

# DEPARTMENT OF FINANCE

Jacques Jiha, Commissioner



## WHAT WE DO

The Department of Finance (DOF) has a broad range of responsibilities, including the collection of nearly \$37 billion annually in revenue for the City and the valuation of more than one million properties worth a total of more than \$1 trillion. DOF records property-related documents, administers property tax exemption and abatement programs, adjudicates parking tickets, administers the City's bank accounts, manages the City's cash flows and administers its business and excise taxes. In addition, DOF provides administrative support to the City's Banking Commission, which recommends interest rates for late property tax payments and approves bank and trust companies to hold City funds.

Through the Office of the Sheriff, DOF enforces court mandates, orders, warrants of arrest and property seizures. The Sheriff's Office investigates deed fraud, the trafficking of illegal and untaxed tobacco products and the sale of synthetic narcotics.

Through the Mayor's Office of Pensions and Investments, DOF advises the Administration on the management of the City's five pension systems.

## FOCUS ON EQUITY

In addition to administering the City's tax laws fairly, efficiently and transparently to instill public confidence and encourage compliance, the Department of Finance (DOF) is committed to providing exceptional customer service. The agency has undergone a shift toward an equitable and customer-centric business model, introducing a number of reforms and initiatives to ensure that all taxpayers, employees and stakeholders are treated fairly.

DOF has focused heavily on updating its technology and systems to re-engineer critical customer-facing processes. The agency has replaced a decades-old Business Tax System, which will be followed by a new Property Tax System. To make interactions with DOF convenient, new technology is being leveraged to offer a variety of self-service options, from secure online forms to mobile apps to new payment channels.

The adoption of new systems and technologies, coupled with revamped processes, has made the agency more efficient and improved its service to the public. By combining technology with private-sector tools like the Lean Six Sigma methodology, DOF is able to streamline processes, eliminate waste and inefficiencies, reallocate resources and improve end-to-end processing times. These and other strategic initiatives further the agency's mission and support its commitment to delivering a better customer service experience for New York City's residents and businesses.

## OUR SERVICES AND GOALS

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### **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 requests for refunds.

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### **SERVICE 2 Bill, adjudicate and collect on parking tickets.**

- Goal 2a Increase the proportion of parking tickets that are resolved.
- Goal 2b Assure that all respondents are offered convenient options for paying and challenging tickets.

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### **SERVICE 3 Administer rent and property owner exemption programs.**

- Goal 3a Promptly review applications for exemption programs.

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### **SERVICE 4 Help NYC taxpayers resolve tax issues.**

- Goal 4a Through the Office of the Taxpayer Advocate, promptly address inquiries and resolve cases.

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### **SERVICE 5 Record property-related documents.**

- Goal 5a Increase the percentage of online property recording transactions.

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### **SERVICE 6 Serve and execute legal processes and mandates.**

- Goal 6a Increase the proportion of judgments, orders and warrants that are successfully served/executed.

## HOW WE PERFORMED

- The average amount collected from a closed audit rose to \$558,000 from \$111,000 during the same period last year due to a large settlement in September 2017 which, in turn, contributed to a 32 increase in tax liability as a result of audits.
- The average time to issue a business tax refund more than doubled, from 15 to 33 days. The Department has changed its refund processing practices in order to better serve taxpayers. Upon detection of an overpayment, DOF initiates the refund process; previously, overpayments were processed at the request of the taxpayer. This current proactive approach requires significant internal research and review and, coupled with a more than 20 percent increase in the number of refunds processed, contributed to the increase in the refund issuance time.
- The average time to issue a property tax refund increased from 23 to 29 days despite a nearly seven percent decrease in refunds and adjustments processed.
- In line with an increase in the number of summonses adjudicated, the number of parking ticket hearings grew by 22 percent to more than 375,000. The average turnaround time to issue parking ticket decisions by web, which remained the most popular hearing option, increased from 3.4 days to 4.4 days primarily due to a 25 percent increase in this hearing type. At 11 minutes, the turnaround time for in-person parking ticket hearings was two minutes faster while the turnaround time for hearings by mail was relatively unchanged at 6.8 days.
- Average processing times for initial and renewal applications for SCRIE benefits increased by 1.2 and 2.8 days, respectively, attributed to the nine percent increase in the volume of initial and renewal applications received. Much like the results in the SCRIE program, average processing times for initial and renewal applications for DRIE benefits rose by 2.1 and 2 days, respectively, with an overall volume increase of approximately eight percent contributing to the longer processing times. While the performance is positive against the indicators' 10-day targets, DOF is currently assessing its review and approval processes for property exemptions in order to identify opportunities for improvement.
- Resulting from a number of inquiries that took an extensive period of time ("outliers") to address, the Office of the Taxpayer Advocate addressed inquiries in an average of 14 days from 8.7 days a year ago. Sixteen of the inquiries received took over 85 days to resolve, with the average time to resolve those 16 outliers reaching 115.9 days, driving the overall average up.
- The percentage of property transactions recorded online with the City Register increased by 9.1 percentage points to 69.1 percent, contributing to the decrease in the average time to record property documents, which improved from 1.9 days to 0.5 days. The Department's ongoing social media outreach program to its stakeholders has succeeded in encouraging online document submission.

## 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
★ Property taxes billed that are paid (%)	98.5%	98.6%	98.7%	97.0%	97.0%	NA	NA
– Paid on time (%)	95.3%	96.1%	97.1%	*	*	95.9%	95.9%
Average turnaround time for field audits (days)	NA	504	435	*	*	447	421
Average turnaround time for non-field audits (days)	NA	220	165	*	*	171	167
Increase in tax liability as a result of audits (%)	18.3%	25.8%	25.9%	*	*	19.9%	32.1%
Originally noticed properties sold in lien sale (%)	16%	14%	17%	*	*	NA	NA
Properties in final lien sale	4,228	3,461	3,939	*	*	NA	NA
★ Critical Indicator	"NA" Not Available	↕↔ Directional Target	* None				

**Goal 1b**

Promptly review requests for refunds.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
★ Average time to issue a property tax refund (days)	24	24	24	28	28	23	29
★ Average time to issue a business tax refund (days)	31	9	26	25	25	15	33
★ Critical Indicator	"NA" Not Available		↕ Directional Target	* None			

**SERVICE 2 Bill, adjudicate and collect on parking tickets.**

**Goal 2a**

Increase the proportion of parking tickets that are resolved.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Parking tickets resolved within 90 days (000)	8,374	8,813	8,472	*	*	2,690	2,287
★ Parking tickets issued that are paid within 90 days (%)	65.8%	66.8%	66.1%	65.0%	65.0%	65.4%	57.1%
Parking tickets issued that are dismissed within 90 days (%)	13.2%	12.9%	12.9%	*	*	13.0%	22.6%
★ Critical Indicator	"NA" Not Available		↕ Directional Target	* None			

**Goal 2b**

Assure that all respondents are offered convenient options for paying and challenging tickets.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Summonses adjudicated (000)	2,082	2,037	1,988	*	*	627	789
★ Parking ticket hearings - Total	1,041,841	978,447	978,574	*	*	307,316	375,353
– In-person hearings	236,097	220,221	216,695	*	*	67,678	79,327
– Hearings-by-mail	401,422	343,601	318,373	*	*	99,827	121,466
– Online hearings	404,322	414,625	443,506	*	*	139,811	174,560
Parking ticket "pay or dispute" app transactions	NA	NA	NA	*	*	NA	101,979
★ Average turnaround time for in-person parking ticket hearings (minutes)	19	14	12	25	25	13	11
★ Average turnaround time to issue decision for parking ticket hearing-by-web (days)	6.5	4.4	3.7	8.5	8.5	3.4	4.4
★ Average turnaround time to issue decision for parking ticket hearing-by-mail (days)	8.3	7.0	6.9	14.0	14.0	6.9	6.8
Parking ticket appeals reviewed	55,036	58,939	30,375	*	*	10,099	10,858
Parking ticket appeals granted a reversal (%)	14.0%	10.0%	21.0%	*	*	22.0%	22.8%
★ Critical Indicator	"NA" Not Available		↕ Directional Target	* None			

## SERVICE 3 Administer rent and property owner exemption programs.

Goal 3a Promptly review applications for exemption programs.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Senior Citizen Rent Increase Exemption (SCRIE) - Initial applications received	15,713	8,951	8,289	*	*	2,803	3,000
★ Average time to process initial SCRIE applications (days)	7.7	4.7	3.0	10.0	10.0	3.4	4.6
SCRIE renewal applications received	23,321	27,760	25,091	*	*	8,418	9,257
★ Average time to process renewal SCRIE applications (days)	8.9	6.9	5.2	10.0	10.0	6.1	8.9
Disability Rent Increase Exemption (DRIE) - Initial applications received	NA	2,594	2,143	*	*	756	604
★ Average time to process initial DRIE applications (days)	NA	7.5	3.4	10.0	10.0	3.8	5.9
DRIE renewal applications received	NA	5,816	6,141	*	*	1,947	2,314
★ Average time to process renewal DRIE applications (days)	NA	7.6	4.2	10.0	10.0	4.2	6.2
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None			

## SERVICE 4 Help NYC taxpayers resolve tax issues.

Goal 4a Through the Office of the Taxpayer Advocate, promptly address inquiries and resolve cases.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Inquiries received	NA	381	770	*	*	168	369
★ Average time to address inquiries (days)	NA	9.0	7.8	↓	↓	8.7	14.0
Cases opened	NA	194	308	*	*	111	97
Cases closed	NA	156	311	*	*	103	104
★ Average time to close a case (days)	NA	53.7	61.6	↓	↓	63.1	52.6
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None			

## SERVICE 5 Record property-related documents.

Goal 5a Increase the percentage of online property recording transactions.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Online property recording transactions (%)	NA	58.8%	63.1%	*	*	60.0%	69.1%
Average time to record and index property documents (days) - Citywide	3.8	3.4	1.1	*	*	1.9	0.5
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None			

## SERVICE 6 Serve and execute legal processes and mandates.

### Goal 6a

Increase the proportion of judgments, orders and warrants that are successfully served/executed.

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Arrest warrants successfully executed (%)	NA	81%	72%	*	*	74%	69%
Orders of Protection successfully served (%)	NA	58%	63%	*	*	63%	62%
Property seizure orders successfully executed (%)	NA	88%	83%	*	*	84%	80%
Child support orders successfully served (%)	NA	59%	62%	*	*	61%	65%
★ Critical Indicator    "NA" Not Available    ⇅ Directional Target    * None							

## AGENCY-WIDE MANAGEMENT

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Total revenue collected (\$000,000)	\$34,452	\$36,044	\$36,914	*	*	NA	NA
– Property taxes collected (\$000,000)	\$21,317	\$22,946	\$24,447	*	*	NA	NA
– Business taxes collected (\$000,000)	\$7,724	\$7,550	\$7,289	*	*	NA	NA
– Property transfer taxes collected (\$000,000)	\$2,920	\$3,008	\$2,501	*	*	NA	NA
– Parking summons revenue (\$000,000)	\$643	\$642	\$627	*	*	NA	NA
– Audit and enforcement revenue collected (\$000,000)	\$1,132	\$1,161	\$1,252	*	*	NA	NA
– Other revenue (\$000,000)	\$717	\$738	\$798	*	*	NA	NA
★ Critical Indicator    "NA" Not Available    ⇅ Directional Target    * None							

## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Customer Experience							
E-mails responded to in 14 days (%)	83%	71%	73%	85%	85%	68%	67%
Letters responded to in 14 days (%)	90%	87%	91%	85%	85%	90%	91%
Completed customer requests for interpretation	4,466	5,453	7,699	*	*	2,321	2,891
Average customer in-person wait time (minutes)	9	4	5	12	12	4	4
Calls answered by customer service representative (%)	NA	46%	80%	*	*	82%	87%
CORE customer experience rating (0-100)	93	81	96	90	90	NA	NA
★ Critical Indicator    "NA" Not Available    ⇅ Directional Target    * None							

## AGENCY RESOURCES

Resource Indicators	Actual			Sept. 2017 MMR Plan	Updated Plan	Plan	4-Month Actual	
	FY15	FY16	FY17	FY18	FY18 <sup>1</sup>	FY19 <sup>1</sup>	FY17	FY18
Expenditures (\$000,000) <sup>2</sup>	\$251.8	\$258.8	\$266.6	\$302.5	\$300.8	\$306.4	\$125.9	\$123.9
Revenues (\$000,000)	\$803.9	\$816.2	\$818.2	\$779.7	\$795.3	\$780.4	\$260.3	\$260.4
Personnel	1,916	1,954	2,016	2,261	2,298	2,310	1,925	1,943
Overtime paid (\$000)	\$1,709	\$2,699	\$3,519	\$1,332	\$1,259	\$1,332	\$947	\$935
<sup>1</sup> February 2018 Financial Plan <sup>2</sup> Expenditures include all funds    "NA" - Not Available								

# SPENDING AND BUDGET INFORMATION

Where possible, the relationship between an agency's goals and its expenditures and planned resources, by budgetary unit of appropriation (UA), is shown in the 'Applicable MMR Goals' column. Each relationship is not necessarily exhaustive or exclusive. Any one goal may be connected to multiple UAs, and any UA may be connected to multiple goals.

Unit of Appropriation	Expenditures FY17 <sup>1</sup> (\$000,000)	February 2018 Financial Plan FY18 <sup>2</sup> (\$000,000)	Applicable MMR Goals <sup>3</sup>
Personal Services - Total	\$154.0	\$160.1	
001 - Administration and Planning	\$42.3	\$43.2	All
002 - Operations	\$22.3	\$22.0	1b, 3a
003 - Property	\$26.7	\$29.0	1a, 1b, 5a
004 - Audit	\$27.4	\$28.6	1a, 1b
005 - Legal	\$6.5	\$6.7	1a, 1b, 2a
007 - Parking Violations Bureau	\$10.5	\$10.5	2a, 2b
009 - City Sheriff	\$18.1	\$20.0	1a, 2a, 6a
Other Than Personal Services - Total	\$112.7	\$140.8	
011 - Administration	\$60.5	\$71.8	All
022 - Operations	\$30.2	\$35.4	1b, 3a
033 - Property	\$1.9	\$3.8	1a, 1b, 5a
044 - Audit	\$0.6	\$0.9	1a, 1b
055 - Legal	\$0.1	\$0.1	1a, 1b, 2a
077 - Parking Violations Bureau	\$0.8	\$1.4	2a, 2b
099 - City Sheriff	\$18.5	\$20.2	1a, 2a, 6a
200 - Election Reform	NA <sup>4</sup>	\$7.0	NA
Agency Total	\$266.6	\$300.8	

<sup>1</sup>Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017. Includes all funds. of chapter. <sup>4</sup>This UA originated in Fiscal 2018. <sup>2</sup>Includes all funds. <sup>3</sup>Refer to agency goals listed at front of chapter.

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- The Department's Fiscal 2018 Preliminary Mayor's Management Report includes several changes, including the addition of a new service on the work of the Sheriff's Office, 'Serve and execute legal processes and mandates,' with a corresponding goal and four metrics—'Arrest warrants successfully executed (%)', 'Orders of Protection successfully served (%)', 'Property seizure orders successfully executed (%)' and 'Child support orders successfully served (%).'
- DOF added the indicator 'Properties in final lien sale' to complement the existing lien sale metrics, and replaced the indicator 'Average turnaround time for audits (days)' with indicators that report on the average turnaround time by audit type, field audit and non-field audit.
- The Department will no longer report data for the indicator 'Tickets paid before penalty assessed' and added an indicator on the usage of its new "Pay or dispute" mobile app that enables motorists to pay parking ticket fines or initiate the dispute process via the app.
- DOF updated Fiscal 2017 data for the three metrics that report on parking ticket resolution within 90 days as well as four-month data for the percent upheld.
- DOF also added a customer service indicator on the number of calls made to its call center that were answered by an agency representative as a percent of incoming calls.

## ADDITIONAL RESOURCES

For additional information on items referenced in the narrative, go to:

- NYC Rent Freeze Program:  
[www.nyc.gov/rentfreeze](http://www.nyc.gov/rentfreeze)

For more information on the agency, please visit: [www.nyc.gov/dof](http://www.nyc.gov/dof).

