NA
CORE customer experience rating (0-100)	NA	NA	89	85	82	NA	82	NA

Agency Resources

Resource Statistics	Actual					Plan ¹		5-Yr.Trend
	FY08	FY09	FY10	FY11	FY12	FY12	FY13	
Expenditures (\$ millions) ²	\$215.5	\$225.1	\$230.9	\$219.7	\$226.7	\$223.5	\$228.4	Neutral
Revenues (\$ millions)	\$738.8	\$691.9	\$709.6	\$679.2	\$700.3	\$702.8	\$667.2	Neutral
Personnel	2,203	2,058	1,930	1,756	1,814	2,038	1,945	Downward
Overtime paid (\$ millions)	\$0.4	\$0.3	\$0.3	\$0.4	\$0.8	\$0.7	\$0.6	Upward

¹ Authorized Budget Level "NA" - Not Available in this report
² Expenditures include all funds.

Noteworthy Changes, Additions or Deletions

- Beginning with the Fiscal 2013 Preliminary Mayor's Management Report, the MMR will be restructured to focus on the goals that the agency intends to achieve during the fiscal year. Each goal will be accompanied by a performance measure or measures that will quantify the agency's progress toward achieving that goal. For Fiscal 2013 the Department of Finance's services and goals are:

Service 1: Bill and collect property and other taxes

- Goal 1a: Increase the proportion of individuals and businesses that are in compliance with tax and revenue laws.
- Goal 1b: Promptly review applications for tax exemptions.
- Goal 1c: Increase the percentage of tax payments made online.

Service 2: Bill and collect parking tickets

- Goal 2a: Increase the proportion of parking tickets that are collected.
- Goal 2b: Increase the percentage of parking tickets paid without penalties.
- Goal 2c: Assure that all respondents are offered convenient options for challenging tickets.

Service 3: Provide public access to data.

- Goal 3a: Increase the percentage of tax and property documents that are available online.

- Also beginning in Fiscal 2013, performance targets were added for select customer service indicators. For DOF, performance targets were added to four such indicators.
- Due to the length of time allowed to contest a parking ticket and appeal a hearing decision, parking ticket payment and dismissal rates for Fiscal 2012 are based on 10 months of activity. Revised Fiscal 2012 data for these measures, based on a full 12 months of activity, will appear in the Fiscal 2013 PMMR.
- The Department introduced two indicators that report on the average time to issue decisions for parking tickets conducted either by mail or on the web. These metrics replace the single indicator that reported on the combined average time to issue decisions for hearings conducted by both mail and the web.

For more information please visit the website at: www.nyc.gov/dof